



AFRICAN DEVELOPMENT FUND

PROJECT : TRANSPORT FACILITATION PROGRAMME ON THE DOUALA-BANGUI AND DOUALA-NDJAMENA CORRIDORS

COUNTRY : CENTRAL AFRICAN REPUBLIC

PROPOSAL TO AWARD A SUPPLEMENTARY ADF GRANT TO THE CENTRAL AFRICAN REPUBLIC

Date : June 2012

APPRAISAL REPORT

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CURRENCY EQUIVALENTS

At initial appraisal of the Programme (July 2007)	UA1 = CFA.F 749.293
At appraisal of additional grant (February 2012)	UA1 = CFA.F 772.193

FISCAL YEAR

1st January – 31st December

WEIGHTS AND MEASURES

1 kilogramme (kg)	=	2.205 lbs
1 metre (m)	=	3.25 feet (ft)
1 kilometre (km)	=	0.621 mile
1 square kilometre (km ²)	=	0.3861 sq mile
1 hectare (ha)	=	2.471 acres

ACRONYMS AND ABBREVIATIONS

AFD	:	French Development Fund
ADB	:	African Development Bank
CEMAC	:	Central African Economic and Monetary Community
UNCTAD	:	United Nations Conference on Trade and Development
DGEPC	:	General Directorate of Studies, Planning and Control in the Central African Republic
DATIT	:	Department of Territorial Development, Infrastructure and Transport at the CEMAC Commission
ADF	:	African Development Fund
CFAF	:	Franc of the <i>Communauté financière d'Afrique</i>
FODEC	:	Community Development Fund
GENIS	:	Maintenance Management by Level of Service
IDA	:	International Development Association
IRI	:	International Roughness index
METPD	:	Ministry of Equipment, Public Works and Highways in the Central African Republic
MINTP	:	Ministry of Public Works in Cameroon
MIE	:	Ministry of Infrastructure and Equipment in Chad
PAD	:	Douala Autonomous Port
PDCT-AC	:	Central African Consensual Transport Master Plan
SYDONIA	:	Computerised Customs System
TCI	:	Community Integration Tax
CET	:	Common External Tariff
TIPAC	:	Inter-State Transit Agreement for Central African Countries
TK	:	Tonne-kilometre
IRR	:	Internal rate of return
UDEAC	:	Central African Customs and Economic Union
EU	:	European Union
Veh/d	:	Vehicles per day
PA	:	Direct programme area

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Logical Framework of the Updated Results-Based Programme

CEMAC / REPUBLIC OF CAMEROON / CENTRAL AFRICAN REPUBLIC / REPUBLIC OF CHAD						
Programme goal: Contribute to expansion of intra-community and foreign trade of the CEMAC area.						
RESULTS CHAIN		PERFORMANCE INDICATORS			MEANS OF VERIFICATION	RISKS/ MITIGATIVE MEASURES
		Indicator (including ISCs)	Baseline Situation	Target		
IMPACT	Intra-community trade and foreign trade are facilitated and expanded	(i) Percentage of intra-community and foreign trade of hinterland countries; (ii) Degree of interconnection of customs data systems within the CEMAC area	(i) 5% in 2006 (ii) No interconnection of national SYDONIA customs computer systems within CEMAC	(i) 15% in 2015 (ii) in 2015: SYDONIA is installed, interconnected and operational in the customs departments of CEMAC area countries	ECCAS, CEMAC and BEAC statistics and those prepared by member countries	
EFFECTS	Improved efficiency of the transport logistics chain including the level of road infrastructure and railway services as well as accessibility along the Douala-Bangui and Douala-Ndjamena corridors	1. Degree of SYDONIA interconnection between the customs departments of Cameroon, Central African Republic and Chad; (ii) number of customs operations processed manually by the customs departments of these three countries; (iii) rate of increase of FODEC resources 2. Amount of time devoted to removal or loading of goods at Douala port, territorial transit and customs formalities at the borders of the three countries; (ii) number of checkpoints along the corridors; (iii) increase in the average turnaround of lorries involved in transit transport on the two corridors 3. Percentage of road segments that are in poor condition along the corridors; (ii) number of axle load weighing stations operational along the two corridors; (iii) distance covered on foot to fetch water in the area; (iv) walking distance.	1. In 2006: (i) no interconnection or upgrade of SYDONIA customs systems in the three countries; (ii) some customs operations in the three countries are processed manually; (iii) 50% of TCI revenue collected and 0% effectively disbursed to FODEC. In 2006: (i) port transit time for the main importers and transit time between removal from Douala Port and arrival at Bangui or Ndjamena is 28 to 30 days; (ii) many checkpoints along the corridors. In 2006: (i) 37% of roads along the two corridors are in poor condition; (ii) number of weighing stations operational on both corridors is 3; (iii) the average walking distance to fetch water is 5 km and the average motorable road distance is above 2 km in the villages situated in the programme area between Bouar and Garoua Boulai in the Central African Republic	In 2015: (i) SYDONIA customs systems of the three countries is upgraded and interconnected; (ii) manual processing of customs operations in the three countries is stopped; (iii) 100% of TCI revenue collected and 25% of TCI revenue is effectively paid to FODEC. In 2015: (i) port transit time for the main importers and transit time between removal from Douala Port and arrival at Bangui or Ndjamena is reduced by 20%; (ii) abolition of checkpoints for sealed goods (except at the borders and in weighing stations). By 2015: (i) percentage of roads in poor condition along the two corridors declines from 37% in 2006 to 14%; (ii) number of weighing stations operational on both corridors is at least 20; (iii) the average walking distance to fetch water declines to 2.5 km; (iv) the motorable road distance is limited to 2 km in the villages situated in the programme area between Bouar and Garoua Boulai in the Central African Republic	<u>Sources:</u> General Directorates of Customs in CEMAC countries; MINTP, PAD and CAMRAIL in Cameroon; MIE in Chad and METPD in Central African Republic, CEMAC; education, social affairs and health ministries of the three countries. <u>Methods:</u> Statistics prepared, surveys on the corridor	<u>Risks:</u> (i) opposition to customs reforms and facilitation measures; (ii) reduction of rate for the fuel tax which provides most of the financial resources for road maintenance in order to avoid passing on the steady oil price hike to filling station customers. <u>Mitigative measures:</u> (i) harmonization of customs information systems and road control measures; (ii) undertaking to honour commitments to donors

RESULTS CHAIN	PERFORMANCE INDICATORS			MEANS OF VERIFICATION	RISKS/ MITIGATIVE MEASURES	
	Indicator (including ISCs)	Baseline Situation	Target			
OUTPUTS	Output 1: Road or railway works	Percentage of corridor roads developed, paved and/or rehabilitated or maintained.	<p><u>In 2006</u></p> <p>Cameroon: The following are in very poor condition: (i) earth roads comprising 259 km from Garoua-Boulai to Ngaoundere, 6 km from the Kousséri bypass to the Chadian border, and 9.26 km of the Nandéké-Meidougou and Meiganga connecting roads; (ii) paved roads comprising 333 km of the Ngaoundere-Garoua-Figuil roads; and (iii) 125 km of railroads from Batchenga to Ka'a as well as a significant number of passenger coaches</p> <p>Central African Republic: 155 km (Garoua Boulai –Bouar) of non-motorable earth road; 100 km of paved roads from Bouar to Bangui are in poor condition</p> <p>Chad: (i) Walia – N'Guéli (6 km) single-lane road; (ii) N'Guéli bridge over the Logone is in poor condition; (iii) Walia and Guelendeng junction road connection as a single lane; (iv) Connecting roads to <i>Unité</i> bridge are unpaved; (iv) 592 km of roads (Njaména-Touborou) are in poor condition;</p>	<p><u>In 2015</u></p> <p>Cameroon: (i) the road segments between Garoua-Boulai & Ngaoundere (253 km) including the Kousséri bypass (6 km) and the Nandéké-Meidougou (7,813 km) and Meiganga (1,447 km) connecting roads are rehabilitated and paved; (ii) 333 km of the Ngaoundere-Garoua-Figuil road are rehabilitated; and (iii) 125 km of railroads between Batchenga & Ka'a renewed and 6 coaches procured.</p> <p>Central African Republic: 155 km (Garoua Boulai –Bouar) developed and paved; 100 km of roads rehabilitated (Bouar-Bangui) and electricity supply works for the SCP to be constructed at the border between Cameroon and the Central African Republic</p> <p>Chad: (i) 6 km of the Walia – N'Guéli road transformed into 2 lanes; (ii) new bridge constructed at N'Guéli (230 ml) and the current bridge rehabilitated (223 ml); (iii) 0.4 km of the link between Walia and Guelendeng intersections transformed into a dual lane; (iii) 1 km of the connecting roads to the <i>Unité</i> bridge paved with bituminous concrete; 592 km of roads (Njaména-Touborou) maintained</p>	Appraisal/supervision/progress/monitoring-evaluation/audit/ completion/ impact study reports	<p>Risks: (i) difficulties in coordinating donors and various stakeholders and in enforcing their commitment to complete the programme; (ii) limited capacity of the Executing Agencies in the 3 countries and in CEMAC to manage the programme; (iii) programme cost overrun after launching of invitations to bid (iv) difficulties for the Central African Republic, a post-conflict country, to raise counterpart funds for the programme.</p> <p>Mitigative measures: (i) Joint programme launching and supervision missions organised by donors; (ii) the Bank (a) approved the procurement of accounting software and the recruitment of an individual accounting consultant to help CEMAC with its accounting organisation and thus ensure the validation of audit reports of programme activities managed by CEMAC and the Central African Republic; (b) after completion of technical assistance services, the Bank is currently examining ways of prolonging the assistance through the recruitment of two individual consultants, until CEMAC completes its staff recruitment process,, particularly an engineer and transport economist; (iii) mobilisation of additional WB financing; (iv) additional ADF grant reduces the CAR's contribution to ADF-funded components from 11.15% to 2%.</p>

