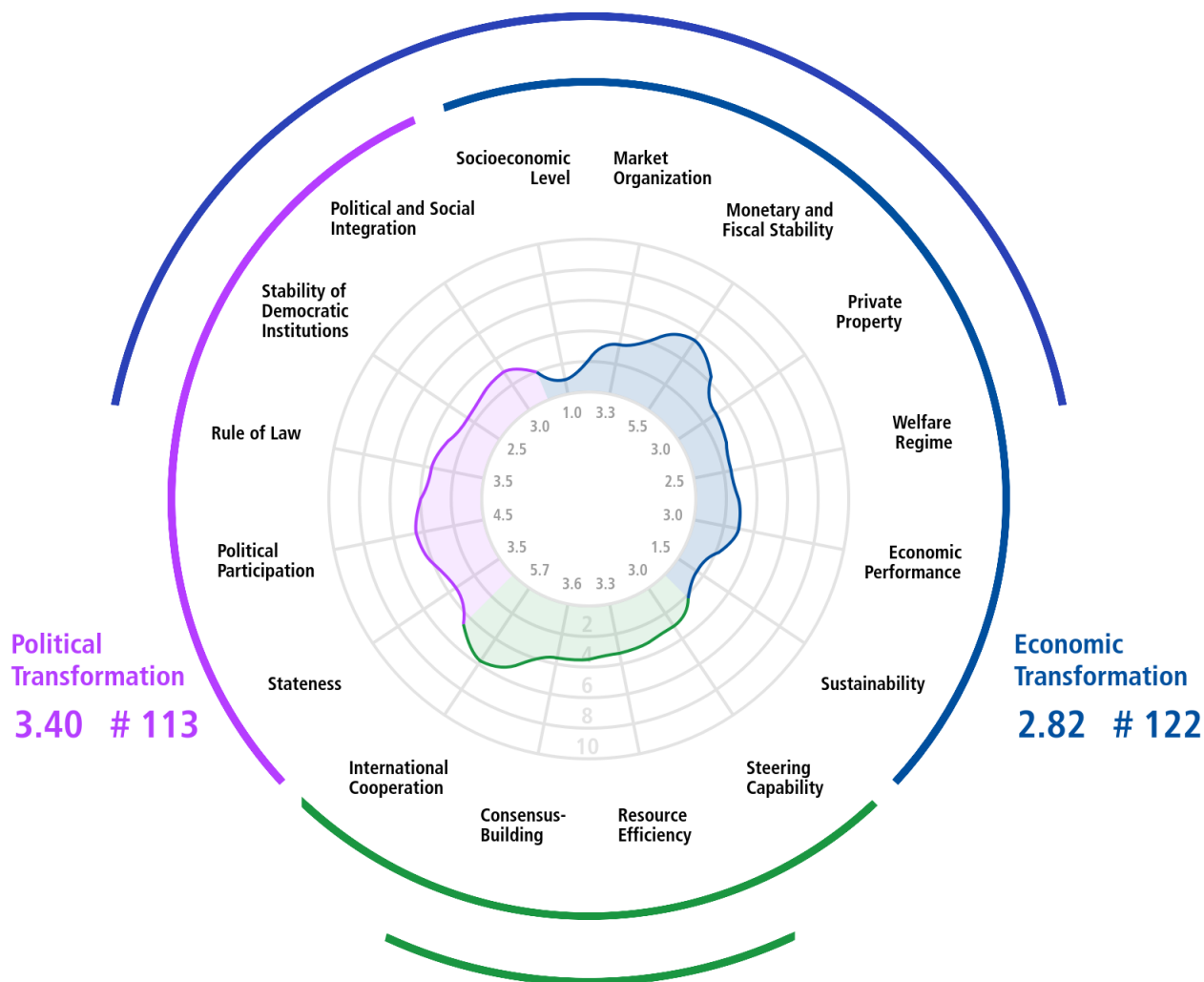


Central African Republic

Status Index

3.11 # 123

on 1-10 scale out of 137



Political Transformation
3.40 # 113

Economic Transformation
2.82 # 122

Governance Index

3.81 # 105

on 1-10 scale out of 137

This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2022**. It covers the period from February 1, 2019 to January 31, 2021. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at <https://www.bti-project.org>.

Please cite as follows: Bertelsmann Stiftung, BTI 2022 Country Report – Central African Republic. Gütersloh: Bertelsmann Stiftung, 2022.

This work is licensed under a [Creative Commons Attribution 4.0 International License](https://creativecommons.org/licenses/by/4.0/).

Contact

Bertelsmann Stiftung
Carl-Bertelsmann-Strasse 256
33111 Gütersloh
Germany

Sabine Donner

Phone +49 5241 81 81501
sabine.donner@bertelsmann-stiftung.de

Hauke Hartmann

Phone +49 5241 81 81389
hauke.hartmann@bertelsmann-stiftung.de

Claudia Härterich

Phone +49 5241 81 81263
claudia.haerterich@bertelsmann-stiftung.de

Sabine Steinkamp

Phone +49 5241 81 81507
sabine.steinkamp@bertelsmann-stiftung.de

Key Indicators

Population	M	4.8	HDI	0.397	GDP p.c., PPP \$	980
Pop. growth ¹	% p.a.	1.8	HDI rank of 189	188	Gini Index	56.2
Life expectancy	years	53.3	UN Education Index	0.353	Poverty ³	% 82.9
Urban population	%	42.2	Gender inequality ²	0.680	Aid per capita \$	158.9

Sources (as of December 2021): The World Bank, World Development Indicators 2021 | UNDP, Human Development Report 2020. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.20 a day at 2011 international prices.

Executive Summary

During the majority of the period under review, ending in January 2021, the Central African Republic was governed by President Faustin-Archange Touadera, who was elected in March 2016. Presidential and legislative elections were held on December 27, 2020, in tumultuous conditions. Touadera was again declared winner of the elections, ending the period under review before his official re-inauguration took place, and before the second round of legislative elections.

In December 2020, while the government and the international community were in the final stages of organizing the presidential elections, six armed groups, signatories of the Khartoum peace agreement, declared the creation of a new armed group alliance, the Coalition of Patriots for Change (CPC). Demanding that the elections be delayed, the CPC quickly gained control over several of the country's main cities. Elections were held despite these events, but the turnout rate was just 35.25%. The constitutional court confirmed Touadera's victory after he received 53.16% of the vote. A lawsuit was filed by 13 out of the 16 presidential candidates claiming the results of the elections were rigged, but the suit was rejected by the constitutional court.

On January 13, 2021, the CPC launched an attack on Bangui in an attempt to overthrow the government. They were pushed back by a joint effort by peacekeepers from the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic (MINSUCA) and Rwandan and Russian soldiers, who had arrived just days earlier under the terms of a bilateral agreement. On January 21, 2021, the CAR government announced a state of emergency.

At the end of 2020, 2.8 million people were in need of humanitarian assistance in CAR, slightly fewer than the 2.9 million people in 2018, but a significantly higher number than the 2.2 million in 2017. By October 2020, the number of Central African refugees had risen to 630,000 from 514,000 in 2018 after hovering around 452,000 since March 2015. The last upsurge in violence generated more than 100,000 refugees, according to UNHCR. The overall number of internally displaced persons has decreased somewhat, from 648,000 in 2018 to 631,000 in 2020. A total of 1.93 million residents of the country live under conditions of acute food insecurity.

The COVID-19 pandemic greatly affected the economy, decreasing world demand for the country's main export items (diamonds and timber) and closing borders. The country finished 2020 with an estimated decline in GDP of 2.1%. After the first COVID-19 case was found in March 2020, initial measures to close schools and restaurants were announced, but there was little enforcement. By September 2020, the government had discontinued testing programs. The government created a response plan with a price tag estimated at XAF 27 billion (1.7% of GDP); this included provisions expanding medical care, monitoring the borders and supporting the country's medical structures. However, few concrete results have been evident. In total, CAR registered 4,989 coronavirus cases and 63 deaths by the end of 2020. However, the country's poor testing capacity suggests that the true figures might be higher than the official ones, despite a relatively low death rate due to COVID-19.

The International Criminal Court continued its investigations into alleged war crimes and crimes against humanity committed since 2012 and made its first arrest since 2018 in January 2021. The country's own Special Criminal Court also continued its investigations.

Armed groups driven by social, economic and political interests continued to assert control across the majority of the country during the review period. CAR ranks one of the most dangerous countries to work in for humanitarian workers, with 424 attacks on aid workers carried out in 2020. Impunity continues to be the norm rather than the exception in the Central African Republic.

The years 2019 and 2020 were expected not only to usher in a return to normal in CAR, but also to improve development, due to the established government, invested donors and a peace agreement. However, normal in CAR is not defined by the provision of basic services and the absence of conflict. Rather, since independence, the country has been defined by cycles of instability (1965, 1979, 1996 – 1997, 2003, 2013 and 2021). Each of these cycles have begun with acute periods of violence that have been temporarily resolved through the rearrangement of power structures. The new power structures redistribute entitlements, which antagonizes those who feel excluded, and then eventually leads to another period of violence. In 2019, it seemed that the cycle of violence had ended and that the power rearrangement was underway. However, it is now evident that the cycle of violence had not ended. Rather, it had simply stalled for a short time. The opposition, including rebel groups, militias and non-elites, became increasingly critical of the government's unfulfilled promises, and violence escalated. Every episode of violence undermines hard-won gains and national and international investments in education, infrastructure and the establishment of basic state services.

History and Characteristics of Transformation

The Central African Republic's (CAR) post-independence history is marked by cycles of violence and non-democratic (or only somewhat democratic) transfers of power. For the first 30 years after independence, France manipulated or facilitated changes in executive office. The French government supported General Jean-Bédel Bokassa, who seized control from David Dacko in a coup d'état in 1965. Bokassa declared himself president for life and then emperor while violently repressing dissent. The economy flourished as Bokassa built and hired, creating a sense of opportunity for those educated during this decade. When France grew tired of Bokassa's excesses it "restored" David Dacko to the presidency in 1979. A second coup brought General André Kolingba to power at the end of 1979. Kolingba's administration presided over a serious, rapid economic decline as structural adjustment policies seemed to further destabilize an already fragile socioeconomic context. Employment rates declined, and several months of salary arrears became the norm.

At the end of the decade, international aid was conditioned on democratic progress for the first time, elections were reluctantly held and Kolingba lost power to Ange-Félix Patassé. Patassé, the first northerner to assume executive power in CAR, struggled to reform a mono-ethnic and defiant army that quickly mutinied. The repressive response to these mutinies set the ground for today's instability in CAR.

By the mid-1990s, civil conflict had escalated into organized rebellion. Armed groups proliferated along with three attempted coups, one in 1996 to 1997 and two in 2001, and a rebellion by the former chief of staff, Bozizé, in 2001. Regional politics played a significant role in state manipulation and conflict during this time. The force that supported Bozizé's violent take over was overwhelmingly Chadian. They raped and murdered along their way to and from Bangui, as did rebels from the Democratic Republic of the Congo, which Patassé had called on to defend his presidency. These crimes, and the complicity of the government in them, reinforced the population's latent mistrust of foreigners and the government.

In the 2005 presidential elections, Bozizé won with 64.6% of the vote. Throughout the decade of Bozizé's rule, structural problems remained, and serious security problems developed. Three major rebellions emerged in the north of the country, which were quickly followed by peace efforts (e.g., inclusive dialogue processes, peace agreements and disarmament, demobilization and reintegration programs) and state-building (e.g., democratic elections) initiatives. These were duly endorsed in form rather than in spirit by the government and rebel parties who worked the processes to their advantage.

When Bozizé won the 2011 election with a two-thirds majority in the first round, international partners remained quiet, despite massive misconduct and rigging. A broad alliance of rebel groups, called Séléka, dominated by Muslim forces including Chadian and Sudanese fighters, formed in late 2012 and conquered Bangui in March 2013. Séléka installed the country's first Muslim

president, Michel Djotodia. In 2013, Djotodia's Séléka ruthlessly raped, murdered and killed mostly non-Muslims in Bangui and across the country. In response, brutal revenge killings of Muslims by self-defense groups (Anti-Balaka) and former security forces began. The violence during this time was unprecedented and had a devastating impact on the country's fragile economy.

The country suffered a sharp decline in its Human Development Index score, and the economy shrank by 37%. The economy, largely informal and dependent on natural resources, remains extremely fragile. More than 800,000 people were displaced. In January 2014, Djotodia was forced to step down, and an interim president, Catherine Samba-Panza, was appointed. During this transition period, a new constitution was approved, and peaceful elections were held.

In February 2016, general elections resulted in the victory of independent presidential candidate Faustin-Archange Touadera, who was elected with 63% of the vote. Unfortunately, violence and displacement continued throughout 2017 and 2018, including in previously stable areas. U.N. peacekeeping missions continue to be a central actor seeking to enforce law and order. At the end of 2018, one in five Central Africans was displaced.

Driven by criminal, economic or political interests, armed groups continue to assert control over the country throughout 2017 – 2020. These groups include Anti-Balaka militias; the Union for Peace (Union pour la paix, UPC); the Popular Front for the Renaissance of Central Africa (Front populaire pour la renaissance de la Centrafrique, FPRC); the Democratic Front of the Central African People (Front démocratique du peuple centrafricain, FDPC); Révolution and Justice (Révolution et Justice, RJ); Return, Reclamation and Rehabilitation (Retour, Réclamation et Réhabilitation, the 3Rs); and multiple former Séléka factions.

Bozizé returned to CAR in 2019 and announced that he would run in the December 2020 presidential elections. The constitutional court disqualified his candidacy. In December 2020, days prior to the presidential elections, a new rebel alliance called Coalition of Patriots for Change was formed (CPC). The alliance took control of major cities. The elections took place as scheduled, although a number of polling stations were unable to open. Touadera was declared the winner (with a 53.16% vote share) with a 35.25% turnout rate. On January 13, 2021, the CPC launched an assault on Bangui but was pushed back by international forces.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

Transformation Status

I. Political Transformation

1 | Stateness

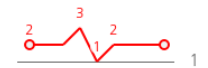
The state has hardly ever had a monopoly on the use of force in CAR. In many ways, CAR epitomizes an artificial state. It has been the subject of massive interventions by foreign traders and slavers over time. CAR's security forces have rarely been able to fully control the territory. Today, its borders are mostly uncontrolled and functional state administration is minimal outside of the capital, Bangui. The lack of necessary infrastructure and human capital renders vast portions of the country ungovernable. Various rebel movements and militias retain significant authority across large areas of the country. National security forces (e.g., the army, police and gendarmerie) do exist, but lack resources and adequate training. Following the February 2019 Khartoum peace agreement, violence has continued, albeit in less acute form. Between October 2019 and February 2020, 597 violations of the peace agreement were registered. In December 2020, a number of rebel groups that had signed the Khartoum peace agreement announced their disengagement from the agreement and formed a new rebel coalition, the Coalition of Patriots for Change (CPC), as a protest against the ongoing presidential elections. The CPC took control of several major cities in the country and attempted a coup within the capital of Bangui on January 13, 2021. While the coup attempt failed, the CPC, together with other armed groups, were still present (in January 2021) in about 80% of the national territory. However, with the support of MINUSCA as well as troops from Russia and Rwanda deployed under a bilateral agreement, the Central African Armed Forces (FACA) were able to retake the areas previously controlled by the CPC. In the last military coup in 2013, CAR had three main rebel groups. Today, eight years after the last coup and seven years after the deployment of a U.N. peacekeeping mission, the country has 14 active armed rebel groups.

Question
Score

Monopoly on the
use of force

2

'06 '22 10

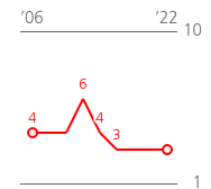


On the surface, the existence of the nation-state is paramount. Neither the government nor the international community question the concept of (re)building a nation-state in CAR. Yet, since the beginning of the state in CAR, different population groups have competed for hegemony and denied civil rights to others. For decades, the state has silently manipulated citizenship based on ethnicity. Even before the most recent crisis, those with Muslim names had difficulty getting birth certificates and state identity cards. Decades of uncontrolled migration from Chad and Sudan into the eastern parts of the country paired with a weak state capacity to monitor its borders have contributed to create the myth of the Muslim as foreigner. The 2013 crisis reached a historic extreme when the state lost all control during Anti-Balaka and Séléka violence. In the aftermath, the citizenship of many Muslim Central Africans was questioned and in some cases withheld, and it remains unclear for many internally displaced persons and refugees. However, paradoxically, the concept of a functioning nation-state is a deeply rooted ideal for Central Africans, and direct relationships with the state have provided a fundamental source of dignity for Central Africans for decades. In 2020, riots broke out in the capital after the government passed a law that increased the price for obtaining a Central African identity card. In January 2021, following the failed attack by the CPC rebel coalition, the CAR minister of security showcased a “rebel” on national television who claimed that the individuals who had come to destabilize the government and the democratic presidential election were “foreigners.”

In December 2015, a new constitution replaced the transitional charter enacted by Michel Djotodia in early 2013. This new constitution and other relevant texts are profoundly secular. However, since Bozizé’s administration, religious affiliation has grown in importance for access to power at all levels of society. Bozizé, an adept of the Christianisme Céleste sect, and Michel Djotodia, a Muslim from the Vakaga prefecture bordering Chad and Sudan, both openly displayed their religious affiliation and favored those of their religion. These social biases have not fundamentally affected the state’s secular orientation but have generated a de facto climate in which religion has become an identity marker. Christian-Muslim tensions are built on a sense of exclusion from economic gains made by Muslims who dominate many commercial activities (livestock in particular) and mining sectors (e.g., diamonds and gold) in CAR. This is further exacerbated by latent (and at times open) anti-Chadian resentment, simmering for more than a decade due to Chad’s collusion in national politics. Religion thus divides the country as an identity marker rather than in terms of religious dogmas per se, though these may exert some indirect influence due to the strong religiosity throughout the country.

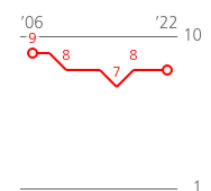
State identity

3



No interference of religious dogmas

8



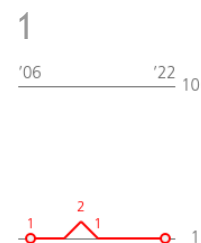
The state's reach beyond the capital and its surroundings has always been problematic. Previously, the territory was divided into 16 provinces (prefectures), but in an attempt to make the state administration more efficient, the government passed a law in December 2020 rearranging the provinces, resulting in the addition of four new provinces. Thus, CAR is now divided into 20 provinces. Even though this change was made to improve state administration throughout the territory, the further from Bangui one goes, the weaker the state administration becomes due to a lack of basic infrastructure and services (e.g., communication, education, health care, electricity and water), and poor security for state officials. Currently, state-provided legal, financial and security functions are nearly nonexistent outside the capital. The provision of most civil services is linked to direct donor support. Though an effort was made by the government and international partners throughout 2019 and 2020 to deploy government administrators into the field, rebel groups often refuse to let the state representatives fill their positions, or when they are on location, put so much pressure on them that they cannot carry out their duties. In places where the government does have power, the state administration lacks basic resources such as functioning office buildings and office supplies; thus, the administration is inexistent in most parts of the country. Difficulties in paying administrators present another hurdle in deploying the state administration. Due to the lack of security and infrastructure, only few banks exist outside the capital Bangui, meaning that once administrators are deployed, they need to come back to Bangui to receive their pay. In so doing, they generally miss a week of state work.

Due to the weak state of administrative structures throughout the territory, the outbreak of the COVID-19 pandemic did not result in any noticeable difference for the majority of the population, except within the education sector in the major cities. Schools were closed for most of 2020, but schools exist in only a handful of the larger cities. As the state mostly depends on MINUSCA logistics services to deploy and transport their administrators, some difficulties were noticed, as MINSUCA had to adjust its transportation protocols due to COVID-19.

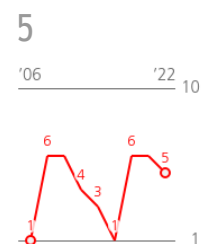
2 | Political Participation

Five years after general elections that ended the transition period in 2015, President Touadera and the National Assembly were up for re-election in December 2020. In the run-up to these elections, the president introduced a motion in April 2020 to change the constitution to delay the presidential elections planned for December 2020, arguing that the COVID-19 pandemic would hinder the elections from a logistical standpoint. In June 2020, the constitutional court rejected his motion and maintained the December 27, 2020, election date. While the international community struggled to raise the funds necessary to organize the elections, the return of former president Bozizé to the CAR earlier in late 2019 caused confusion. Despite an outstanding warrant for his arrest, the CAR authorities did not arrest Bozizé, and he

Basic administration



Free and fair elections



subsequently announced his candidacy in the presidential election in June 2020. The constitutional court invalidated Bozizé's candidacy on December 3, 2020, ruling that he did not satisfy the "good morality" requirement for candidates due to an international warrant and U.N. sanctions against him for alleged assassinations, torture and other crimes.

A week later, approaching the date of the presidential elections, six armed groups declared that they would no longer abide by the Khartoum peace agreement. The new rebel coalition, the Coalition of Patriots for Change (CPC), launched an offensive to hinder the elections and attacked major towns such as Bambari and Bangassou. Only MINSUCA, national security forces, and newly arrived Rwandan and Russian soldiers were able to counter the advance of the CPC.

Several independent presidential candidates united under the platform Coalition de l'opposition démocratique-2020 (COD-20) argued the logistics in place did not allow transparent elections to be held. When the election date was maintained, the CPC attacked several cities in the country, preventing the vote from taking place there. A total of 14% of polling stations were closed; in 29 out of 71 sub-provinces, no voting took place, while in six sub-provinces, polling stations had to close early due to voter intimidation. Nevertheless, the Constitutional Court declared Touadera to be the winner in the first round with 53.16% of the vote, and a voter turnout rate of 35.25%. The preliminary results of legislative elections were partially invalidated by the Constitutional Court, raising more doubts about the integrity and fairness of the process. On January 13, 2021, the CPC launched an attack on Bangui. They were pushed back jointly by MINSUCA peacekeepers and Rwandan and Russian troops, who had arrived under the terms of a bilateral agreement with Touadera just days prior.

A group of 13 out of 16 presidential candidates filed a lawsuit claiming the results of the elections were due to "massive fraud," but the suit was rejected by the Constitutional Court. On January 21, 2021, the CAR government declared a state of emergency in order to perform arrests without going through the normal legal system. While the international community supports the results of the presidential elections, the current government was – as of the time of writing – holding on to power of the capital of Bangui by only by a thread, while the majority of the country's territory was in the hands of rebels. In comparison with the last presidential elections in 2016, which generated a turnout of 59% it is evident that past five years have not improved peace or the ability to hold free and fair elections in the country.

Given the lack of territorial control, the elected government in CAR has never had the effective power to govern. However, this is almost entirely because of armed actors, rather than other veto powers such as business elites or the military that actively veto the results of democratic decisions, or which retain prerogatives that cannot be touched by the democratically elected officeholders. That said, there were rumors of the possibility of a military coup in 2020 and early 2021. In addition to the territorial control exerted by armed groups over vast stretches of the country, external actors still play a significant role in influencing political decision-making beyond electoral outcomes.