RESULTS CHAIN	PERFORMANCE INDICATORS			MEANS OF VERIFICATION	RISKS/ MITIGATIVE MEASURES
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<p>Outcome 2 – Related works</p> <p>2.1 Development of rural roads;</p> <p>2.2 Rehabilitation and development of social infrastructure (school fences, health centres; latrines; construction of markets, parking lots and drying yards; boreholes, watering points);</p> <p>2.3 Supply of processing equipment to women's groups.</p>	<p>Number of socio-economic infrastructure rehabilitated or developed</p>	<p>In 2006</p> <p>In Cameroon: The following are in very poor condition: (i) feeder roads connecting to the main road; (ii) social and market infrastructure. Farm produce is dried on road shoulders.</p> <p>In the Central African Republic: The following are in very poor condition: (i) feeder roads connected to the main road; (ii) social and market infrastructure. Farm produce is dried on road shoulders.</p> <p>In Chad: The following are in very poor condition and close to the road: (i) social and market infrastructure. Cattle pens at the border are unsanitary.</p>	<p>In Cameroon: (i) 75 km of feeder roads, 8 boreholes, 2 market infrastructure, 60 farm produce drying yards and parking lots along the road developed; (ii) 12 schools fenced, rehabilitated and equipped with table-benches units ; (iii) 32 lots of farm produce processing and transport equipment supplied to women's groups.</p> <p>In the Central African Republic: (i) 75 km of feeder roads developed, 9 classrooms rehabilitated, 1 market shed constructed, 6 boreholes and 25 farm produce drying yards developed; (ii) 15 lots of small farm produce processing equipment supplied and installed.</p> <p>In Chad: 12 classrooms rehabilitated and equipped with table-benches and head-teachers' tables; fence, latrine and boreholes for the Walia primary school; 2 market sheds, 1 borehole and 1 resting point (pen) for bonded cattle developed at Nguéli, and 4 lots of small equipment for processing farm produce supplied and installed.</p>	<p>Appraisal/supervision/progress/monitoring-evaluation/audit/ completion/ impact assessment reports</p>	
<p>Output 3: Support to transport and regional trade facilitation and to the transport sector</p>	<p>(i) Number of project final design dossiers submitted;</p> <p>Type of equipment installed for radio monitoring of cargo;</p> <p>Amount of equipment and software supplied, number of persons trained to use the equipment and to manage the Customs Union; Amount of equipment installed at the intermodal interfaces;</p> <p>Amount of equipment provided to the DRs and DATIT/CEMAC for monitoring of the programme.</p>	<p>In 2006: Non-existent, incomplete or dated studies in the CEMAC area on: (i) road transport costs; (ii) single border control posts; (iii) cargo monitoring and radio communication systems; (iv) axle load control; and (v) inter-State road transit regime.</p> <p>In 2006, DATIT/CEMAC did not have the necessary equipment for effective monitoring of programme execution.</p>	<p>In 2012: Studies are available on: (i) road transport costs; (ii) single border control posts; (iii) cargo monitoring and radio communication systems; (iv) axle load control; and (v) inter-State road transit regime.</p> <p>In 2012, DATIT/CEMAC has the necessary human resources and equipment for implementing its regional transport programme</p>	<p>Appraisal/supervision/progress/monitoring-evaluation/audit/ completion/ impact study reports</p>	
<p>Output 4: Support to the transport sector</p>	<p>Number of persons sensitized to the operation and use of the corridor;</p> <p>Number of participants in seminars and corridor management case study trips;</p> <p>Corridor management committee operational;</p> <p>Number of coordinators, project officers and CTM members,</p>	<p>User ignorance of corridor operational and utilization conditions;</p> <p>No information on corridor management methods for road sub-sector officials in the 3 countries;</p> <p>No operational Corridor Management Committees;</p> <p>Coordinators, project officers and CTM members not appointed.</p>	<p>Transporters and corridor users sensitized to corridor operation and usage conditions;</p> <p>Road sub-sector officials in the 3 countries educated on corridor management methods through study trips;</p> <p>Corridor management committees operational;</p> <p>Coordinators, project officers and CTM members are appointed</p>		

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Output 5: Institutional support & project management	Number of monitoring/evaluation and audit reports produced; Number of technical assistance person-months made available to DATIT/CEMAC.																																																															
KEY ACTIVITIES	COMPONENTS			RESOURCES																																																												
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EXECUTIVE SUMMARY

1. To contribute to the financing of the Transport Facilitation Programme along the Douala-Bangui and Douala-Ndjamena Corridors (PFT-DLA-BNG-NDJ), the Bank on 05/07/2007 approved the award of a sum of UA 108.8 million under ADF-10, broken down as follows: a loan of UA 48 million to Cameroon, a grant of UA 27.8 million to the Central African Republic, a grant of UA 19 million to Chad and grant of 14 million to CEMAC. The initial programme cost estimated was UA 409.32 million. The other donors are the EU, IDA, AFD, private sector partners (PAD, Camrail, transporters), the Governments of Cameroon, the Central African Republic and Chad and the CEMAC Commission. The World Bank operates in the Central African Republic, Cameroon and Chad; the EU operates in the Central African Republic and Cameroon, and the AFD operates in Cameroon. The Bank's contribution comes exclusively from the ADF regional budget.
2. The CAR programme component comprises development and paving works on the 154 km Bouar-Garoua Boulai road segment, the construction/rehabilitation of social and market infrastructure and transport facilitation. The road works have been divided into 3 lots respectively financed by the EU (Lot 1 - 73 km), the World Bank (Lot 2 - 27 km) and the African Development Fund (ADF) and the Central African Republic (Lot 3 - 54 km). Since the resources available after the first invitations to bid were not sufficient to finance the total cost of works, the works were reallocated (40 km for the EU lot, 47 km for the ADF lot and 67 km for the WB lot) and the World Bank awarded an additional grant to the Central African Republic. Hence, new invitations to bid were launched that led to the signature of works contracts for each of the three lots.
3. Construction works along the ADF-funded Baboua-Garoua Boulai road segment, which are 85% executed to date, have almost come to a halt due to insufficient ADF resources and the CAR's difficulties in raising counterpart funds. In April 2011, the Bank commissioned an independent technical assessment which determined that additional financing of CFAF 3.195 billion or UA 4.2 million was needed owing to: (i) an increased volume of works; (ii) the impact of market price revision; (iii) additional works to connect the single border checkpoint sited at Béloko to the project road and to the electric power grid; and (iv) difficulties in raising counterpart funds that have hampered completion of the remaining 15% of works. By Letter No. 4695/2011/MPE/DIRCAB of 21 December 2011, the CAR Government applied to the Bank for additional financing to complete the remaining works and execute additional works needed to obtain 154 km of quality paved roads by 2013.
4. The proposed additional financing satisfies the general and specific conditions set out in Bank Group's policies and procedures on additional funding (ref. ADF/BD/WP/97/90 of 11 August 1997). Indeed (i) the Project cannot meet its objectives without additional Bank intervention; (ii) the Central African Republic, which is a fragile State, cannot meet its financing needs despite the efforts it makes; and (iii) 85% of the works have been executed and can therefore be completed within a relatively short time, to generate positive effects on the borrower countries. Programme execution will boost cooperation and regional economic integration by reducing non-tariff barriers and "invisible" costs. The updated programme is justified from the technical, economic, environmental and social standpoints.
5. It is recommended that the ADF award a supplementary grant, not exceeding UA 4.2 million, to the Government of the Central African Republic to execute all the works in the Central African Republic for which ADF funding has been requested under this programme.

1 PROGRAMME ORIGIN AND BACKGROUND

1.1. In a bid to boost their economic integration, Central African states set up the Central African Economic and Monetary Community (CEMAC) in 1999. To meet the objectives, assigned it, CEMAC designed a Road Network Integration Programme (PRRI) and a Transport and Transit Facilitation Programme (PRFTT) submitted in Jun 2004 to financial partners who proposed the institution of a Pilot Programme on the Douala-Ndjamenana and Douala-Bangui Corridors.

1.2. In response to a joint request from the Governments of Cameroon, the Central African Republic and Chad as well as the CEMAC Commission, the Bank organised a joint mission with the World Bank in February 2006 to prepare the programme for facilitation of transport on the Douala-Bangui and Douala-Ndjamenana corridors (PFT-DLA-BNG-NDJ). In 2006, the Bank conducted an appraisal of the programme and on 05/07/2007, the ADF approved a loan of UA 48 million for the Republic of Cameroon and 3 grants totalling UA 60.80 million for the CEMAC Commission (UA 14 million), the Central African Republic (UA 27.80 million) and the Republic of Chad (UA 19 million). The loan and grants were to finance the PFT-DLA-BNG-NDJ whose total cost estimate at programme appraisal was UA 409.32 million. The other co-financiers are the EU, the World Bank and the AFD. Since programme approval, ADF-funded activities in the 3 countries have been conducted satisfactorily and should be completed by the end of 2012. However, there has been a significant time overrun in the execution of components financed with the ADF grant to CEMAC.

1.3. Works in the Central African Republic were planned in separate tranches and lots. Besides, the World Bank provided additional funding to cover the financing gaps noted after the first tender invitations. Nonetheless, a technical audit of works conducted by the Bank in April 2011 revealed an additional financing gap of CFA.F 3.195 billion (UA 4.2 million) due to: (i) an increased volume of works; (ii) the impact of price revisions following fluctuations caused by input price hikes; (iii) additional works to connect the single border checkpoint in B eloko to the project road and the electric power grid; and (iv) difficulties in raising counterpart funds that have hampered completion of the residual 15% of works.

1.4. Hence, in December 2011, the CAR Government requested the Bank to award an additional grant from its ADF-12 country allocation. Its preference for this mechanism, despite the regional character of the Programme, stems from the urgency of the activities to be financed, given the level of programme execution in the field. This option is consistent with ADF-12 policy for regional operations and with the Joint Country Partnership Strategy Paper (CPSP) for 2009-2012 prepared by the African Development Bank Group and the World Bank.

2 INITIAL PROGRAMME

2.1 Programme Objectives and Description

Programme Objectives

2.1.1 The programme seeks to contribute to the expansion of the intra-community and foreign trade of the CEMAC region . More specifically, the programme goal is to improve the efficiency of the transport logistical chain, including road infrastructure, the railroad and accessibility along the Douala-Ndjamenana and Douala-Bangui corridors.

Programme Description

2.1.2 **The initial components are described as follows:**

A - **Road Development and/or Rehabilitation. In Cameroon:** (a) improvement of road safety on the 240 km Douala-Yaounde road; (b) development and paving of segments along the Garoua Boulai-Ngaoundere road (253 km), the Kousseri by-pass (6km) and 12 km of roads comprising 7 km in Meiganga and 5 km in Garoua Boulai; (c) repair of critical portions on the 275 km Ngaoundere-Garoua road; and (d) rehabilitation of the 93 km Garoua-Figuil road segment. **In the Central African Republic:** (a) development and asphaltting of 154 km of road segments between Bouar and Garoua Boulai; (b) maintenance on the Bangui-Bouar road segment; and (c) rehabilitation study on the Bouar-Baoro segment. **In Chad:** (a) construction of a dual lane 230 ml bridge over River Logone on the Cameroon-Chad border; (b) expansion of 6 km of road between Ngueli and Walia into a 2x2 lane highway; (c) reinforcement of 0.5 km of road between Walia Junction and the new Ndjamen bridge; (d) maintenance of the 592 km Ndjamen-Touboro road under a GENIS contract. **In the three countries:** (a) works control and supervision; (b) community awareness-raising on HIV/AIDS, malaria, road safety and environmental protection; (c) compensation of persons affected by the programme.

B - **Railroad Rehabilitation in Cameroon:** 125 km of railroad renewed between Batchenga and Ka'a and 6 passenger coaches procured;

C - **Related Developments in the Three Countries:** (a) 150 km of feeder roads, 5 market sheds, 115 drying yards for farm produce, 15 boreholes for water supply and 1 cattle resting point and rest areas for drivers developed; (b) 42 schools fenced and classrooms rehabilitated in the three countries; and (c) 51 lots of small equipment for processing and transport of farm produce procured and installed.

D - **Transport Facilitation:** (a) customs capacity-building through upgrading and interconnection of the customs information systems of CEMAC countries; (b) conduct of feasibility studies for transport stations in Ndjamen (Chad), Bouar (Central African Republic) and Ngaoundere (Cameroon); (c) construction and equipping of single border checkpoints; and (d) installation of a cargo monitoring and radio communication system as well as axle load weighing stations.

E - **Programme Management:** (a) technical assistance to CEMAC and MED in the Central African Republic; (b) audit and monitoring/evaluation of programme impact; and (c) equipping and functioning of executing agencies.

2.2 Initial Cost, Financing Plan and Financing Conditions of the Programme

Initial Cost of the Entire Programme

2.2.1 The initial cost estimate, net of taxes and customs duties, for the whole programme is UA 409.32 million, comprising UA 323.52 million in foreign exchange and UA 85.8 million in local currency. The cost estimate of components proposed for ADF financing was UA 124.22 million, comprising UA 96.6 million in foreign exchange and UA 27.62 million in local currency.

Initial Programme Costs in the Central African Republic

2.2.2 The initial cost estimate, net of taxes and customs duties for the whole programme in the Central African Republic was UA 90.43 million, comprising UA 72.07 million in foreign exchange and UA 18.36 million in local currency. The cost estimate for components initially proposed for ADF financing was UA 27.8 million.

Table 2.1 Summary of Initial Cost Estimates by Component for the Entire Programme in the CAR

COMPONENTS	CFA.F Million			UA million		
	F.E.	L.C	Total	F.E.	L.C	Total
A – Road Development, Rehabilitation and Maintenance	42 711.73	10 891.73	53 603.46	57.00	14.54	71.54
B – Improvement of Railway Services	0.00	0.00	0.00			0.00
C – Related Development Works	629.60	157.40	787.00	0.84	0.21	1.05
D – Transport Facilitation	127.17	31.79	158.96	0.17	0.04	0.21
E – Institutional Support, Programme Management and Monitoring	1 953.42	488.36	2 441.78	2.61	0.65	3.26
Baseline Cost	45 421.92	11 569.28	56 991.21	60.62	15.44	76.06
Physical Contingencies	4 512.31	1 149.46	5 661.77	6.02	1.53	7.56
Price Contingency	4 068.74	1 036.21	5 104.95	5.43	1.38	6.81
TOTAL COST	54 002.98	13 754.95	67 757.93	72.07	18.36	90.43

Initial General Financing Plan

2.2.3 Table 2.2 below presents the financing plan for the whole programme, by source, including the ADF contribution.

Table 2.2 Financing Sources for the Entire Initial Programme (in UA million)

Source	Foreign exchange	Local currency	Total	%
ADF LOAN	43.10	4.90	48.00	11.73%
ADF GRANT	53.50	7.30	60.80	14.85%
CEMAC		1.61	1.61	0.39%
IDA	94.09	21.03	115.12	28.12%
EU	104.11	26.03	130.14	31.79%
AFD	28.71	6.30	35.02	8.55%
PRIVATE		4.12	4.12	1.01%
Cameroon Gov't		8.08	8.08	1.97%
Chad Gov't		2.95	2.95	0.72%
CAR Gov't		3.49	3.49	0.85%
Total	323.52	85.80	409.32	100%

Initial Programme Financing Plan for CAR

2.2.4 The programme financing plan by source in the Central African Republic, including the ADF contribution, is presented in Table 2.3 below.

Table 2.3 Financing Sources for the Entire Initial Programme in the CAR (in UA million)

Source	Foreign exchange	Local currency	Total	%
ADF GRANT	22.24	5.56	27.80	30.74%
IDA GRANT	13.76	2.19	15.95	17.64%
EU GRANT	36.07	7.31	43.38	47.97%
CAR Gov't		3.30	3.30	3.65%
Total	72.07	18.36	90.43	100.00%

2.3 Programme Implementation Status

Fulfilment of Conditions Governing ADF Grants and Loan to the Programme

2.3.1 The agreement for the loan to Cameroon was signed on 22/02/2008 and that for the grants were signed on 29/02/2008. The ADF grants became effective on the date of signature of the relevant Protocol Agreements and the conditions precedent to first disbursement were

fulfilled on 03/09/2008 for the CEMAC Commission, on 21/10/2009 for the Central African Republic, and on 03/06/2009 for Chad. The ADF loan to Cameroon became effective on 06/10/2008 and the conditions precedent to first disbursement were fulfilled on 11/11/2009. The “Other Conditions” have been satisfactorily fulfilled, except those applicable to the grant awarded to the CEMAC Commission. Indeed, CEMAC: (i) has not yet recruited the two experts needed to consolidate the staff in the Department of Infrastructure and Transport, a situation that has caused considerable slippage of the schedule of activities managed by CEMAC; (ii) has made substantial efforts to get Cameroon and the Central African Republic to agree on a site for the Single Checkpoint to be constructed on their border, given the border dispute between the two countries; and (iii) has often experienced delays in raising its counterpart funds.

Execution of ADF-funded Components

2.3.2 Programme components financed by the ADF and currently implemented in the three countries (Cameroon, Central African Republic and Chad) essentially concern works. The facilitation component has been entrusted to CEMAC which is also responsible for general programme coordination. The implementation rate for ADF-funded works in the three countries ranges from 75% to 90%. The disbursement rates are 65.98% for the loan to Cameroon, 62.26% for the grant to the Central African Republic, 64.23% for the grant to Chad and 9.05% for the grant to CEMAC. In the Central African Republic in particular, construction works on the ADF-funded Baboua-Garoua Boulai road segment, 85% executed to date, have almost come to a halt due to insufficient ADF resources and the CAR’s difficulties in raising counterpart funds.

2.3.3 Only 9% of ADF grant resources to CEMAC have been consumed so far, at 11 months to the completion date. A CEMAC request is under consideration at the Bank for extension of the ADF grant to CEMAC to 31/12/2015, with the programme closing date currently set for 31/12/2012. The programme’s last supervision mission in November 2011 identified the measures needed to address the problems encountered by CEMAC. Hence, the Bank: (i) provided support for the recruitment of an accountant for a two-month period and the procurement of accounting software to help CEMAC organize its project accounting efficiently and thus validate the audit reports produced; (ii) envisages financing two individual consultants to help DATIT for 6 months, until the two experts being recruited by CEMAC have been mobilised. Accordingly, the bidding document for construction of the single checkpoint (SCP) at Kousseri was submitted to the Bank for its “no objection” and the tender invitation for related works should be launched before June 2012. Similarly, close consultation has been initiated for control of construction works on the Kousseri SCP.

Status of Components Financed by Other Donors

2.3.4 **In the Central African Republic**, works financed by other donors (EU and WB) along the Garoua Boulai-Bouar highway are about 75% completed, for WB lots and 85%, for the EU lot. At this rate, the highway should be fully paved by June 2013. Besides, the study on the Bouar-Baoro segment and maintenance works on the Baoro-Bossem-télé-Bangui segment are proceeding normally.

2.3.5 On the Garoua Boulai-Ngaoundéré highway in Cameroon, EU-funded works are at the excavation and civil engineering stage, while IDA-funded works have been 60% executed. Contracts for the development of the East entrance/exit (towards Yaounde), financed by the AFD, should be signed in the 2nd quarter of 2012. Development works have effectively commenced on the Ngaoundere-Garoua segment while contracts on the Dabanga-Kousseri segment and the Kousseri bypass are at the validation/signature stage. The EU cancelled its financing of construction works on the single checkpoint (SCP) at Toubouro on the Chad-Cameroon border because the contractor was slow. The same was the case for the construction

of the SCP on the Cameroon-CAR border because a border dispute between the two countries hampered agreement on a site for the facility. A new site has just been selected for the checkpoint on CAR territory and CEMAC is striving to raise funds for the works from its own budget. Overall, more than 80% of the road and railway networks on the Douala-Bangui and Douala-Ndjamena corridors should be in good condition by 2013 and this will significantly enhance transport and transit facilitation among the 3 countries.

3 PROGRAMME RE-APPRAISAL

3.1 Rationale for the Additional Grant

3.1.1 The programme, as designed, should contribute to the attainment of these objectives by: (i) cutting overall transport costs; and (ii) improving the mobility of production factors and adopting incentives that boost production. Hence, the programme is consistent with the Bank's vision, the PRSPs and the CSPs of the three countries as well as key NEPAD priorities that seek to generate economies of scale through large integrated operations.

3.1.2 Since programme approval, the ADF-financed activities in the 3 countries have been conducted satisfactorily and should be completed by the end of 2012. However, in the Central African Republic, an additional financing gap of UA 4.2 million was noted during the execution of ADF-funded components. The works underway in the Central African Republic, whose contract execution period will run out at the end of June 2012, can be satisfactorily completed only if additional resources are provided to offset this financing gap. Hence, on 12 January 2012, the CAR Government applied to the Bank for an additional grant from its ADF-12 country allocation. This CAR Government request is consistent with ADF-12 policy for regional operations and with the Joint Country Partnership Strategy Paper (CPSP) for 2009-2012 prepared by the African Development Bank Group and the World Bank Group.