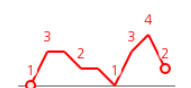
For the last 20 years, association and assembly rights have been guaranteed by law. The new constitution upholds these rights under Article 12: “all citizens have the right to freely create associations, groups, companies and public utilities, as long as they are in line with the law” (author’s translation). There is also a law on political parties and associations. Demonstrations since 2013 have often turned violent and either degenerated into intergroup violence or attacks on peacekeepers. Outside of Bangui, across rural CAR, *de facto* authorities (rebels and militia groups) restrict (often violently) the free association and assembly rights that are protected on paper by the constitution. The recent introduction of the state of emergency seriously undermined assembly rights. Under the guise of the fight against the CPC rebel coalition, the government restricted political parties’ and civil groups’ activities. As no COVID-19 measures were enforced, none of these really affected any assembly rights. The restrictions were there on paper, but were not enforced, and the government did not respect them.

Freedom of expression is generally guaranteed by law in CAR but has often been limited in practice. During the last two review periods, the fragile security situation imposed substantial restrictions on media. The existing media remain remarkably critical of government action, with a few vocal newspapers circulating regularly in Bangui. Radio is the most important source of information; the only source for most of the population. Radio services are provided *inter alia* by Radio Ndeke Luka and the government’s Radio Centrafrique, and confessional radios. Internet services have become important sources of information for urban Central Africans and the diaspora. Most important are Sangonet, Centrafrique Presse, Centrafrique Libre and Corbeaunews. Facebook, WhatsApp and Instagram are also increasingly popular forums for information sharing and communication. As for press agencies, Agence Centrafrique Presse (ACAP) and La Nouvelle Centrafrique are the most important. In 2020 Reporters Without Borders ranked CAR at 132nd place out of 180 countries in terms of press freedom, as compared 145th out of 180 countries in 2019, and 112th out of 180 in 2018 (in 2013, CAR was ranked 65th out of 197, while in 2012, CAR was ranked 62nd out of 179). Similar to the freedom of assembly, the current security context restricts freedom of expression, as attacks on the media continue and journalists’ security is far from guaranteed. The quality of media is low, as poor living conditions render journalists vulnerable to payoffs and subjective reporting. This is

Effective power to govern

2

'06 '22 10



Association / assembly rights

6

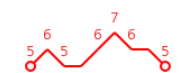
'06 '22 10



Freedom of expression

5

'06 '22 10



particularly true for the written press. As for social networks, they have often lent themselves to hate speech and dissemination of rumors. Outside of Bangui, expressions of dissent from prevailing de facto power structures are not tolerated. International NGOs have seen an increased hostility toward them in the press, with spreading of fake news. Since the 2017 rekindling of the relationship between Russia and CAR, an increase in CAR government activity on social media platforms has been evident. Social media such as Facebook and Instagram are often used to spread fake news; these platforms are used aggressively by both the government and the opposition, often targeting international stakeholders such as MINSUCA and the French government. When the COVID-19 pandemic hit, certain media platforms identified expatriate individuals, or sometimes certain countries, as being responsible for introducing the pandemic to CAR. As case numbers rose, the government tried to control what media could report on the issue, often releasing figures that contradicted international agencies.

3 | Rule of Law

CAR has had a presidential system since independence (with a brief monarchical interlude during Bokassa's administration), and its new constitution continues to ensure separation of the powers. Indeed, the new constitution includes the addition of an upper house in parliament (the Senate) which could further strengthen the state's legislative functions, although it was not functioning as of the time of writing. Since the National Assembly (lower house of parliament) took over from the National Transitional Authority in early May 2016, there have been various instances of serious scrutiny of the government's actions. This has caused a rift between the government and parliament, as parliament has sought to institutionalize its role as a government watchdog. There is no tradition of political checks and balances in CAR. The presidency is not used to a parliament that independently questions the government's actions.

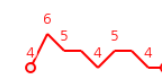
In 2019, there were no fewer than 11 loose parliamentary groups, of which the largest group, the Cœurs-Unis (United Hearts) was entirely comprised of independent representatives, though it officially backed President Touadera. Nine of the other parliamentary groups were already part of the government majority, and later formally joined the Cœurs-Unis. Only one parliamentary group is officially in opposition to the government.

During the period under review, no state of emergency was declared until the January 21, 2021, announcement of a 15-day state of emergency. This was due to the power struggle between the newly re-elected but not yet inaugurated President Touadera and the CPC rebel coalition, which refused to recognize the election results. This state of emergency was introduced between the first and second round of legislative elections. The preliminary results of the first round of legislative elections indicated a majority in favor of the ruling party.

Separation of powers

4

'06 '22 10



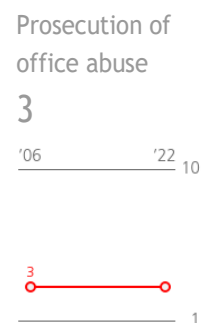
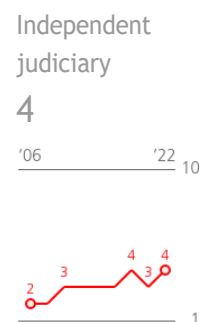
1

COVID-19 had no discernable effect on the separation of powers. The government introduced restrictions beginning in March 2020, but these were not strictly enforced. The parliament interpellated the prime minister concerning the management of COVID-19.

The judiciary, historically understaffed and weak, was weakened by the years of turmoil that followed the 2013 crisis. Judges, prosecutors and lawyers are always in short supply and professionalism is low. Impunity at all levels of society is the status quo, in particular for elites. Presidents are expected to dole out punishments, not the courts. The judiciary also suffers from structural weaknesses with the police and gendarmerie forces, especially their inability to effectively investigate cases and secure evidence. The U.N. peacekeeping mission MINSUCA works with the police and gendarmerie forces to strengthen their ability to investigate with a special focus on crimes against women and children. Since there is little political will to carry out arrests and enforce the national judiciary system, many national judges have left the ranks of the national judiciary system and joined international institutions such as the Special Criminal Court (SCC), further weakening its capacity. The SCC, which was created in 2015 to investigate war crimes and crimes against humanity committed on the territory of CAR since 2003, held its inaugural session in October 2018 after many delays. The SCC currently has 15 cases under preliminary examination, eight cases under investigation and eight cases in which the investigations have been closed. The SCC announced in mid-2020 that it will be investigating the cases of nine combatants who were arrested following attacks in the southeast of CAR, mainly ex-Séléka members. The court will add these cases to a list of nine other individuals who were arrested by MINUSCA following attacks in the northeast. Although some progress has been made by the SCC, the judicial processes are slow and the logistics costly. The court lacks funding, as donors are hard to motivate when few real results have emerged.

However, the Constitutional Court played a more prominent role during this period. For instance, it reviewed several actions by the government and allegations by opposition candidates. In spring 2020, it stopped the president’s plans to postpone the elections because of the pandemic.

Concessionary politics, rooted in colonial practices, are engrained in CAR’s state apparatus. Professor Stephen W. Smith of Duke University defines these concessionary politics as legal arrangements that allow national sources of income to be temporarily diverted for use by non-national interests in exchange for compensation. In CAR, this creates a “paradox of scarcity” in which the ruling elite are able to enrich themselves despite the state’s poverty. The degree to which officeholders break the law and are not adequately prosecuted varies from administration to administration and crisis to crisis. During times of crisis, the rich get richer with impunity. However, as crises fade and international pressure to control misappropriation of revenues increases, so too does public criticism and prosecution

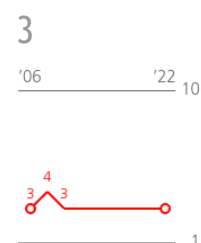


of corruption. Currently, international oversight is relatively high, and aid is tied to good governance, which should hamper concessionary politics. However, given the continued weak state of the judiciary and CAR's "post-crisis-fragile-state" status, most corruption is dealt with outside of the judicial system. As the CAR government has developed bilateral agreements with both China and Russia, certain market sectors, such as construction, have been over by international companies that do not abide by national laws (e.g., they are not registered in the country, do not pay taxes and do not respect employment regulations), and are not awarded contracts through a transparent bidding process. However, as they are operating through and with certain members of state institutions, and this has become an accepted practice within the state administration, no one fears legal consequences or adverse publicity.

Civil rights are guaranteed by the constitution in principle. However, the state and rebel groups repeatedly violate them, particularly fundamental rights to life and personal security. Sexual violence has greatly increased. Every single hour in CAR, a case of gender-based violence is reported, according to the Office of Coordination of Humanitarian Affairs (OCHA) in its December 2020 report. However, the actual situation is certainly worse still, since the information management system (GBVIMS) supported by aid organization covers only 42% of the country. Widespread insecurity in the country maintains a context conducive to gender-based violence, but the country's deeply rooted gender inequalities, abuses of power and harmful norms also contribute. The COVID-19 pandemic further increased existing vulnerabilities, particularly during its first months. As lives retreated inside homes due to lockdown measures introduced by the government, an alarming increase in violence against women and girls was reported in the Central African Republic. Women and girls had to stay at home with their abusers, thus increasing cases of violence by at least 10%, while limiting survivors' ability to seek protection and assistance.

For some groups in some parts of the country, civil rights are systematically violated. Despite recent progress in the establishment of the Special Criminal Court and a stable National Assembly, de jure protection of civil rights for the entire population continues to be hindered by the weak judicial system and culture of impunity. During the initial onset of the COVID-19 pandemic, certain civil rights such as the freedom of movement were restricted due to curfews, the closure of certain roads and orders to shelter in place. However, due to the government's weak capacity to enforce these rules, and the population's need to gather food, the rules were not widely respected.

Civil rights



4 | Stability of Democratic Institutions

History seems to repeat itself each decade in CAR (1972, 1981, 1993, 2003, 2013, 2020), and each “post-crisis” scenario includes significant uncertainty regarding the democratic nature of CAR’s political system. While the constitution has always protected a republican political system with democratic institutions (except for a short period between 1976-1981), the country’s instability, concessionary politics and a culture of impunity delegitimizes its democratic institutions. Nevertheless, a plethora of democratic institutions exist, and the state remains the largest employer in the country. Indeed, inclusion in the state system determines social status and entitlements that are fundamental to Central African culture (see “State identity” above). At the end of Touadera’s five-year term, and at the dawn of his re-election, many challenges remain with regard to CAR’s democratic institutions.

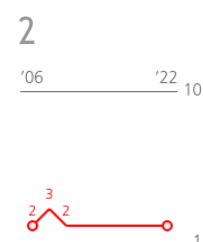
The December 2020 presidential elections raise even more questions about faith in democracy, as the new rebel coalition, all members of which were signatories to the 2019 Khartoum peace agreement, formed a new alliance and marched on Bangui to hinder the elections.

All relevant actors in the political system (government bodies, political parties, and civic organizations), are generally committed to the state’s democratic institutions and processes. Nevertheless, progress since the 2015 election of President Touadera has been slow, and public approval of Touadera’s government quickly decreased as insecurity persisted and the process of disarmament, demobilization, rehabilitation and reintegration (DDRR) stalled. During 2018 and 2019, security continued to deteriorate, and several peace negotiations were attempted with mixed results. Rebel groups became increasingly fragmented and criminalized. The period of review ended just as several of the rebel groups, all of which were signatories to the Khartoum peace agreement, officially stepped out of the agreement and formed a new coalition, the CPC, led by former President Bozizé.

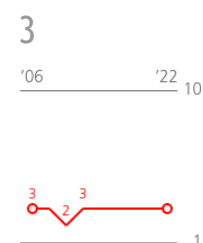
5 | Political and Social Integration

In general, the party system has proven to be unstable and fragmented, thanks to its shallow roots in society and high voter volatility. The 2011 elections marked the apex of a steady disintegration process of an (at times) semi-functional party system. A comparison of election outcomes (1993, 1998-99, 2005, 2011) shows that the once-dominant Mouvement de Libération du Peuple Centrafricain (MLPC) constantly lost influence. At the end of 2014, the Rassemblement Démocratique Centrafricain (RDC), in which the Kolingba family still has strong influence, seemed staged for a revival while Bozizé’s Kwa Na Kwa party (KNK) was losing its clientelistic “glue” and seemed unlikely to survive his era. The fragmentation of political parties in 2013

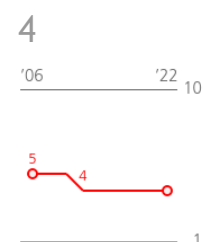
Performance of democratic institutions



Commitment to democratic institutions



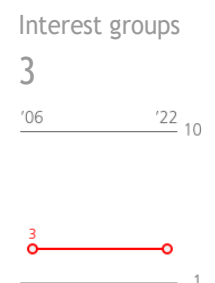
Party system



– more than 50 just prior to the last crisis in 2013 – was significant. These parties seem to be more the private appendages of opportunistic politicians seeking personal entitlements than a plurality of representatives for the masses. Indeed, civilian political parties have never been particularly robust due to their own incapacities, and a history in which traditional institutions representing distinct populations were repeatedly destroyed during colonial and pre-colonial times. No civilian party has been able to represent the interests of marginalized minorities, and most suffered severe internal crises. In parallel, “cheap diplomacy” has favored the participation of politico-military leaders in all dialogue processes since 1998, and peace negotiations and agreements have given rebel movements and warlords political weight. These inclusionary practices, and the promises and entitlements that went along with them, reinforced clientelism, and exacerbated feelings of exclusion that led in part to the rise of Séléka in 2012 and the continued proliferation of armed groups today. The 2015 elections further destabilized the party system; an independent president was elected and 41% of seats in the National Assembly are held by independents. For the first time in CAR’s recent history, there was no dominant party that emanated from the president. This relative “independence” was believed to constitute a chance for a realignment of political loyalties toward greater ideological convergence. Leading up to the 2020 elections, the KNK party remained a potent political force. After the constitutional court invalidated the presidential candidacy of its leader, former President Bozizé, it endorsed Anicet-Georges Dologuélé from Union pour le renouveau centrafricain (URCA). The MLPC split into two factions, one regrouping around former supporters of the late president Ange-Félix Patassé, and another supporting his former prime minister, Martin Zinguélé. Other notable parties include the Parti libéral démocrate (PLD) and RDC.

At the close of the review period, the 2020 presidential elections had just been concluded, and the legislative elections were between the first and second rounds of voting. The preliminary results indicated that the political party tied to the president, Cœurs-Unis, would take the majority of the seats in the National Assembly.

Most layers of society have no clear representation in formalized interest groups. Important social interests, especially those of the rural population, youth and women, are underrepresented in public debate. The trade-union movement, particularly of the public sector, was always comparatively strong in Bangui and contributed to the democratic transition in 1993. Some salary arrears for civil servants, particularly those in parastatal companies (SOCATU, SOCATEL, mayors’ offices and hospitals) persisted in 2015 and 2016, despite the democratic transition and direct budget support for salaries from the European Union, France and Central African Economic and Monetary Union (CEMAC) countries, trade unions were vocal in pushing for payment. It can be said that in CAR, interest groups follow money and power. For example, as funding for human rights, social cohesion and rural revival ballooned after the crisis in 2013, so too did the number of national NGOs active on the ground (represented by the semi-active Conseil Inter-Organizations Non-Gouvernementales



en Centrafrique). Outside Bangui, rebel groups have historically acted as the most viable interest groups for those who are ignored by the state, gaining their power and money through violence and banditry in the stateless countryside. Ethnic minorities have never managed to organize themselves into powerful interest groups that are included in political processes. Instead, many found their power and voice in economic activities, particularly the Muslim minorities. The 2013 crisis gave some visibility to religious organizations and personalities representing religious groups in a social conflict that took an unexpected religious turn. The Plateforme des Confessions Religieuses became vocal and active in maintaining social cohesion. It comprises the Islamic Conference of CAR, Alliance des évangéliques en Centrafrique and the Catholic Church (the only organization present across the entire country). Even if the influence of the religious platforms decreased somewhat during the period under review, President Touadera and international stakeholders regularly consult it in matters associated with efforts to broker peace.

One may speculate about the political preferences of a largely traumatized population after six years of constant unrest since the last successful coup in 2013. In the absence of survey data, one would still believe that democratic norms are approved by a majority of the population, but probably not by minorities that never felt represented. Arguably, this is the case for the Mbororo and Muslim minority. No survey data is available, but the local consultations held prior to the Bangui Forum in 2015 clearly indicate citizen's approval of democratic ideals. This is also confirmed by anecdotal evidence gathered from discussions with various sections of the population in the run-up to elections. However, they complain that democracy was never really given a chance in CAR. In the 2020 presidential elections, a surprisingly high share of the population registered to vote. Even though voter turnout in the end proved to be very weak (35.25%), mostly due to violence and voter intimidation, the registration figures showed that the population still wants to participate in voting.

Social capital in CAR has always been weak, partially as a result of the Arab slave trade and raids on local populations, which was followed by forced work and conflict in the colonial period. Social capital is so weak in CAR that, during the 2013 to 2014 violence, family members in multiethnic or multi-religious families turned against each other. Muslim wives turned in Christian husbands to the Séléka, and Gbeya fathers turned over their Goula-Gbeya children to the Anti-Balaka. The CAR government and the international community have avidly pursued social cohesion programs since the last crisis. Humanitarian aid for these programs outpaces aid for water, hygiene, health care and education. However, a prerequisite for social cohesion is a basic level of trust between people, which has rarely existed in CAR. The most resilient and long-standing examples of social cohesion in CAR exist paradoxically in market relations (e.g., the cattle trade and pharmaceuticals). In these relationships scarcity of resources often supersedes ethnic and religious prejudices, and allows for cooperation between groups. Microeconomic relationships, such as those seen in cattle trade, provide forums for frank dialogue and generate interdependency between

Approval of
democracy

n/a

'06 '22 10

n/a 1

Social capital

2

'06 '22 10

2 3 4 3 2 1

warring parties, which augments social capital. During the review period, this trend remained much the same, even though some economic decline was evident due to the COVID-19 pandemic that slowed trade due to restrictions on movement and transportation. Any time economic trade between multiethnic and multi-religious actors declines for a reason, in this case the COVID-19 pandemic, the security situation quickly becomes more fragile, with an increased number of incidents.

II. Economic Transformation

6 | Level of Socioeconomic Development

All relevant indicators of socioeconomic development in CAR are at a very low level, and systematically the country ranks among the world's 10 worst performers. The Human Development Index ranked CAR at 188th place out of 189 countries, just as in 2017 (CAR was ranked 187th out of 188 in 2015). The index score of 0.397 in 2019 represented a slight improvement from 0.367 in 2017 (0.362 in 2015) but remains equivalent to 2008 levels.

Poverty is structural and widespread in CAR. GDP per capita (PPP) was \$984 in 2019, in comparison to \$955 in 2018. In 2018, according to the World Bank, 71% of the population lived below the international poverty line (\$1.90/day in terms of PPP)

Urban inhabitants, and particularly those in Bangui, have historically been better off than people in the countryside. Concessionary politics creates massive inequality between those with formal relations to the state and those without (see Prosecution of Office Abuse above). This explains CAR's high 56.3 Gini coefficient, making it the 5th most unequal country in the world (of those ranked in 2008, most recent statistics).

The Gender Inequality Index also finds CAR at the bottom of the list (fifth most unequal in the world) with a score of 0.682 in 2018, just slightly better than 0.654 in 2017. High primary-school enrollment rates (96%) are due in part to over 20 years of significant donor funding for education (infrastructure, teachers). Recent enrollment statistics show a 102% rate for primary education and a 12.1% rate for secondary education. According to the FAO, the subsistence economy provided a livelihood for nearly 75% of the population in 2019. Since then, the non-monetary economy has only grown, as hunting, foraging and subsistence farming remain primary livelihood types.

Question
Score

Socioeconomic
barriers

1

'06 '22 10

1 1

Economic indicators		2017	2018	2019	2020
GDP	\$ M	2072.3	2221.0	2220.3	2303.1
GDP growth	%	4.5	3.8	3.0	0.0
Inflation (CPI)	%	4.2	1.6	2.7	2.3
Unemployment	%	4.2	4.1	4.0	4.3
Foreign direct investment	% of GDP	0.3	0.8	1.2	-
Export growth	%	22.9	14.7	-2.2	-
Import growth	%	16.1	22.3	8.2	-
Current account balance	\$ M	-	-	-	-
Public debt	% of GDP	50.3	50.0	47.2	44.1
External debt	\$ M	762.8	825.0	887.6	975.7
Total debt service	\$ M	39.7	27.1	31.7	17.2
Net lending/borrowing	% of GDP	1.6	0.3	-	-
Tax revenue	% of GDP	7.1	8.6	-	-
Government consumption	% of GDP	14.1	14.2	8.0	9.3
Public education spending	% of GDP	1.8	1.6	1.8	-
Public health spending	% of GDP	0.7	0.7	-	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	1.4	1.4	1.9	1.9

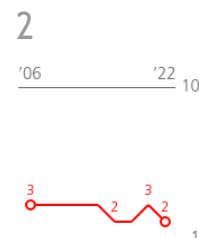
Sources (as of December 2021): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

7 | Organization of the Market and Competition

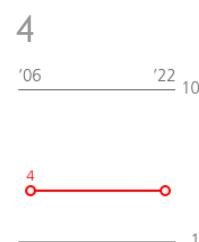
The high levels of insecurity and the bad state of the national road network continue to have a devastating impact on the country’s fragile economy. Though no reliable quantitative estimates, the economy is largely informal except for a few urban and mining enclaves. The urban centers, in particular Bangui, are seeing a rise in market-based competition mostly due to the continued influx of international organizations. The few new private companies that opened during the review period all cater to the international crowd, for instance by offering real estate services, restaurants and other forms of services. The country’s forestry and ecotourism resources cover some 34 million hectares. In 2019, the exploitation of some of these forestry resources, which contain a broad range of varieties, accounted for more than 50% of the country’s total earnings. In addition, the country has substantial mineral resources such as diamonds, gold and uranium, iron, and copper. However, diamonds are the only resource mined by an artisanal sector, and account for about 35% of export earnings, thanks to the partial lifting of the Kimberley Process embargo. In 2020, due to the COVID-19 pandemic, a decline in the export demand for minerals, especially diamonds, was evident. In partnership with the IMF, the government has resumed fiscal reforms that were interrupted by the 2013 coup and the ensuing conflict. In November 2018 the IMF completed its fifth review of the CAR’s performance under the three-year, \$189 million extended credit facility (ECF) program that was approved in mid-2016 (and has been augmented twice since then). The IMF expressed its broad approval of the government’s fiscal management and new revenue-enhancing measures taken by the government, which should encourage other foreign partners to engage with the country. In December 2019, the IMF approved a new three-year \$115.1 million ECF. Nonetheless, significant concerns remain regarding the high risk of debt distress, as well as the rapidly deteriorating security conditions including in key diamond-exporting areas. According to the Doing Business 2019 report, it takes 10 procedures, 22 days and costs of 143.4% of GNI per capita to start a business, placing the Central African Republic at 184th place out of 190 countries in the Starting a Business subindex.