3.1.3 The purpose of the proposed additional grant is to fill this financing gap in order to address: (i) the increased volume of works; (ii) the impact of contract price escalations; (iii) additional works to connect the single border checkpoint to be set up in Béloko to the project road and to the electric power grid; and (iv) the 15% of works remaining as a result of difficulties in raising counterpart funds.

3.2 Objectives and Description

3.2.1 There are no changes in the programme's sector and specific objectives whose costs have been updated. However, the initial goal-oriented logical framework has been redesigned to transform it into a results-based logical framework. Besides, given the additional financing provided by the World Bank, activity implementation rates were reviewed. This additional grant does not modify the initial components of the Programme.

3.3 Re-appraisal of Programme Cost and Financing Plan

3.3.1 The updated cost of the whole programme, net of taxes and customs duties, is UA 651.95 million. This updated cost includes additional financing from the Bank, other donors and governments. Re-appraised costs by component for the whole programme and the ADF programme (ADF, CEMAC, Gov'ts) are presented in Tables 3.1 and 3.2 below.

Table 3.1 Summary of Initial Cost Estimates Re-appraised by Component for the Entire Programme

COMPONENTS	CFA.F Million			UA million		
	F.E.	L.C	Total	Foreign exchange	L.C	Total
A – Road Development, Rehabilitation and Maintenance	279 230.64	71 694.43	350 925.07	372.66	95.68	468.34
B – Improvement of Railway Services	21 743.86	5 435.97	27 179.83	29.02	7.25	36.27
C – Related Development Works	2 748.32	687.08	3 435.40	3.67	0.92	4.58
D – Transport Facilitation	16 363.13	4 576.78	20 939.91	21.84	6.11	27.95
E – Institutional Support, Programme Management and Monitoring	6 181.07	2 202.01	8 383.08	8.25	2.94	11.19
Baseline Cost	326 267.02	84 596.27	410 863.29	435.43	112.90	548.33
Physical Contingencies	32 626.70	8 459.63	41 086.33	43.54	11.29	54.83
Price Escalation	29 027.97	7 526.53	36 554.50	38.74	10.04	48.79
TOTAL COST	387 921.70	100 582.42	488 504.12	517.72	134.24	651.95

Table 3.2 Summary of Re-appraised Costs by Programme Component in the CAR

COMPONENTS	CFA.F Million			UA million		
	F.E.	L.C	Total	F.E.	L.C	Total
A – Road Development, Rehabilitation and Maintenance	64 679.53	16 383.68	81 063.21	86.32	21.87	108.19
B – Improvement of Railway Services	0.00	0.00	0.00	0.00	0.00	0.00
C – Related Development Works	629.60	157.40	787.00	0.84	0.21	1.05
D – Transport Facilitation	127.17	31.79	158.96	0.17	0.04	0.21
E – Institutional Support, Programme Management and Monitoring	1 953.42	488.36	2 441.78	2.61	0.65	3.26
Baseline Cost	67 389.72	17 061.23	84 450.95	89.94	22.77	112.71
Physical Contingencies	6 289.11	1 593.66	7 882.76	8.39	2.13	10.52
Price Escalation	6 019.22	1 523.83	7 543.05	8.03	2.03	10.07
TOTAL COST	79 698.05	20 178.71	99 876.77	106.36	26.93	133.29

3.4 Overall Financing Plan

3.4.1 The re-appraised financing plan by source for the whole programme is presented in Table 3.3 below.

Table 3.3 Re-appraised Financing Plan for the Entire Programme (in UA million)

Source	Foreign exchange	Local currency	Total	%
ADF LOAN	43.10	4.90	48.00	7.36%
ADF GRANT	54.84	10.16	65.00	9.97%
CEMAC		1.61	1.61	0.25%
IDA	288.91	73.20	362.12	55.54%
EU	117.36	25.88	143.24	21.97%
AFD	7.70	1.05	8.75	1.34%
PRIVATE		4.12	4.12	0.63%
Cameroon Gov't		8.08	8.08	1.24%
Chad Gov't	5.79	4.33	10.12	1.55%
CAR Gov't		0.91	0.91	0.14%
Total	517.71	134.24	651.95	100%

3.5 Programme Financing Plan for Central African Republic

3.5.1 The re-appraised financing plan by source for the programme in the Central African Republic is presented in Table 3.4 below.

Table 3.4 Re-appraised Financing Plan for the Programme in CAR (in UA million)

Source	Foreign exchange	Local currency	Total	%
ADF GRANT	25.60	6.40	32.00	24.01%
IDA	46.06	11.11	57.17	42.89%
EU	34.70	8.68	43.38	32.55%
CAR Gov't		0.74	0.74	0.56%
Total	106.36	26.93	133.29	100.00%

3.6 Environmental and Social Impact

3.6.1 At appraisal, the programme was classified in Category 1 in accordance with applicable Bank guidelines. The additional grant will finance only activities already scheduled in the initial programme. Hence, the current classification will not change. The social impact on gender and poverty, as described in the appraisal report, as well as the various mitigative measures remain unchanged. Affected persons have been compensated. An Environmental and Social Management Plan (ESMP) was prepared, presenting all the actions needed to address identified potential negative effects. Apart from compensations paid directly by Governments, in fulfilment of a condition precedent to first disbursement, the measures specified in the ESMP were incorporated in the works contract and their implementation was monitored by the environmentalist included in the works control missions in each of the 3 countries. Hence, the following works were executed: (i) works and related facilities, to improve community living standards and conditions; (ii) embellishment of village entrances/exits and landscape development; and (iii) reforestation of cleared areas or denuded sites and revegetation, etc.

3.7 Program Implementation

Executing Agency and Institutional Arrangements

3.7.1 The executing agencies defined in the appraisal report, the loan agreement and the initial agreement protocols remain unchanged. These are: (i) the Directorate of Transport and Telecommunications (that has become the Directorate of Territorial Administration, Infrastructure and Transport – DATIT) of the CEMAC Commission that will be responsible for the general coordination of programme implementation and management of the transport facilitation component; (ii) highways ministries in the three countries that will take over the programme, namely: the Ministry of Public Works through its ADB/WB Road Projects Execution Monitoring Unit in Cameroon; the Ministry of Equipment, Public Works and Highways through its General Directorate of Studies, Planning and Control in the Central African Republic; and the Ministry of Infrastructure and Equipment through its General Directorate of Highways in Chad, all of which which play their usual role of executing agency for the works component and road works control in their respective territories. The institutional arrangements scheduled in the initial programme (Joint Technical Committee, observatory on practices and facilitation committees) that have already been established remain unchanged.

Revised Schedule and Monitoring of Programme Execution

3.7.2 The execution of the whole programme will run from March 2008 to December 2015 taking into account activities managed by CEMAC. The programme implementation schedule is presented in the Annex.

3.8 Procurement of Goods, Works and Services

3.8.1 The procurement arrangements defined in the initial grant agreement and the appraisal report remain unchanged. All procurement will be in accordance with Bank rules and procedures using the appropriate standard documents. The additional grant will finance part of the construction works on the Baboua-Garoua Boulaï road for which a contract of CFAF 18,996,820,049 was awarded in 2009 in accordance with Bank rules and procedures (ICB). The draft amendment, representing approximately 18% of the initial contract amount, should be submitted to the Bank for consideration and formal approval before expiry of the current contract.

3.9 Disbursement Arrangements

3.9.1 The direct disbursement method was adopted for ADF loan and grant resources disbursed to the 3 countries under the programme. The same shall apply to the additional grant resources to be awarded to the Central African Republic to finance works on the Bouba-Garoua Boulaï road segment.

3.10 Monitoring/Evaluation

3.10.1 Monitoring/evaluation, as set out in the initial programme appraisal report, will also cover the additional grant. Such monitoring/evaluation will comprise internal and external monitoring, supervision missions from the Bank and other co-financiers, a mid-term review and a final appraisal including programme completion reports. The service costs of the consultancy firm that will conduct monitoring/evaluation of programme impact are already covered in the initial programme through the ADF grant to CEMAC.

3.11 Accounting and Financial Audit

3.11.1 Auditing of ADF components in the Central African Republic is financed through the ADF loan to CEMAC. The audits for FY2008 to 2010 were conducted, but have not yet been validated because CEMAC does not have the capacity to answer the auditor's questions.

3.11.2 To address this shortcoming, the Bank provided support to CEMAC in March 2012 for the procurement of accounting software and the recruitment of an individual accounting consultant to help the Community organize its accounting system. This should make it possible to validate audit reports of programme activities managed by CEMAC in the Central African Republic. Meanwhile, the auditor was requested to extract the audit reports only concerning ADF-funded components in the Central African Republic and conduct the audit for 2011. It should be recalled that, since resources are disbursed exclusively through the direct payment method, the programme's accounting in the Central African Republic focuses mainly on monitoring the expenditure of ADF and counterpart resources and on the accounting elements of the Baboua-Garoua Boulaï works site. Granting of the current request to extend the closing date of the ADF grant awarded to CEMAC will be conditional on auditing of the components managed by CEMAC.

4 RATIONALE UNDER THE ADDITIONAL LOAN POLICY

4.1 Background to the Additional Grant Request

4.1.1 Programme implementation in the Central African Republic led to significant slippage on the costs set at appraisal in 2007. Hence, the World Bank, as the lead donor, had to raise an additional grant of USD 62 million in 2010 to fill the financing gaps noted after launching of the bidding process for works.

First Financing Gap from 2008

4.1.2 Works on the 154 km Bouar-Garoua Boulaï road segment in the Central African Republic have been divided into 3 lots financed respectively by the EU (Lot 1 - 73 km), the World Bank (Lot 2 - 27 km) and the African Development Fund (ADF) with the Central African Republic (Lot 3 - 54 km). Since the resources available after the first tender invitations launched in 2008 were not sufficient to finance the total cost of works, the works were reallocated (40 km for the EU lot, 47 km for the ADF lot and 67 km for the WB lot) and the World Bank awarded an additional grant to the Central African Republic. This made it possible to launch a new bidding process that led to the signature of works contracts for each of the three lots. Since there were insufficient resources for priority works, the rehabilitation study scheduled for a 148 km road segment (Bossembélé-Baoro), budgeted for UA 0.43 million on ADF resources, was abandoned. With the new allocations, a second invitation to tender was launched for the ADF-funded segment that led to the signature of 2 contracts in 2009 for a total cost of CFAF 20,030,170,149, comprising CFAF 18,996,820,049 for works and CFAF 1,033,350,000 for works control.