Central African Republic is a member of the CEMAC (Economic and Monetary Community of Central Africa) and adopted the community’s regional competition regime. But there is no formal national authority or merger control regulation. In CAR, competition regulations are difficult to enforce, and the formation of monopolies and oligopolies is only occasionally regulated. This is particularly visible in some areas of the service sector (telecommunications, banking). But monopolistic distortions of the market are certainly not rated particularly important by the government, as few investors show an interest, and some essential goods are not provided at all. Many of the companies operating in CAR (Lebanese, Chinese, Russian, Cameroonian) have preferential agreements with the government, or with certain individuals within the government, and do not abide by any formal

Market organization



Competition policy



regulations. This is also noteworthy in terms of predatory pricing. When the only access road into CAR transporting goods from the Douala port in Cameroon has been blocked either due to the COVID-19 pandemic, or by rebel activity, prices have regularly gone up for basic products in Bangui, without any regulation or control from the government.

The economy has always struggled due to the country's isolated geographic position (landlocked with minimal transportation infrastructure). Freedom of trade further declined with the onset of the latest episode of violence. As security cannot be guaranteed throughout the territory, tariff revenue policies cannot be implemented.

CAR's membership in CEMAC does lead to some common trade rules, which could help raise standards if implemented. The difficult state of road infrastructure together with insecurity along the main supply road from Cameroon, render the costs of foreign trade relatively expensive. The insecurity directly affects foreign trade, as the rebel groups have a habit of cutting the main supply road and intimidating or even killing the truck drivers delivering supplies to Bangui; as a consequence, drivers have gone on strike, refusing to drive this road even after the government has secured it. One significant improvement in foreign trade during 2017 and 2018 was the resumption of legal diamond exports from "compliant zones" of CAR in July 2016. However, due to the increase of violence in parts of the country where diamond mining is conducted, as well as the onset of the COVID-19 pandemic – which reduced demand and made physical export impossible – a decline in trade was observed. In the World Bank's Doing Business report 2020, CAR ranked 184th out of 190 countries listed, in comparison to a rank of 183rd out of 198 countries in 2019, and 186th of 183 countries in 2015.

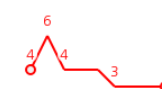
Parallel to its selective integration into the world market, CAR is and has been well integrated into the global, shadow market for small arms, poached animals and animal products (ivory, scales, horns), and gold and diamonds, despite various embargoes. Rebel groups easily cross the border with stolen goods. In non-compliant zones (such as the eastern part of CAR) the diamond trade is controlled by rebel groups that smuggle stones through various channels to Sudan, Cameroon and the Democratic Republic of Congo. Herders, many of whom come well-armed from Chad and Sudan, are often accused of smuggling illegal products, sometimes in collusion with various rebel groups.

Solid actual information on the banking sector is hardly available in the public domain. According to official numbers, the bank capital-to-assets ratio stood at 20% in 2020, and the percentage of non-performing loans had fallen from more than 30% in 2015 to 12.6% in 2018. Generally, CAR's membership in CEMAC and Economic Community of Central African States (ECCAS) anchors the country to international banking standards, despite its small economy. CAR has the smallest financial sector in the entire CEMAC region, as well as the weakest ratio of population to bank counters in the Central African region. Banks are concentrated in the capital city,

Liberalization of foreign trade

3

'06 '22 10



1

Banking system

4

'06 '22 10



1

Bangui, and in Berbérati and Bouar. The most recent information lists four commercial banks (Ecobank, CBCA, BSIC and BPMC) and a central bank, the Banque des Etats de l’Afrique Centrale (BEAC), that serves the six countries forming the CEMAC community. There are also at least two active microfinance institutes. Theoretically, the supervision of the banking sector is well regulated in the framework of the CEMAC institutions. Legal underpinnings for the banking system and capital market exist, under the supervision and control of the Commission Bancaire de l’Afrique Centrale (COBAC), which is associated with the BEAC (Bank of Central African States). But the market is poorly differentiated and offers scant opportunities for domestic investors particularly in the context of poor security. Banking sector support or reform does not hold a visible place in the new president’s platform nor in the National Recovery and Peace Plan (PNRCP).

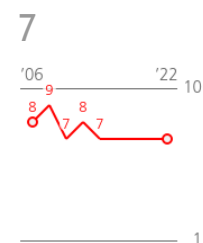
8 | Monetary and fiscal stability

Monetary policy is managed by the regional central bank, Banque des Etats de l’Afrique centrale (BEAC), whose priorities are centered around controlling inflation and maintaining the CFA franc’s peg to the euro (as of the time of writing, €1 = XAF 655.66). The BEAC took measures to support structural adjustments in its member countries after global oil prices plunged in 2014 – 2016, leading to a sharp rise in statutory advances and a rapid drawdown of foreign-exchange reserves. In response, the BEAC raised its main policy rate in March 2017 by 50 basis points to 2.95%. But with improving economic activity and stabilizing inflation in the second part of 2018, the BEAC tightened its monetary policy again, setting the main policy rate at 3.5% at its October 2018 monetary policy meeting. Monetary policy is largely guided by the monetary stance of the European Central Bank (ECB), as well as the availability of, and the trend in, foreign-exchange reserves. In March 2020, the ECB announced a stimulus package, providing massive liquidity aimed at combating the economic threat posed by the pandemic. In March 2020, the BEAC, tracking the accommodative stance of the ECB, cut the main policy rate to 3.25%, and in September 2020 it was left unchanged. The real effective exchange rate stood at 127.3 in 2019.

Supply-chain disruptions stemming from the pandemic, including the temporary closure of the border with Cameroon, lifted inflationary pressure in 2020, offsetting weak demand. We estimate a full-year average rise in consumer prices of 3.5% in 2020. Although inflation at these levels remains low compared with the highs of 2014-15, it is well above the convergence rate of 3% set by CEMAC, as the country’s still relatively poor transport infrastructure (especially roads), ongoing insecurity and volatile agricultural output continue to drive domestic inflationary pressures.

In recent years, monetary stabilization policy within the CFA zone has been sharply criticized. However, adjustments planned in West Africa have not yet been reflected in Central Africa.

Monetary stability



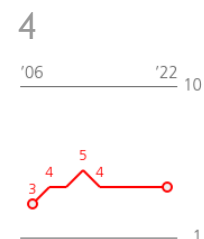
The country's public finances remain in deficit as ongoing instability, due both to violence and the COVID-19 pandemic (resulting in closed borders and a lack of demand for exported products), continues to constrain fiscal performance. The government remains heavily reliant on donor income, although actual aid disbursements have been somewhat limited until the government can demonstrate real improvements in fiscal management, as well as progress on implementing the country's five-year National Plan for Recovery and Peacebuilding (2017-21), which was drafted jointly with these donors. The government has started to repay arrears to small and medium-sized enterprises and has reduced domestic arrears to pension funds. Overall, the fiscal deficit is expected to narrow from an estimated 4.6% of GDP in 2020 to 3.8% of GDP in 2021, with revenue picking up but expenditure remaining elevated. Overall public debt has been on a downward trend, reaching 47.2% of GDP in 2019.

In reaction to the COVID-19 pandemic, the government created a response plan with an estimated cost of XAF 27 billion (1.9% of GDP). The plan went beyond an immediate response plan and contains measures to strengthen the ability of the health care system to deal with such pandemics in the future. It notably aimed at providing medical care, improving border monitoring and strengthening the capacities of medical-system structures. In addition to the health sector plan, the authorities were envisaging providing financial support to the most vulnerable households and companies, while increasing access to water. The government requested the help of its development partners to finance this plan, through grants and loans. A draft supplementary budget law was adopted and included around XAF 44 billion in additional support from donors related to COVID-19. The additional spending in the budget related to COVID-19 amounted to about XAF 15 billion. In April 2020, the IMF approved a \$38 million grant through the Rapid Credit Facility (RCF) to support CAR through the pandemic.

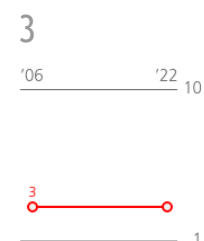
9 | Private Property

Private property in urban areas is guaranteed on paper but cannot be safeguarded because the rule of law is so weak. Outside of urban areas, the government owns all land, although customary rights to usage are common. According to relevant World Bank indicators, registering property takes a long time for foreign investors (75 days) and contract enforcement in Bangui's Commercial Court can take up to 660 days. However, this is hardly the most pressing problem when it comes to private property. The most essential property rights were harmed by the catastrophic events in 2013 – 2014, as the government was unable to protect its citizens or their assets during (or after) the last conflict, which displaced millions. The few returnees that have come back have often found their properties occupied by other people and have struggled to regain their territory. This is especially the case for Muslim owners. INGOs such as the Norwegian Refugee Council have developed programs to aid returnees in advocating for their rights to regain their property.

Fiscal stability



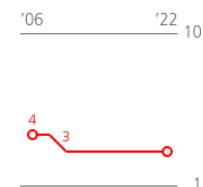
Property rights



In the World Bank's Doing Business 2020 report, CAR was ranked at 184th place out of 190 countries, a marginal improvement since its 2019 ranking of 183 out of 190. However, private enterprise activities have improved during the period under review. Diamond exports, which resumed in 2016 after being banned in 2013 because they were found to have financed armed groups, continued to support some economic activity in 2018 and 2019. However, as the COVID-19 pandemic hit, this sector suffered significantly due to lower export demand. Services that were hit by looting and the widespread destruction of infrastructure during the civil war recovered slowly in 2019. Agricultural production (timber, bamboo, cotton and coffee are the CAR's main agricultural exports), which accounts for more than 40% of GDP, benefited from the government's recent investment in the sector, albeit it still suffers from the insecurity. Although the presence of an elected government has helped to unlock donor funding and has supported a modest rise in private and public consumption, security conditions deteriorated during the period under review. Moreover, the business environment remains risky, and state and economic institutions are fragile. In April 2020, the first restrictions due to COVID-19 were announced, with borders closed in CAR and neighboring countries; thus, all enterprises suffered. Foreign companies that were present in the country before the 2013 crisis remain in place. Most of them are French (Air France, Bolloré, Castel, Orange, Total, Vilgarin, etc.). In 2018 and 2019, Chinese companies, which have been more or less absent since the 2013 coup, reinforced their presence in CAR, mainly offering construction services. Russian investment rose through 2019, mainly under local legal status (Lobaye Invest). The shadow economy remains significantly more lucrative than the formal private sector. In comparison to some neighboring countries, the government cannot compete in attracting private companies.

Private enterprise

3

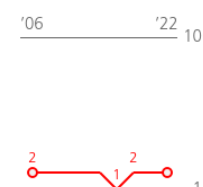


10 | Welfare Regime

During 2020, average life expectancy at birth grew steadily to 53.35 years, a 0.64% increase from 52.9 years in 2018 (and up from 50.7 years in 2015 and 44.6 years in 2003). Some health data indicate progress during the Bozizé era, but one wonders whether this is attributable to the government's policies (CAR attained only one Millennium Development Goal, number 6 on the fight against HIV/AIDS, malaria and other communicable diseases).

Social safety nets

2



But the death toll from malaria quadrupled between 2014 and 2017, according to the WHO, and continued to increase during 2019. Health care infrastructure is particularly rudimentary with 0.8 health care workers per 1,000 people pre-crisis; public expenditure on health care rarely exceeded 2% of GDP (1.9% in 2012). Formalized traditional and self-help mechanisms are very weak in CAR given the lack of social capital within and between social groups, and further weakened during the crisis (see "Social Capital"). Church organizations remain the strongest social safety net in CAR today, as they care for the elderly, provide education, health care

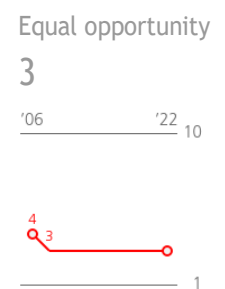
and encourage entrepreneurial activities. However, their ability to provide support is limited, since churches and their staff have been targeted in attacks, as they provide shelter to targeted groups. The number of persons in need of humanitarian assistance remained high at 2.8 million in 2020 (compared to 2.9 million in 2018 and 2.2 million in 2014). The surge in international funding for CAR has created a multiplicity of NGOs on the ground, but there has been no sustained improvement in access to social safety nets.

A decade of sociopolitical crisis has destroyed the social capital that existed in traditional communities, thus undermining the efficacy of traditional social safety mechanisms.

The government drafted a COVID-19 response plan that included support to households, but this failed to materialize in practice. NGOs are, and have been for the last 10 years, the exclusive providers of social safety net benefits – in the form of cash-for-work opportunities, health care, education and capacity-building – and are likely to remain so for some time to come.

The constitution reaffirms CAR's commitment to prevent all types of discrimination against women, indigenous and tribal people. It also guarantees equality based on race, ethnic origin, region, sex, religion, political affiliation and social position. However, as is the case with so many legal provisions in CAR, enforcement is difficult. While women formed 45.7% of the labor force in 2019, they are on average less well educated than men. The literacy rate for adult women declined from 35% in 2000 to 24% in 2010, according to World Bank statistics. In 2020, UNESCO reported that the adult literacy rate among women was 25.76% – just 1.76 percentage points better than 10 years ago, and compared to an overall literacy rate of 37.4% in the country and a rate of 49.5% for men in 2018. In December 2019, just three countries ranked below CAR on the United Nations' Gender Inequality Index, on which it received a score of 0.680. During the political transition after the 2013 conflict, it seemed that women were going to begin taking a bigger part in public life than in most neighboring countries. Women formed 20% of the Conseil National de Transition (CNT), while a woman was also elected interim president of the CAR. However, the representation of women in the 2016 elected National Assembly (installed May 2016) fell to 8.5%, lower than in Chad, Sudan, South Sudan and Cameroon. Even though women have occupied key government positions since 2018, including the minister of defense and minister of foreign affairs posts, only six of the 34 government ministers were women at the end of 2018, and seven women in a government of 39 ministers in 2020.

Sexual violence against women has drawn significant attention during the period under review due to multiple cases of sexual assault by various actors, including peacekeepers in CAR (leading to the withdrawal of all peacekeepers from the Republic of Congo in June 2017). Discrimination against Muslims is endemic despite its subtle, hardly apparent nature. Although there is no legal barrier to their



promotion, their access to various public service positions has been complicated by the poor access to basic education that characterizes the northeastern regions. The relative economic success of Muslim traders has contributed to an increase in discrimination that also extends to non-local Muslims like Chadians, who are widely suspected of pillaging the country's resources. Indeed, for many decades, first-generation Central Africans with foreign sounding names often registered their children with the authorities under Christian- or French-sounding names to avoid discrimination at school and work. The example of former interim president and first Muslim head of state in CAR's history, Michel Djotodia, is a case in point.

11 | Economic Performance

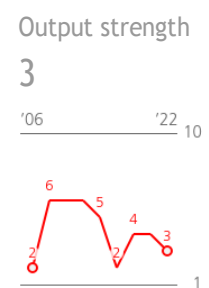
The economy suffered enormously during the civil war that broke out in 2013. GDP contracted an unprecedented 37% between 2012 and 2013, from \$2.2 billion to \$1.6 billion, but is now experiencing a slow recovery, having reached \$2.2 billion in 2020 (\$1.95 billion in 2017). Real GDP grew at a rate of 3.8% in 2018 and 4.5% in 2019; however, the growth forecast for 2020 was for a decline of 2.1% due to the COVID-19 pandemic and escalating violence. Growth per capita declined in 2019 by 1.69% relative to 2018, in comparison to a 5.56% increase between 2018 and 2017. The inflation rate for 2019 was 2.69% and was estimated at 2.95% in 2020.

Economic growth depends largely on political stability, continued reform and improved performance of the forestry sector, along with public investment under the National Development Plan. Low levels of economic diversification and heavy dependance on foreign aid (more than 40% of the budget) leave the economy vulnerable to external shocks. As seen by the 2020 results, the geographical location of CAR makes the economy extremely fragile. With only one access road into the country, the economy suffers greatly at the hands of rebels that take control of the access road, or due to coronavirus-related restrictions on transport and border crossings.

CAR now has the lowest per capita GDP of all countries under scrutiny by the World Bank, at \$467.9 PPP in 2019 (in comparison to \$726 PPP in 2017). The faltering economy does not provide for any incentives to attract foreign direct investment, which totaled 1.15% of GDP in 2019, compared to 0.81% in 2018, and 0.2% in 2015 (as compared to 3.2% before the 2013 conflict). During the period under review, public debt decreased slightly from 48.5% of GDP in 2018 to 42.2% of GDP in 2019, reflecting the government's prudent borrowing policy.

Inflation estimates showed a decrease, with a rate of 2.69% in 2019 and an estimated 2.95% in 2020.

The decision under the Kimberley Process to resume legal exports of diamonds from "compliant zones" in July 2016 had a positive effect on government revenues during 2018 and 2019, but exports were halted again during 2020 due to the COVID-19 pandemic. Unemployment statistics are unreliable, showing steady rates between



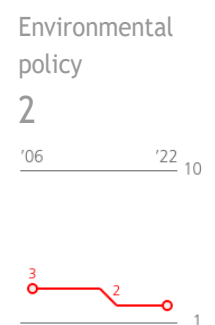
2012 and 2014 (6.9% in 2012, 7.4% in 2013 and 7.4% in 2014), despite the massive economic contraction in these years. The renewed IMF ECF in December 2020 bodes well for continued economic performance in 2021 and 2022, but revenue gains face significant threats from continued instability across the country.

12 | Sustainability

Environmental performance in CAR has gone from bad to worse. In 2014, CAR ranked 119th out of 178 countries in the Yale Environmental Performance Index but fell to 159th out of 180 countries in 2016. However, there has been some improvement, with the country reaching a rank of 124th place in 2019. Environmental laws are often contradictory and are rarely enforced. A review of the “Code de la Faune” is in its final stages of being approved by the National Assembly, after a period of review of five years, pushed and paid for by international actors trying to strengthen the legal framework. Since independence, biodiversity in CAR has rapidly decreased. Wildlife reserves in the north and east of the country have been slowly emptied of animals by domestic and foreign poachers. Only three reserves are still functioning, one in the southwest, one in the north and one in the eastern part of the country. All are under significant pressure from armed groups (rebels, poachers, Anti-Balaka, foreign herders). In 2018 and 2019, the Wildlife and Forestry Ministry signed three significant public-private partnerships with three foreign organizations and handed over the long-term management of three parks and their functional territory. The humanitarian crisis is such that refugees and internally displaced people are unable to have any significant consideration for the environment. In 2019, over 60% of the value of the country’s exported goods came from timber. The 1990 forestry law is progressive in its environmental and social protections (e.g., no creaming, quantitative limits on logging to promote natural regeneration and involvement of indigenous populations in management), but enforcement is extremely weak, companies often self-regulate and corruption is common.

The overall 2019 literacy rate of 37.4% has remained largely the same since 2015 (36.8%). This is a direct result of the government’s neglect of investment in education. Furthermore, women are clearly discriminated against, as only 25.76% of adult women were literate in 2019 (in comparison to 24.4% in 2017).

Even if there has been a slight improvement, CAR performs poorly on the U.N. Education Index, with a score of 0.353 in 2019 in comparison to its 2017 score of 0.341. According to World Bank documents, primary education enrollment has been low and stagnant since 2000 at 73%, and recurrent conflicts have led to high drop-out rates (53%) and low completion rates (31%). The U.N Education Index reports that there was a ratio of 83 students per trained teacher in the country in 2019, with a low enrollment ratio of 17% at the secondary school level. Government financing for primary education plummeted from 28% of public expenditures in 1996 to 14% in



2005 (latest figures available). Despite significant support for education from donor partners over the last 20 years (World Bank, IMF, European Commission, African Development Bank and China), low levels of education remain endemic in CAR, and significantly restrict economic growth and stability. The country's education system is not competitive, and the quality of education has consistently decreased over the years due to the enduring violent conflict. No quantitative data on research and development in CAR exists, but qualitative and experiential data suggests that only Bangui University holds a minimal capacity for social and scientific research, while quality is extremely variable depending on the level of funding and availability of the few national experts now heavily solicited by the humanitarian community and the United Nations.

Governance

I. Level of Difficulty

Structural constraints in CAR severely restrict governance capacity. The country is landlocked, with only one terrestrial, one aerial and one aquatic transport corridor. Its equally unstable neighbors include Chad, Sudan's Darfur province, South Sudan, the Democratic Republic of Congo and northern Cameroon (given Boko Haram's expansion). Chad, which was once itself torn by conflict, has intervened in different ways in CAR. Chad and Sudan are strongly problematic neighbors with their own interests. The cattle and livestock trade represent a significant portion of both countries' economies, with most of the elites in both having invested considerable capital in cattle herds. However, neither Chad nor Sudan has sufficient grazing capacity to feed these cattle and are thus dependent on the grasslands of CAR to sustain their cattle. Extensive surface water networks make communication in rural areas extremely difficult, and neither telecommunication nor transport infrastructures have been successfully able to provide access to the countryside. A country roughly the size of France, CAR only has 1,300 km of paved roads, while an additional 20,000 km of unpaved roads are subject to annual closure during the rainy seasons (four to six months of the year). This challenging geographical context compounds the historical challenges of a traditionally weak state: basic administration for economic (markets) and social (education, health care) structures do not exist; home-grown violence surges every ten years; and the state lacks a monopoly on the use of force. Decades of extraordinarily difficult socioeconomic conditions have left the population extremely poor, fearful and distrustful of the state and donors.

The shock produced by the COVID-19 pandemic proved relatively moderate. Official numbers are unreliable but low. Decreased demand for export commodities such as diamonds and various minerals contributed to the decrease in GDP. It remains to be seen whether the pandemic will destabilize the country further.

Structural
constraints

10



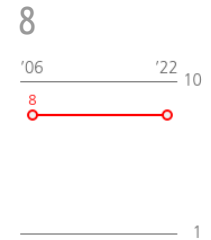
1

Traditions of civil society in CAR are weak due to low levels of social trust stemming from a history of violent conquest across the countryside by armed traders, slavers, brutal concessionary companies and colonial masters, militias, bandits, and rebel groups. Furthermore, Central Africans have primary allegiance to their own ethnic groups, although they also have a strong sense of belonging to a nation as Central Africans. Nation-building in CAR has been delayed by successive waves of violent conflict. This has also significantly undermined any attempts at building a civil society in the traditional sense. Today, civil society representation in CAR's isolated rural society, where so much of the protracted turmoil is happening, changes rapidly depending on the power dynamics of local armed groups and international funding for civil society. Fundamental relationships between people, however, stay strong (e.g., in the livestock trade) because of the necessity of engaging in trade. The landscape of voluntary organizations is meager, and the most important of these are trade unions and church organizations (see Interest Groups above). There is a long-term presence of public engagement, but not for civic reasons. The government has been the largest employer since independence, and integration into the state provides important social status and entitlements. Rather than being driven by a desire to contribute, civic engagement is rather opportunistic, driven by a desire to claim entitlements, to not be ignored and ultimately to survive the volatility of life in CAR.