Second Financing Gap in 2010

4.1.3 Works execution on the Garoua Boulaï-Baboua road segment encountered two major problems that disrupted the project's financial equilibrium, namely: (i) the Government's difficulties in raising counterpart funds, and (ii) a substantial increase in works volume due to the nature of the soil that led to a modification of the road alignment in certain areas and longer distance covered to find a sufficient quantity of good quality materials. Besides, given the border demarcation dispute between Cameroon and the Central African Republic, the latter was requested to propose a site within its territory for the construction of the single border checkpoint. This site was proposed at the end of 2011 and onsite preparatory works as well as water and electricity connections will be financed by the country in which the checkpoint is located. An analysis of these problems led to the conclusion that the works budget for the Baboua-Garoua Boulaï road was short of a further CFA.F 5.51 billion approximately, including the price revision estimate. However, uncommitted ADF grant resources amount to UA 3.038 million, or CFA.F 2.311 billion (at a rate of UA 1 = CFA.F 760.805). Hence, there is a financing gap of approximately CFA.F 3.195 billion (or UA 4.2 million) to complete payments for road works on the 47 km finally identified for the ADF. This gap is broken down as shown on the table below.

Table 4.1 Distribution of the Financing Gap in the CAR

	In CFA.F million	(in UA million)
Works not executed because of difficulties in raising counterpart funds	2 000	2.63
Quantitative increase in initial works	2 507	3.29
Price revision	250	0.32
New additional works (connecting works for the single border checkpoint and improvement of road safety through rehabilitation of the weighing station situated at Bouar)	749	1.44
Total amount	5 506	7.24
Uncommitted amount from ADF grant	2 311	3.04
Additional financing sought	3 195	4.20

4.2 Rationale in respect of General Conditions

4.2.1 The additional grant proposal satisfies the general and specific conditions set out in Bank Group policies and procedures on additional funding (ref. ADF/BD/WP/97/90 of 11 August 1997). Indeed, additional loan or grant financing may be awarded to cover cost overruns under the following exceptional conditions: (i) when it is considered that a project financed by

the Bank may not attain its objectives without additional Bank intervention; (ii) when it is clear that there is a situation beyond the borrower's control and that the borrower, despite significant efforts, is unable to provide the necessary financing; and lastly (iii) when the Bank gives priority to projects because they are in an advanced stage of execution and are therefore likely to be completed within a relatively short time in order to generate positive effects on borrower countries. The above provisions are clearly consistent with the case of the current programme.

4.2.2 It should be noted that ADF-funded works in the Central African Republic have been 85% executed and the contract provides for their completion at the end of June 2012. The positive effects of the programme are already evident and will increase with the implementation of all scheduled works. The amount requested under the additional grant (UA 4.2 million) will not create an overrun in the country's ADF-12 resource allocation and the additional grant will be subject to the same conditions applicable to ADF grants. The activities to be financed with this additional grant are consistent with Thrust II "Rehabilitation and Development of Socio-economic Infrastructure" of the 2009-2012 Joint Country Partnership Strategy Paper (CPSP) of the African Development Bank Group and the World Bank Group.

4.3 Rationale in respect of Specific Conditions

4.3.1 The additional grant also satisfies the specific conditions set out in Bank Group policies and procedures on additional financing. Indeed: (i) the last programme supervision indicates that execution was satisfactory; (ii) the Central African Republic is not eligible for ADF resources; (iii) cost overruns stem from circumstances caused by price increase, increased quantities resulting from terrain adaptation and the availability of materials; (iv) given the works implementation status and progress on segments financed by other donors, the residual 15% of works cannot be reduced without significantly altering the program objective; (v) the programme scope cannot be reduced without undermining its capacity to attain all its objectives; (vi) there are no other exogenous constraints that can hamper programme completion; (vii) the programme is economically and financially viable in spite of the cost overruns; and (viii) risk analysis shows that the Government is experiencing difficulties in raising its counterpart funds and cannot therefore address the cost overrun. It should be noted that, as indicated in the programme appraisal report, the raising of counterpart funds by the Central African Republic was already considered to present a major programme risk.

4.4 Rationale for Counterpart Fund Reduction

4.4.1 The additional grant will finance the following four components: (i) 15% residual works due to difficulties in raising counterpart funds; (ii) increased volume of works noted as the works progressed; (iii) market price revision; and (iv) additional works not scheduled initially but necessary. Since these components can be considered as a new operation, the re-appraised amount of the CAR counterpart contribution to the financing of ADF-funded components was limited to defrayment of the operating costs of the project execution Monitoring Unit and payment of expropriation costs. Indeed, the country is eligible for 100% project financing from the ADB, and from other donors involved in the Programme, given its status as a fragile State and the following three essential criteria: (i) its undertaking to implement its general development programme; (ii) its budget situation and debt level; and (iii) the level of financing and capacity-building in the program intervention sector.

CAR's Undertaking to Implement its General Development Programme

4.4.2 The economic recovery in the Central African Republic held firm in 2011 with a real GDP growth rate that stabilized at 3%. The economic outlook for 2012 is favourable with a growth rate that should attain 4.2%. After completing implementation of the first PRSP (2008-2010), the authorities prepared and adopted a new PRSP (2011-2015) at the end of 2011. In

January 2012, upon considering the Article IV report on the 2010/2011 economic policies and trends in the Central African Republic, the IMF Executive Board hailed the measures adopted by CAR authorities to address the governance problems that had emerged particularly in 2010 and early 2011. The IMF indicated that while making it possible to restore discipline and transparency in budget execution, these measures should facilitate the conclusion of a new programme with the country by June 2012. The Central African Republic had already completed its economic and financial programme with the IMF with support from the Extended Credit Facility (ECF).

Country Budget Situation and Debt Level

4.4.3 After reaching 8.6% of GDP because of increased public spending on the electoral process in particular, the overall budget deficit (net of grants) declined to 6.5% of GDP in 2011. This favourable trend in the budget balance stemmed from reduced public spending due to the lack of external budget support and increased domestic revenue partly due to a certain number of short-term factors (for instance, the payment of a tax bonus by some companies). The public finance situation should be consolidated in 2012 thanks to measures adopted after the Public Finance Forum held in September 2011. CAR's public debt level plummeted from 80.3% of GDP in 2008 to 35% of GDP in 2009 when the country reached the HIPC Initiative completion point. In the absence of external financing, the CAR managed to reduce its total public debt to approximately 40% by reducing its new borrowings while keeping them concessional.

Financing Level and Capacity-Building in the Program Intervention Sector

4.4.4 The CSP (2009-2012) mid-term review jointly conducted by the World Bank and the Bank highlighted the significant progress achieved by the Central African Republic in public sector and financial management. The report mentions encouraging results obtained especially in the planning and implementation of development programmes. The transport and transit facilitation programme on the Douala-Bangui and Douala-Ndjamena corridors – whose implementation should be further accelerated – opens up the prospects of access to the sea and the opening up of the interior, to boost the country's trade with the outside world and other CEMAC countries.

5 PROGRAMME SUSTAINABILITY AND RISKS

5.1 Recurrent Costs and Sustainability of the Programme

5.1.1 Recurrent costs comprise the cost of routine and periodic road maintenance along the corridors as well as the maintenance and operational costs of the juxtaposed checkpoints to be constructed at borders. Programme roads form part of the classified road network and their routine maintenance is currently financed by the road funds (RF) of the various countries, while their periodic maintenance has been funded hitherto with external financing.

5.1.2 Routine maintenance costs for the duration of investments made under the programme on 155 km of road in the Central African Republic are estimated at CFA.F 2,326 million for the entire project and CFA.F 89 million per year. Periodic maintenance costs for these investments are estimated at CFA.F 800 million, or 400 million every ten years. These costs are such that they can be borne by the CAR's road maintenance budget which, for the most part, comes from a petroleum product tax paid directly into the 2nd Generation Road Fund. Furthermore, effective axle load controls should prevent early degradation of the road segments.

5.2 Main Risks and Mitigative Measures

5.2.1 **The risks relating to outcome are:** (i) opposition to customs reforms and facilitation measures; (ii) a rate reduction for the fuel tax, which generates most of the revenue spent on road maintenance, in order to avoid passing on the steady rise in oil prices to filling station customers. **Mitigative measures:** (i) completion of the studies and participatory mechanisms needed to harmonise information systems at the sub-regional level, and adoption of various instruments and regulations as well as sanctions applicable in case of non-compliance with the regulations should lead to a reduction in the number of checkpoints along the corridors, the use of a single TIPAC booklet and respect of the axle load limit on the corridors; (ii) the organisation of road maintenance and resource mobilisation for the RMFs in Cameroon and Chad is satisfactory and in accordance with the commitments made by sector donors; nevertheless, there are still difficulties with the RMF in the Central African Republic; and (iii) railway sector sustainability is ensured through consolidation of the concession contract signed between Cameroon and CAMRAIL and through a stronger commitment from the Governments of Cameroon, but also those of CAR and Chad to boost the development of this sub-sector.

5.2.2 **The risks relating to achievement are:** (i) difficulties in coordinating donors and various stakeholders and their undertaking to complete the programme; (ii) limited capacity of the Executing Agencies in the 3 countries and in CEMAC to manage the programme; (iii) programme cost overrun; (iv) difficulties for the Central African Republic, a post-conflict country, in raising programme counterpart funds. **Mitigative measures:** (i) the joint programme launching and supervision missions organised by donors, the single invitation to bid for works launched by ADF and the World Bank in the Central African Republic, and ADF taking responsibility for control and supervision of works financed by the World Bank in the Central African Republic are likely to mitigate donor coordination risks; (ii) the executing agencies in the three countries have hitherto satisfactorily conducted the technical and fiduciary monitoring of the programme and the Bank (a) has approved the procurement of accounting software and the recruitment of an individual accounting consultant to help CEMAC organize its accounting system and thus ensure the validation of audit reports of programme activities managed by CEMAC and the Central African Republic; (b) is currently examining ways of extending the assistance through the recruitment of three individual consultants until CEMAC completes its staff recruitment process (for an engineer and transport economist especially) and replaces the accountant of the project execution monitoring team whose performance has not been satisfactory; (iii) additional WB financing has been mobilised; and (iv) this additional ADF grant will slash the CAR's contribution to ADF-funded components from 11.15% to 2%.

6 ECONOMIC ANALYSIS

6.1 Economic Analysis

6.1.1 For economic analysis purposes, costs and benefits have been determined based on the "programme" and "no programme" scenarios over a 20-year period. Economic analysis was based on the HDM-4 model and conducted solely on the Bouar - Garoua Boulai road segments of the programme in the Central African Republic. These segments are earth roads and the programme will finance their development into paved roads. According to MED traffic count data, the average distance-weighted normal traffic volume sharply increased to 233 vehicles/day in 2010, (53% heavy vehicles) and to 351 vehicles/day in 2011 (43% heavy vehicles). In 2007 the volume was 156 vehicles/day (25% heavy vehicles). The traffic projection is (i) for normal traffic, 7% per year for light vehicles and 5% for heavy vehicles in the first 5 years following commissioning of the road and 3% subsequently; and (ii) for induced traffic, 30% of the normal traffic on road segments to be developed.

6.1.2 Given the above data and the updated works and works surveillance costs, including price increase, annual routine maintenance costs and periodic maintenance costs, an updated economic rate of return (ERR) of 14.96% (instead of 14.5% projected in 2007) was obtained for the entire Bouar - Garoua Boulai road segment. The rate of return for the 47 km financed by the ADF is 19.31%. This rate exceeds the capital opportunity cost, which is 12%. A detailed economic analysis is presented in Annex 4.

6.2 Sensitivity Analysis

6.2.1 Sensitivity tests conducted show that ERR for the entire corridor declined from 14.96% to 12.22% due to variations in costs (+10%) and benefits (-10 %). For the ADF-funded road segment, the rates range from 19.31% to 16.12% due to variations in costs (+10%) and benefits (-10 %). These EIRR variations exceed the opportunity cost of capital which is 12%. Hence, the programme is economically justifiable.

7 CONCLUSIONS AND RECOMMENDATIONS

7.1 Conclusions

7.1.1 Execution of the programme will help to boost cooperation and regional economic integration by reducing non-tariff barriers and “invisible” costs. It will boost trade development along the corridor through savings generated from a reduction of illicit levies along the corridor.

7.1.2 This additional grant that contributes to the attainment of programme objectives is justified because it will enable the complete execution of works scheduled in the Central African Republic by: (i) financing the increased works volume; (ii) addressing the Government’s difficulties in raising its counterpart funds; (iii) financing a price adjustment that is higher than initially expected due to the spike in input costs; and (iii) financing new reinforcement works to improve road safety, connection to the single checkpoint to be built on the border and rehabilitation of the Bouar weighing station. Despite its increased cost, the programme remains economically viable.

7.2 Recommendations

7.2.1 It is recommended that the ADF award an additional grant not exceeding UA 4.2 million to the Government of the Central African Republic to complete the financing needed for the execution of all the road works identified under the project, in the Central African Republic.












A. Conditions precedent to additional grant effectiveness

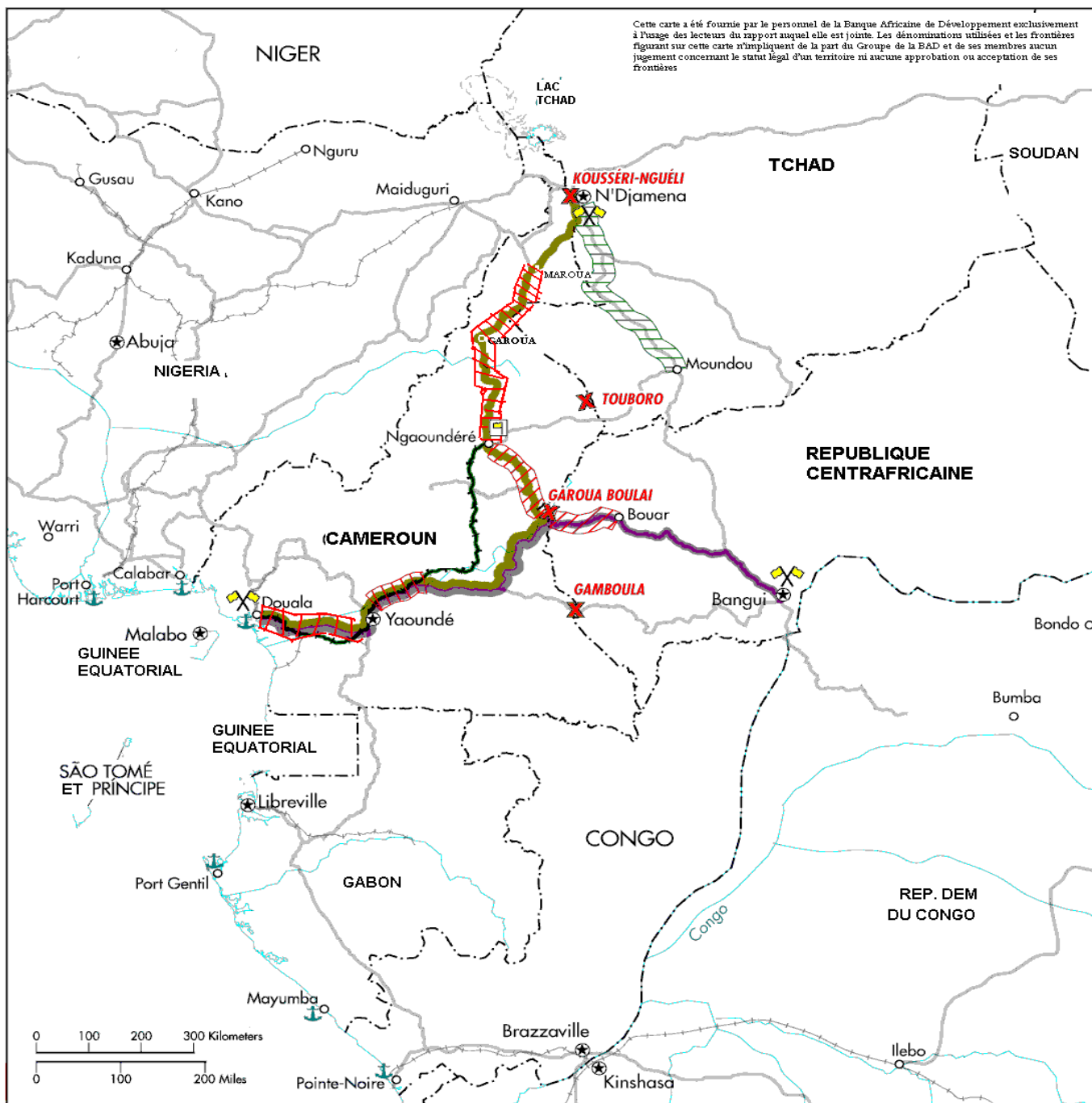
7.2.2 The grant agreement shall become effective subject to signature of the Agreement Protocol by the Donee and the Fund.

B. Conditions Precedent to First Disbursement

7.2.3 The conditions precedent to first disbursement of the initial grant, which have also been extended to the supplementary grant, have been fulfilled. Disbursements may be made from the supplementary grant as soon as it comes into effect.

CEMAC/CAMEROON/CENTRAL AFRICAN REPUBLIC/CHAD
 TRANSPORT FACILITATION PROGRAMME ON THE DOUALA-BANGUI AND DOUALA-NDJAMENA CORRIDORS
 MAP OF THE PROGRAMME AREA

- | | | | | | |
|---|----------------------------------|---|--|---|----------------------------|
|  | CHEMIN DE FER CONCEDE A CAMERAIL |  | POSTE FRONTALIERS |  | PORTS |
|  | CORRIDOR DOUALA-BANGUI |  | TRONCONS DE ROUTES/RAIL A AMENAGER OU A REHABILITER DANS LE CADRE DU PROGRAMME |  | CAPITALE |
|  | CORRIDOR DOUALA-NDJAMENA |  | CONTRAT D'ENTRETIEN A LONG TERME DANS LE CADRE DU PROGRAMME |  | VILLES |
|  | POSTES DE DOUANES |  | PRINCIPALES ROUTES |  | FLEUVE/RIVIERE |
|  | PLATEFORME LOGISTIQUE |  | LIGNES FERROVIAIRES |  | FRONTIERES INTERNATIONALES |



Detailed Cost Estimate Re-appraised by Expenditure Category for the Entire Programme