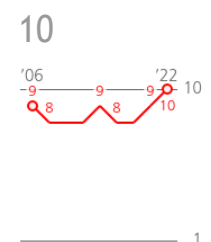
A recent trend within some vocal civil society organizations is their politicization and use by political entrepreneurs, mostly from opposition parties. Under the guise of advocating for civil or human rights, some organizations mobilize for political reasons and are sometimes even led by active politicians (e.g., the Federation Centrafricaine des Droits de l'Homme, which is led by Joseph Bindoumi, a former defense minister).

During the period under review, intermittent and intense violence continued and intensified across the country. The Khartoum peace agreement signed in the beginning of 2019 brought with it some hope for improved security. Shortly after its signature, President Touadera nominated a government with eight positions held by rebel representatives; however, the rebels rejected this proposal, as they regarded it as insufficient. Additional peace talks were held in Addis Abeba in March 2019, and the president subsequently gave 13 positions within the government to the rebel group, with a majority going to Muslims. Despite the peace agreement, violence continued. The rebel group Return, Reclamation, Rehabilitation (3R), initially created in 2015 to protect the ethnic Puehl minority, killed more than 46 civilians in May 2019 in Ouham-Pendé. In August 2019, Mahamat Al Kahtim of the Mouvement Patriotique pour la Centrafrique, one of the rebel-group representatives nominated by President Touadera as part of the peace agreement, resigned from his position at the prime minister's office, claiming that the government did not intend to listen to the rebel representatives' advice. Sidiki Abbas, from 3R, followed suit and left the government. During the first six months after the Khartoum peace agreement, the Armed Conflict Location and Event Data Project (ACLED) recorded 83 violent

Civil society traditions



Conflict intensity



incidents in the country, with 267 fatalities. In September 2019, violent clashes broke out in the northern city of Birao between the FPRC and MLCJ, leaving a hundred people dead and causing the internal displacement of more than 13,000 people. On October 15, 2020, Rwanda's President Paul Kagame made a historic visit to the capital Bangui, where he signed a military and mining partnership agreement with the CAR government. Between January and December 2019, the ACLED database registers 194 violent incidents in CAR. Between January and December 2020, that number grew to 342 incidents. In December 2020, OCHA reported that CAR was one of the world's most dangerous countries for humanitarian workers, due to a sharp increase in violent attacks. Throughout 2020, the security situation continued to deteriorate, and in December 2020, six rebel groups, all signatories of the Khartoum peace agreement, formally stepped away from the peace agreement and formed a new alliance, the CPC. In the course of several weeks, they seized major cities and disrupted the presidential elections held on December 27, 2020. On January 13, 2021, they attempted to march on Bangui in a bid to topple President Touadera. The government managed to halt them with the help of allied forces; MINUSCA, and Russian and Rwandan soldiers. Both Russia and Rwanda flew in additional troops and military equipment under their bilateral agreements with the CAR government. At the end of the period under review, rebel groups were in control of more than 80% of the territory and were positioned just a couple of hours drive from Bangui, holding the only supply road to the city. Though government troops and their allies had managed to push them back, a state of emergency had been declared, and a curfew was being enforced.

The outbreak of COVID had tremendous economic and social consequences. However, it did not stop rebel activities, though. There has been no direct effect on the increase in violence either.

II. Governance Performance

14 | Steering Capability

Generally, the government tries to set strategic priorities, but often fails because of structural constraints. There were positive developments, though. The country's program of economic policies and reforms implemented under the three-year ECF arrangement, lasting until July 2020, addressed important priorities and helped to restore economic growth, reduce fiscal and external imbalances, and strengthen the public administration.

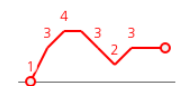
Despite the uniqueness in the level of violence and fragmentation of armed groups during and after the most recent crisis, it seems that the government's ability to set

Question
Score

Prioritization

3

'06 '22 10



and maintain priorities has mirrored that during previous episodes of violence. The political capacity to adopt a long-term perspective depends on the government's ability to balance competing interests, in particular those of the international community gathered in the Group of Five (comprising multilateral institutions as well as France, the United States and the EU) and the opposition (political parties on the one hand and armed groups on the other). Civil society organizations, political parties and parliamentarians are increasingly public in their expressions of disappointment.

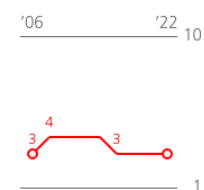
The COVID-19 pandemic did delay certain of the government's strategic goals, as it hurried to obtain extra budget support and funding for measures intended to help with the fight against the pandemic. However, it is difficult to tell whether there has been any real impact on the ground. No social or financial support was provided to people who suffered economically because of the pandemic, even though such aid was planned for in the government's response plan.

In October 2016, the new government approved and adopted a five-year National Recovery and Peace Plan (PNRCP). This plan focuses on three pillars: the restoration of peace, security and reconciliation; the renewal of the social contract between the state and the population; and the promotion of economic recovery and revival of productive sectors. Its elaboration was jointly financed by the European Union, United Nations and World Bank. Obstacles to achieving the PNRCP's priorities are familiar and substantial: the government does not have a monopoly over the use of force and peacekeeping support is inadequate. State identity is hindered by a historical inability to deliver public goods. CAR's economy needs a stable policy and security environment to thrive. However, during the period of review, little progress was made on this plan in terms of tangible changes on the ground.

The root causes of CAR's problems are intricately intertwined. To some extent, the achievement of each pillar requires the simultaneous achievement of the others. For example, to renew the social contract between the state and the population, CAR needs peace and jobs, which in turn requires the rule of law and a strong democratic government. Despite the commitment of international donors, development history shows that a national recovery policy (of which there have been several, financed by donors after each decennial crisis) with the short-term support of donors is not sufficient to overcome structural and social obstacles. Because of the already weak policy implementation by the government, no major delay due to the COVID-19 pandemic was evident.

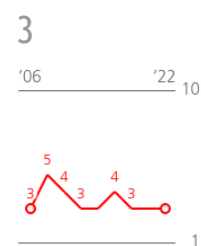
Implementation

3



This report has thus far repeatedly demonstrated the lack of policy learning, innovation and flexibility of the Central African government. Each decade since independence has brought a new conflict in CAR. While the details of each crisis period are different, the overall trends are the same, including: an inability or unwillingness of successive governments to respect democratic processes and work with the opposition; the inconsistency of donor support for fiscal reforms, DDRR, reconciliation and economic development; and a lack of institutional memory within the donor community coupled with poor governance within CAR that repeatedly produces ineffective policies. Monitoring and evaluation of past experiences is extremely difficult in CAR. Statistics on which to base policy decisions are not reliable, as statistical agencies across all sectors have proven dysfunctional (except for a brief period in the 1970s). While knowledge and good practice exchanges are common within the public sector and the humanitarian community, outside models are often brought in as is and never fully adapted to the unique Central African context. Violent conflict disrupts government work, but also destroys administrative buildings including files that form the basis of institutional memory. Almost every conflict resolution process has resulted in a government reshuffle and administrative changes that prevent the emergence of bureaucratic continuity and consistency. Each time CAR becomes somewhat stable and the international community increases pressure for improvements in democratic processes, a crisis evolves. CAR then claims “post-conflict” status, which brings with it an increase in outside funding, quick fixes and a relaxing of standards, which allows for an increase in personal entitlements.

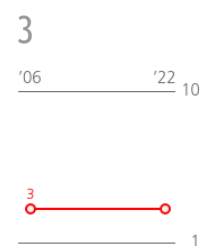
Policy learning



15 | Resource Efficiency

Since independence, CAR has been heavily dependent on external financing for basic state administration. Inflows of aid are volatile and often depend on the newsworthiness of the context, while domestic revenue is one of the lowest in sub-Saharan Africa. According to the World Bank, tax revenue in CAR totaled approximately 8% of GDP in 2019, the lowest such ratio in the sub-Saharan region. In 2016, tax exemptions were a major source of lost tax revenue. In 2017, the government adopted a new investment charter to improve the business environment and curb tax exemptions, but with little success. As mentioned, the government did manage to increase its revenues from natural resources in “compliant zones” before the latest escalation of violence.

Efficient use of assets



The efficient use of human resources is extremely challenging in CAR. First, the high social value placed on inclusion in the public service leads to appointments that are largely meritless, clientelism, delayed retirement, and duplications and overlaps among the available jobs. Second, payment of government salaries is a universally accepted means of ensuring short-term stability in the country. France, the European Union, CEMAC countries, World Bank and IMF have repeatedly provided direct

budget support for public sector wages in spite of poor management performance. The administration is plagued by the persistent and inefficient use of human resources, as organizations are repeatedly reshuffled and decentralized across the country. The quality of human resources has steadily decreased as a long-term effect of the violence in the country.

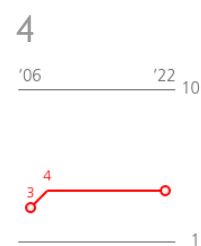
Touadera’s government has only marginally managed to improve bureaucratic efficiency, as the restoration of security was the government’s top priority. The outbreak of the pandemic and its relative low lethality have provided the government with an additional opportunity to attract unexpected external resources. However, the management of these resources was met with a public outcry due to suspicions of corruption.

The government in CAR struggles to balance trade-offs between different policy goals. This is particularly the case in their attempts to balance donor financed policy goals against domestically financed goals (which however is often because of unrealistic plans by international donors). For example, the PNRCP lays out a new “partnership for mutual accountability” to ensure effective implementation of the plan. Its “architecture” follows standard international norms of coherent policy implementation: coordination and dialogue mechanisms, financial instruments and monitoring, and evaluation. However, the PNRCP explicitly emphasizes that this architecture be used only for the achievement of the plan’s targets, not for putting in place an adequate institutional framework. This is a classic failure of coherent policy coordination; coordination of donor financed programs is separate from overall coordination of the state apparatus. This lack of coherent horizontal national policy coordination guarantees at best conflict, redundant policy objectives and confusion, and at worst increased negligence, corruption, concessionary politics and discontent among all stakeholders (e.g., opposition, international community and government).

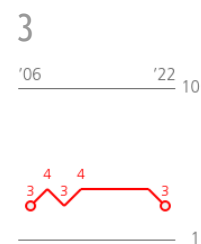
This was further demonstrated during the COVID-19 pandemic, when the government took certain measures (social distancing, mask wearing, limit on the allowed number of people in groups, attendance at weddings and funerals), but government officials, including those at the highest level, failed to abide by their own rules. Polices are made to satisfy donors but are rarely enforced because there is real belief in their importance – besides the opportunity to gain financial support.

The government in CAR is only partially willing and able to contain corruption. With limited political will, few resources and continued insecurity, the government will continue to have difficulty combating administrative corruption as well as economic corruption (illicit trafficking of diamonds, gold and ivory). The few integrity mechanisms that exist focus on preventing misuse of external funding. As mentioned above, two parallel budgets and parallel coordination mechanisms exist, one for domestic revenues and one for external grants. Audits, media access to information, accountability of office holders and transparent procurement mechanisms are directly encouraged by grants or indirectly by government departments that benefit from

Policy coordination



Anti-corruption policy



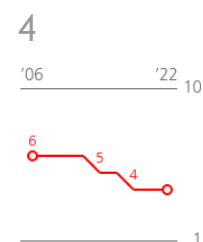
grants. The same anti-corruption mechanisms are irregularly applied to domestic revenues, which condones a lack of transparency in domestic policy goals and preserves the political space for concessionary politics. Anti-corruption institutions have appeared and disappeared from the institutional framework over time, but have primarily served as an alibi for illicit government activity. Similarly, anti-corruption policies and programs do exist on paper. For example, good governance projects account for over 50% of the budget for the second pillar of the PNRCP and CAR has ratified the U.N. Convention against Corruption. However, each successive national anti-corruption strategy has been unable to affect the culture of entitlements. Press accusations that COVID-related resources have been misused were neither properly investigated nor prosecuted.