Categories	In CFA.F million			in UA million		
	Foreign exchange	L.C	Total	Foreign exchange	L.C	Total
A - Goods						
- Supply and installation of axle weighing systems	1 153.00	288.25	1 441.25	1.54	0.38	1.92
- Installation of radio communication systems	1 992.38	948.10	2 940.48	2.66	1.27	3.92
- IT equipment						
- Vehicles						
Goods Total	3 145.38	1 236.35	4 381.73	4.20	1.65	5.85
B - Works						
- Road development or rehabilitation works	255 730.47	63 932.62	319 663.08	341.30	85.32	426.62
- Feeder road works	1 581.54	395.38	1 976.92	2.11	0.53	2.64
- Road maintenance works	4 924.32	1 231.08	6 155.40	6.57	1.64	8.21
- Bridge construction	3 600.00	900.00	4 500.00	4.80	1.20	6.01
- Construction of equipped and juxtaposed border checkpoints	4 510.60	1 127.65	5 638.24	6.02	1.50	7.52
- Rehabilitation works on social and market infrastructure	553.87	138.47	692.34	0.74	0.18	0.92
- Borehole development	197.05	49.26	246.31	0.26	0.07	0.33
- Works to mitigate environmental impact and build livestock rest areas	260.94	1 729.97	1 990.91	0.35	2.31	2.66
- Development of drying yards for farm produce	82.90	20.72	103.62	0.11	0.03	0.14
- Supply and installation of small farm implements	97.38	24.35	121.73	0.13	0.03	0.16
- Railway rehabilitation works and renewal of rolling stock	20 133.21	5 033.30	25 166.51	26.87	6.72	33.59
- Port security/safety and rail/port/road interface improvement works	3 360.05	840.01	4 200.06	4.48	1.12	5.61
Works total	295 032.32	75 422.82	370 455.14	393.75	100.66	494.41
C - Consultancy services						
- Road studies in Cameroon, Central African Republic and Chad						
- Awareness-raising on STD-AIDS, the environment and road safety	432.82	158.20	591.02	0.58	0.21	0.79
- Works control and supervision	17 009.61	4 385.93	21 395.54	22.70	5.85	28.55
- Technical assistance to the Douala Autonomous Port (PAD)	174.94	43.74	218.68	0.23	0.06	0.29
- Computerisation of PAD, GUCE and interconnection of the computer systems of the PAD Community	471.00	117.75	588.74	0.63	0.16	0.79
- Studies on general transport facilitation problems	883.45	220.86	1 104.32	1.18	0.29	1.47
- Radio communication studies	184.00	46.00	230.00	0.25	0.06	0.31
- Support for the installation of a transport costs information system	285.96	71.49	357.45	0.38	0.10	0.48
- Ndjamena bus station development study	201.86	50.46	252.32	0.27	0.07	0.34
- Study to provide a bus station in Ngoundere (Cameroon) and Bouar (Central African Republic)	261.74	65.43	327.17	0.35	0.09	0.44
- Sydonia interconnection between the custom departments of CEMAC countries and the CEMAC Executive Secretariat	1 762.87	440.72	2 203.59	2.35	0.59	2.94
- Technical assistance to CEMAC for improvement of the Customs Union	1 211.81	302.95	1 514.76	1.62	0.40	2.02
- Technical assistance to the customs departments of Cameroon, Central African Republic and Chad	1 682.13	420.53	2 102.66	2.24	0.56	2.81
- Technical assistance to CEMAC for programme monitoring	837.86	267.53	1 105.39	1.12	0.36	1.48
- Technical assistance to MED in Central African Republic	1 175.47	293.87	1 469.34	1.57	0.39	1.96
- Support to MINTP and MINT in Cameroon and MI in Chad	672.85	168.21	841.06	0.90	0.22	1.12
- Surveys, monitoring-evaluation and observatories on practices	360.00	90.00	450.00	0.48	0.12	0.60
- Coordinator, project managers and support staff		186.42	186.42		0.25	0.25
- Financial and accounting audit	240.96	60.24	301.20	0.32	0.08	0.40
Total for consultancy services	27849.32	7390.35	35239.67	37.17	9.86	47.03
D - Miscellaneous						
- Operating cost		434.22	434.22		0.58	0.58
- Seminars, study trips and sensitisation to the corridor concept	240.00	60.00	300.00	0.32	0.08	0.40
Total for Miscellaneous	240.00	494.22	734.22	0.32	0.66	0.98
Baseline Cost	326267.02	84543.73	410810.76	435.43	112.83	548.26
Physical Contingencies	32 626.70	8 454.37	41 081.08	43.54	11.28	54.83
Price Escalation	29 027.97	7 521.86	36 549.83	38.74	10.04	48.78
Total	387 921.70	100 519.96	488 441.66	517.72	134.15	651.87

Detailed Cost Estimates Re-appraised by Expenditure Category of the ADF Programme

Expenditure Categories	In CFA.F million			In UA million		
	Foreign exchange	L.C	Total	Foreign exchange	L.C	Total
A - Goods						
- Supply and installation of axle weighing systems	1 153.00	288.25	1 441.25	1.54	0.38	1.92
- Installation of radio communication systems	1 992.38	948.10	2 940.48	2.66	1.27	3.92
- IT equipment						
- Vehicles						
Goods Total	3 145.38	1 236.35	4 381.73	4.20	1.65	5.85
B - Works						
- Road development or rehabilitation works	47 638.53	11 909.63	59 548.16	63.58	15.89	79.47
- Feeder road works	1 581.54	395.38	1 976.92	2.11	0.53	2.64
- Road maintenance works						
- Bridge construction	3 600.00	900.00	4 500.00	4.80	1.20	6.01
- Construction of equipped and juxtaposed border checkpoints	2 217.92	554.48	2 772.40	2.96	0.74	3.70
- Rehabilitation works on social and market infrastructure	553.87	138.47	692.34	0.74	0.18	0.92
- Borehole development	197.05	49.26	246.31	0.26	0.07	0.33
- Works to mitigate environmental impact and build livestock rest areas	260.94	944.29	1 205.23	0.35	1.26	1.61
- Development of drying yards for farm produce	82.90	20.72	103.62	0.11	0.03	0.14
- Supply and installation of small farm implements	97.38	24.35	121.73	0.13	0.03	0.16
- Railway rehabilitation works and renewal of rolling stock						
- Port security/safety and rail/port/road interface improvement works						
Works total	56 230.12	14 936.59	71 166.71	75.04	19.93	94.98
C- Consultancy services						
- Road studies in Cameroon, Central African Republic and Chad						
- Awareness-raising on STD-AIDS, the environment and road safety	144.00	86.00	230.00	0.19	0.11	0.31
- Works control and supervision	3 629.42	991.78	4 621.19	4.84	1.32	6.17
- Technical assistance to the Douala Autonomous Port (PAD)						
Computerisation of PAD, GUCE and interconnection of the computer systems of the PAD Community						
- Studies on general transport facilitation problems						
- Radio communication studies	184.00	46.00	230.00	0.25	0.06	0.31
- Support for the installation of a transport costs information system	285.96	71.49	357.45	0.38	0.10	0.48
- Ndjamena bus station development study	201.86	50.46	252.32	0.27	0.07	0.34
- Study to develop a bus station in Ngaoundere (Cameroon) and Bouar (Central African Republic)						
- Sysdonia interconnection between the custom departments of CEMAC countries and the CEMAC Executive Secretariat						
- Technical assistance to CEMAC for improvement of the Customs Union						
- Technical assistance to the customs departments of Cameroon, Central African Republic and Chad						
- Technical assistance to CEMAC for programme monitoring	837.86	267.53	1 105.39	1.12	0.36	1.48
- Technical assistance to MED in Central African Republic						
- Surveys, monitoring-evaluation and observatories on practices	240.00	60.00	300.00	0.32	0.08	0.40
- Coordinator, project managers and support staff		186.42	186.42		0.25	0.25
- Financial and accounting audit	240.96	60.24	301.20	0.32	0.08	0.40
Total for consultancy services	5 764.05	1 819.93	7 583.98	7.69	2.43	10.12
D - Miscellaneous						
- Operating cost		434.22	434.22		0.58	0.58
- Seminars, study trips and sensitisation to the corridor concept	240.00	60.00	300.00	0.32	0.08	0.40
Total for Miscellaneous	240.00	494.22	734.22	0.32	0.66	0.98
Baseline Cost	65 379.56	18 487.08	83 866.64	87.25	24.67	111.93
Physical Contingencies	6 537.96	1 848.71	8 386.66	8.73	2.47	11.19
Price Escalation	5 816.82	1 644.80	7 461.61	7.76	2.20	9.96
Total	77 734.33	21 980.58	99 714.92	103.74	29.34	133.08

**Re-appraised Financing Plan by Expenditure Category of the ADF Programme in the Central African Republic
in UA million**

Expenditure Categories	Initial ADF grant to the Central African Republic			Additional ADF grant to the Central African Republic			CAR Government			TOTAL		
	F.E	L.C.	Total	F.E	L.C	Total	F.E	L.C.	Total	F.E	L.C.	Total
A - Goods												
- IT equipment												
- Vehicles												
B - Works												
- Road development or rehabilitation works	16.86	3.91	20.77	2.83	0.71	3.54		0.31	0.31	19.68	4.92	24.60
- Feeder road works	0.67	0.16	0.83					0.01	0.01	0.67	0.17	0.84
- Rehabilitation works on social and market infrastructure	0.25	0.06	0.31					0.00	0.00	0.25	0.06	0.32
- Borehole development	0.08	0.02	0.10					0.00	0.00	0.08	0.02	0.11
- Works to mitigate environmental impact and expropriations								0.08	0.08		0.08	0.08
- Development of drying yards for farm produce	0.05	0.01	0.06					0.00	0.00	0.05	0.01	0.06
- Supply and installation of small farm implements	0.03	0.01	0.04					0.00	0.00	0.03	0.01	0.04
C- Consultancy services												
- Road studies in Cameroon, Central African Republic and Chad												
- Awareness-raising on STD-AIDS, the environment and road safety												
- Works control and supervision	1.02	0.25	1.27					0.02	0.02	1.02	0.27	1.29
- Coordinator, project managers and support staff								0.07	0.07		0.07	0.07
- Financial and accounting audit												
D - Miscellaneous												
- Operating cost								0.14	0.14		0.14	0.14
- Seminars, study trips and sensitisation to the corridor concept												
Baseline Cost	18.96	4.42	23.38	2.83	0.71	3.54		0.62	0.62	21.79	5.75	27.54
Physical Contingencies	1.90	0.44	2.34	0.28	0.07	0.35		0.06	0.06	2.18	0.57	2.75
Price Escalation	1.69	0.39	2.08	0.25	0.06	0.31		0.06	0.06	1.94	0.51	2.45
Total	22.54	5.25	27.80	3.36	0.84	4.20		0.74	0.74	25.90	6.83	32.74

CEMAC/CAMEROON/CENTRAL AFRICAN REPUBLIC/CHAD
 TRANSPORT FACILITATION PROGRAMME ON THE DOUALA-BANGUI AND DOUALA-NDJAMENA CORRIDORS
 UPDATED IMPLEMENTATION SCHEDULE

ID	Name/Activity	1st FEMF		1st FEMF		1st FEMF		1st FEMF		1st FEMF		1st FEMF		1st FEMF		1st FEMF		1st FEMF		1st FEMF			
		Qtr1	Qtr5	Qtr1	Qtr5	Qtr1	Qtr5	Qtr1	Qtr5	Qtr1	Qtr5	Qtr1	Qtr5	Qtr1	Qtr5	Qtr1	Qtr5	Qtr1	Qtr5	Qtr1	Qtr5		
1	1- PRELIMINARY ACTIVITIES	[Solid black bar]																					
6	2- IDENTIFICATION AND IMPROVEMENTS/EXPLORATION	[Solid black bar]																					
7	Consultants' commitment process	[Dotted blue bar: BEP/CEMAC, CEMACA, FEMD]																					
8	Initial studies	[Dotted blue bar]																					
12	Monitoring and audit	[Dotted blue bar]																					
16	3- REAPPROPRIATE BOARD STUDIES ON CIL (RADIO COMM) CEMAC STATIONS	[Solid black bar]																					
22	4- REAPPROPRIATE CEMAC/CEMAC/CEMAC CONSTRUCTION WORKS	[Solid black bar]																					
23	Works contract commitment process	[Dotted blue bar: CEMAC, FEMD]																					
24	Construction works for terminal border checkpoint	[Dotted blue bar: Entrepren, CEMAC, ILE, RD]																					
25	Selection of contractor and ERF execution by other donors	[Dotted blue bar: Entrepren, CEMAC, ILE, RD]																					
26	5- ROAD BRIDGE AND OTHER INFRASTRUCTURE	[Solid black bar]																					
27	ERF contract works contract commitment process	[Dotted blue bar: CEMAC/CEMAC, DGR]																					
28	Works contract commitment process for other donors' works	[Dotted blue bar: CEMAC/CEMAC, DGR]																					
29	Execution of ERF works	[Dotted blue bar: Entrepren, DGR/CEMAC, DGR]																					
30	Execution of other donors' works	[Dotted blue bar: Entrepren, CEMAC/CEMAC, DGR]																					
31	6- SUPPLY AND INSTALLATION OF EQUIPMENT (CABLE WORKING AND BATTERY MONITORING AND COMMUNICATION)	[Solid black bar]																					
32	Supplier selection process	[Dotted blue bar: CEMAC, FEMD]																					
33	Supplier installation	[Dotted blue bar: Entrepren, CEMAC]																					
34	7- WORKS CONTROL AND SUPERVISION	[Solid black bar]																					
35	Works control consultants commitment process	[Dotted blue bar: DGR/CEMAC, CEMPT-CEMAC]																					
36	ERF works control implementation services	[Dotted blue bar: DGR/CEMAC, CEMPT-CEMAC]																					
37	Implementation of other donors' consultancy services	[Dotted blue bar: DGR/CEMAC, CEMPT-CEMAC]																					
38	8- PROGRAMME SETTING	[Solid black bar]																					
39	Audit financial commitment process	[Dotted blue bar: DGR, CEMPT-CEMAC]																					
40	Financial auditing	[Dotted blue bar]																					
50	9- TECHNICAL ASSISTANCE TO CEMAC	[Solid black bar]																					
54	10- OTHER COMPONENTS/IMPROVEMENTS/OTHER WORKS	[Solid black bar]																					
55	Consultant and contractor commitment process	[Dotted blue bar: BEP/CEMAC, CEMACA, ILE, RD]																					
56	Execution of works and services (Railroad, Customs, PSD, Intercom)	[Dotted blue bar: BEP/CEMAC, CEMACA, ILE, RD]																					
57	11- CAPACITY BUILDING	[Solid black bar]																					
58	Installation of CEMAC and project managers	[Dotted blue bar: CEMAC]																					
59	CEMAC training	[Dotted blue bar]																					
65	Programme monitoring	[Dotted blue bar: DGR/CEMAC, CEMPT-CEMAC]																					

ECONOMIC ANALYSIS

Economic analysis was conducted solely on the Bouar - Garoua Boulai road segments of the programme in the Central African Republic. These segments are earth roads and the programme will finance their development into paved roads. According to MED traffic count data, the average distance-weighted normal traffic volume sharply increased in 2010 to 233 vehicles/day (53% being heavy vehicles) and in 2011 to 351 vehicles/day (43% being heavy vehicles). In 2007, the volume was 156 vehicles/day (25% being heavy vehicles). For earth road segments to be developed into paved roads with the features of inter-State roads, the traffic projection determined at programme appraisal was (i) for normal traffic, a growth rate of 7% per year for light vehicles and 5% for heavy vehicles in the first 5 years following commissioning of the road and 3% subsequently; and (ii) for induced traffic, 30% of normal traffic on the road segments to be developed. Given the traffic recorded in 2011, the average traffic growth rate from 2007 to 2011 is 22.47% per year, although development works on the corridor roads have not yet been fully completed. This suggests that traffic assumptions in 2007 were good and reveal the captive traffic for this corridor.

For economic analysis purposes, the costs and benefits have been determined based on the "programme" and "no programme" scenarios over a 20-year period. Economic analysis was based on the HDM-4 model. The expected benefits are reductions in vehicle operating costs and gains in road maintenance costs. Furthermore, there are exogenous benefits that have not been factored into the calculation and which stem from: (i) the effects of related developments and transport facilitation, especially the reduction of illicit levies along the corridor and the reduction of delays at checkpoints; and (ii) improvement of the agricultural value-added of the programme area in the Central African Republic and along the corridors because of transport facilitation measures. In the "no-programme" situation, it is considered that maintenance will entail: (i) realignment and resurfacing works on earth road segments; (ii) road patching works; and (iii) maintenance works on the appurtenances (clearing, cleaning of gutters and drains). In the programme situation: (i) the investment would involve the development of unpaved segments into paved roads in the Central African Republic; and (ii) maintenance will involve routine maintenance of paved roads and their periodic maintenance every 10 (ten) years with a layer of bituminous concrete. The residual value is 25% for the road segments to be developed.

Given the above data and the updated works and works surveillance costs, including price increase, annual routine maintenance costs and periodic maintenance costs, an updated economic rate of return (ERR) of 14.96% (instead of 14.5% projected in 2007) was obtained for the entire Bouar - Garoua Boulai road segment. The rate of return for the 47 km financed by the ADF is 19.31%. This rate exceeds the opportunity cost of capital which is 12%. Despite the rise in works costs, the ERR increased because: (i) traffic trends between 2007 and 2011 are higher than expected; (ii) there is an increase in vehicle operation costs from the pre-project to the post-project situations, due to accelerated road degradation caused by delays in the commencement of works and increased fuel consumption amounts resulting from the marked price fluctuations.

HDM-4
CEMAC/CAMEROON/CENTRAL AFRICAN REPUBLIC/CHAD
Transport Facilitation Programme on the Douala-Bangui and Douala-Ndjamena Corridors
UPDATED ECONOMIC ANALYSIS
In CFA.F billion

All road segments in the Central African Republic

Year	Extra costs - Administration			Savings on user costs				Net benefits	
	Invest. costs	Operating costs	Special costs	Motorised VOC	Motorised time	Non-mot. time + VOC	Accidents	Net exogenous benefits	Net total benefits
2007	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2008	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2009	2.20	-0.02	0.00	0.00	0.00	0.00	0.00	0.00	-2.19
2010	18.75	-0.06	0.00	0.15	0.02	0.01	0.00	0.00	-18.51
2011	32.83	-0.08	0.00	1.01	0.16	0.06	0.00	0.00	-31.52
2012	21.45	-0.08	0.00	1.06	0.16	0.06	0.00	0.00	-20.09
2013	3.18	-0.06	0.00	5.59	0.72	0.18	0.00	0.00	3.36
2014	0.00	-0.05	0.00	9.41	1.20	0.27	0.00	0.00	10.93
2015	0.00	-0.05	0.00	10.60	1.38	0.31	0.00	0.00	12.33
2016	0.00	-0.05	0.00	11.24	1.48	0.34	0.00	0.00	13.11
2017	0.00	-0.05	0.00	11.92	1.60	0.37	0.00	0.00	13.93
2018	0.00	-0.05	0.00	12.64	1.72	0.40	0.00	0.00	14.81
2019	0.00	-0.05	0.00	13.40	1.85	0.43	0.00	0.00	15.73
2020	0.00	-0.05	0.00	14.19	1.99	0.47	0.00	0.00	16.70
2021	0.00	0.00	0.00	15.01	2.15	0.51	0.00	0.00	17.66
2022	0.00	0.07	0.00	15.85	2.31	0.55	0.00	0.00	18.64
2023	2.09	0.01	0.00	16.69	2.48	0.60	0.00	0.00	17.67
2024	1.44	-0.05	0.00	17.57	2.66	0.65	0.00	0.00	19.49
2025	0.00	-0.05	0.00	18.52	2.86	0.71	0.00	0.00	22.14
2026	0.00	-0.05	0.00	19.54	3.07	0.77	0.00	0.00	23.42
2027	0.00	-0.05	0.00	20.59	3.30	0.83	0.00	0.00	24.77
2028	0.00	-0.05	0.00	21.67	3.54	0.91	0.00	0.00	26.16
2029	0.00	0.03	0.00	22.77	3.79	0.99	0.00	0.00	27.52
2030	2.09	0.00	0.00	23.87	4.05	1.07	0.00	0.00	26.91
2031	1.44	-0.05	0.00	25.02	4.33	1.16	0.00	0.00	29.12
2032	-19.60	-0.05	0.00	26.30	4.63	1.26	0.00	0.00	51.85
Total	65.87	-0.82	0.00	334.63	51.46	12.89	0.00	0.00	333.93
IRR	14.96%								
NPV	17.11 CFA.F billion								

2 – SENSITIVITY ANALYSIS

	ADF LOT				ENTIRE PROGRAMME IN THE CENTRAL AFRICAN REPUBLIC			
	Case 1	Case 2	Case 3	Case 4	Case 1	Case 2	Case 3	Case 4
Discount rate (%)	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Net benefits multiplier								
* Capital and recurrent costs	1.00	1.10	1.00	1.10	1.00	1.10	1.00	1.10
*Vehicle operation	1.00	1.00	0.90	0.90	1.00	1.00	0.90	0.90
Discounted benefits (in CFA.F billion)	8.49	7.45	6.60	5.56	17.11	12.70	10.99	6.58
I.R.R. (%)	19.31%	17.76%	17.60%	16.12%	14.96%	13.63%	13.49%	12.22%

CENTRAL AFRICAN REPUBLIC

**PROGRAMME FOR FACILITATION OF TRANSPORT ON THE DOUALA-BANGUI
AND DOUALA-NDJAMENA CORRIDORS**

SUPPLEMENTARY ADF GRANT OF UA 4.2 MILLION

OUTCOME OF NEGOTIATIONS

Negotiations of the proposed Supplementary Grant to finance the Programme for Facilitation of Transport on the Douala-Bangui and Douala-Ndjamenena corridors were held on the 18 May, 2012 via video conference at the ADB Offices in Bangui and Tunis between the delegation of the Central African Republic and the African Development Bank (ADB).

The Central African Republic delegation agreed with all modalities and conditions of the ADF Grant as described in the appraisal Report, the draft Disbursement Letter and the draft Grant Agreement.