16 | Consensus-Building

Since independence, with the exception of the Bokassa period from 1965 to 1979, major political actors have agreed that strengthening democracy in CAR should be a long-term goal. Even rebel groups and militias consistently pay lip service to democracy, rule of law and civil liberties, and desire inclusion in CAR's democratic political establishment. However, once inclusion in CAR's democratic system has been achieved, democratic ideals come second to personal enrichment. CAR's democratic institutions act as a means of personal enrichment, rather than primarily as a means of creating democracy. Furthermore, if all major actors agree on democracy, they seem to disagree on how to achieve it. Whereas some minority groups (e.g., Muslims, women) favor numerical representation in government and public administration as a way of building consensus and achieving representation, other groups oppose this view.

Similarly, on paper, consensus on a market economy as a strategic, long-term goal is evident. Political actors in CAR agree that economic decisions, and the pricing of goods and services should be guided solely by the aggregate interactions of the country's individual citizens and businesses with little government intervention or central planning. However, in practice, the formal economy suffers from flagrant distortions caused by corruption, trafficking, the absence of the rule of law and a deep seated "cadeau" mentality. The formal economy is also dwarfed by the informal economy, which exists in all sectors and regions of the country and does not have a place in strategic decision-making.

Consensus on goals



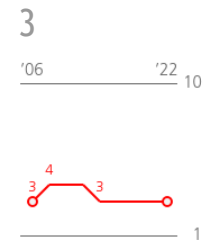
Reformers often change their rhetoric once in power. In their desire to reform, many so-called democratic actors resort to anti-democratic practices (corruption, civil rights abuses, disregard for the constitution). During the review period, rumors of a coup d'état were frequent, as discontent with the authorities rose when they failed to produce results that improved the lives of the population, especially with regard to security. Anti-democratic actors' attempts to destabilize the system increased. Political maneuvering by some members of parliament also increased pressure on CAR's democratically elected authorities. Political actors who do not secure a lucrative position in government generally take their revenge by siding with armed groups in opposition to the government, subsequently manipulating segments of the population to take stances against the government or certain international actors.

The 2013 – 2014 crisis in CAR and the protracted violence that has followed ever since are in part the result of the political leadership's inability to moderate the capacity for violence in rural areas and defuse intense, established frustrations. Violence is deeply rooted in the country's history and has consistently served as the best means for political elites to access entitlements and natural resources. In particular, Central Africans from the north of the country, many of whom are Muslim, have consistently expressed their frustration over perceived injustices (e.g., discrimination in accessing education, employment and other basic services in the northeastern part of the country). Neither the international community nor the political leadership were able to address these frustrations. The northerners' extensive subregional networks and control over significant resources gave them a strong platform to overthrow the country's leadership.

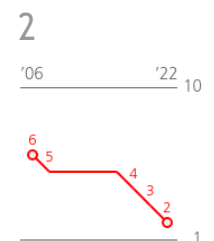
The biggest challenge to any efforts to moderate cleavage-based conflicts is the Bangui-based political elite's refusal to recognize the legitimacy of some of the Muslims' grievances. Many influential political actors have actually exacerbated cleavages for populist gains. The failed January 2021 attack on Bangui by the CPC alliance, made up of six formerly antagonist groups (ex-Séléka and anti-Balaka), demonstrates that armed groups have learned how to use social cleavages to justify their unwillingness to abide by democratic norms. However, the government's response to the attack on national television and social media illustrated how some government members have actively perpetuated cleavages.

Historically strong civil society institutions, including traditional ethnic institutions, have been lacking. Integration of civil society institutions into policy deliberation, formulation and decision-making has taken a token form at best, often undertaken to satisfy the demands of international observers. Unfortunately, few of these groups are rooted in the communities they claim to serve. Moreover, the creation of a civil society organization has developed into yet another means of rent-seeking. It should be noted that some civil society groups also exacerbate cleavage-based conflicts and undermine CAR's democratic processes to put pressure on the government. In the absence of a clearly identified mechanism of cooperation between the state and civil society, relationships between most civil society organizations and the government are either nonexistent or conflict-laden.

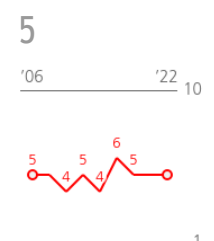
Anti-democratic actors



Cleavage / conflict management



Civil society participation



The singular brutality of the violence in CAR in December 2013 surprised both national and international observers. The government's inability to address grievances expressed by Muslims was exacerbated by a denial of these injustices. However, the government has since adopted a two-pronged approach, focusing both on prosecution and reconciliation.

Regarding justice, the prosecution of perpetrators of past injustices has been slow and inadequate, and often targets only a handful of elite suspects. At the end of 2014, the International Criminal Court opened an investigation into the 2012 – 2014 violence in CAR, and in 2018, the first two arrests were made (Yekatom and Ngaïssona). In July 2015, the transitional authorities passed a law to set up a Special Criminal Court (SCC), but progress toward operationalization of the court was very slow. In October 2018, the court held its inaugural session. As of the time of writing, the SCC had 15 cases under preliminary examination, eight cases under investigation and had closed eight cases. Even though some progress has been made by the SCC, judiciary processes are slow. In January 2021, the ICC arrested Mahamat Said Abdel Kani, a rebel leader active since 2013 in different groups under the banner of Séléka, and most recently in the new CPC alliance.

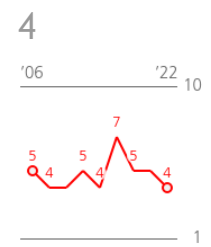
During the review period, with the support from the international community, criminal trials continued in the Criminal Court in Bangui, often addressing crimes by the leaders of low-level armed groups, among others. A big step was taken in the national judiciary system when the perpetrators of the attack on the city of Bangassou in May 2017 were brought in front of the court and sentenced.

While some progress has been made, peaceful justice has rarely if ever been assured by Central Africans for Central Africans, or for Central Africans by the international courts. As long as violence continues, attempts at justice will be easily confused with revenge, thus creating a feedback loop of further violence.

In 2019, ousted President Bozizé returned to CAR despite an outstanding warrant for his arrest, and was allowed by President Touadera to live and practice in CAR without being arrested. The enactment of any warrants of arrest, and subsequently the trial, of any powerful rebel leaders or political actors, has been slow and haphazardly carried out. Such events have been based more on opportunistic political analysis than on the motivation to allow the national judiciary system to act independently.

Various initiatives have been undertaken by the CAR government and international partners to bring about reconciliation. A ministry in charge of reconciliation was created, and the MINUSCA civil affairs division spends a substantial amount of time and resources on the issue. However, the country's political elite faces challenges in bringing about reconciliation. A vocal political will exists for reconciliation and social cohesion efforts, but reconciliation would require the restoration of "friendly relations." In CAR, such relationships have historically been short lived and superficial. While mutually beneficial relationships exist between people (such as

Reconciliation



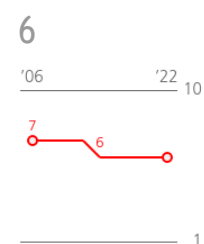
those in trade or employment), social cohesion may be possible. However, CAR's volatility and rampant poverty have prevented this cohesion from reaching the national scale.

17 | International Cooperation

The government is today more dependent on international aid than ever. Fully 40% of CAR's budget is said to come from foreign aid. Without international support, it would not be possible to make progress on the national goals set jointly by the political leadership and international donors. These goals include reducing conflict, increasing growth and enhancing government revenues (not least from natural resources), administrative capacity in various sectors and national infrastructure. The current roadmap (the PNRC) is very explicit with regard to steps in reaching its goals, and clearly spells out the resources required to take these steps. However, the extent to which these strategies will actually serve the purposes of development is questionable. Generally, international aid has only partially and temporarily been able to address fundamental obstacles to development (e.g., security, lack of basic services, transport and communication infrastructure). This is partly due to government failures, but also to international partners' short-term interests and lack of efficient oversight mechanisms.

One example is the extra funding that was provided to CAR by international donors to deal with the COVID-19 pandemic. The response plan for the health sector was prepared in strong collaboration with the WHO, with an estimated cost of XAF 27 billion (1.9% of GDP). This went beyond an immediate response plan and contained measures to strengthen the capacities of the country's health care system. It aimed at providing medical care for confirmed cases; improving monitoring of the country's points of entry; and strengthening the capacities of medical staff, laboratories and hospitals. In addition to the health sector plan, the authorities created a plan for providing financial support to the most vulnerable households and companies, while providing the private sector with tax relief. A draft supplementary budget law was adopted and included around XAF 44 billion in additional donor support related to COVID-19. The additional spending related to COVID-19 ultimately amounted to about XAF 15 billion, mainly in the form of XAF 12 billion for prevention and management of the pandemic, XAF 0.5 billion in support to vulnerable households and XAF 2.6 billion for the support to the private sector. However, no oversight measures were enforced by the donors, and the money did not go where it was intended: no financial support was in fact provided to the most vulnerable, and no tax exemption was enacted for the private sector. In this case and others, the government uses donors to obtain more funding for a pressing matter, and though the donors comply and offer support, they fail to implement checks and balances that ensure the funding is used for the intended policies and projects.

Effective use of support



On paper, CAR has ratified or concluded 186 different international conventions, charters and treaties, including the various Geneva conventions, U.N. Framework Convention on Climate Change, ILO core labor standards, various arms control treaties and transparency initiatives in the natural resource sector. However, as with its own laws, enforcement is extremely challenging. Ratification of the conventions often serves more as a way to leverage international funds for compliance than proof of a fundamental belief in a convention's goals. Given the cyclical nature of conflicts in CAR, each new administration initially presents itself as credible as a means of achieving power. However, as progress toward goals stalled long before the end of Touadera's five-year presidential mandate, the government's credibility has deteriorated. The will and credibility are there on paper but fail in practice.

During Touadera's term in office, CAR was expected to transition fully to a post-conflict context, with international partners beginning to shift their demands by increasing the rigor of monitoring, while stressing the need for transparency in procurement and expanding the breadth of funding prerequisites. Although some partners have indeed started to shift their demands and expectations, the country remains in an ongoing conflict, and has therefore struggled to meet these demands. Though some administrative processes have been implemented and improved, the deterioration of the security situation has undermined any real progress or restoration of credibility.

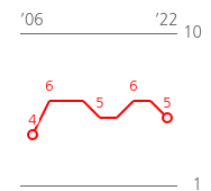
To nobody's surprise, the CAR government's management, or rather non-management of the COVID-19 pandemic did little to reinforce its credibility. Though the government was quick to draft a pandemic response plan, it has not been enacted, and the extra funding provided by donors has been spent.

CAR is a member of the Economic and Monetary Community of Central Africa (CEMAC), the African Union (AU) and other regional organizations. The government has actively supported regional integration, if primarily as another means of leveraging international funds for compliance. For one, CAR's problematic neighbors have consistently exported their conflicts (and armed combatants) to CAR. This is true at least for Chad, Sudan, South Sudan and previously for the Democratic Republic of Congo. Furthermore, various neighboring administrations have directly supported or undermined CAR's political leadership.

On the other hand, neighboring countries have offered multifaceted support (military, financial, training) to CAR. In 2019, CAR established a strong relationship with regional heavyweight Rwanda and its president, Paul Kagame. Since MINUSCA's deployment in CAR in 2014, Rwanda has maintained peacekeepers in the country. Rwandan soldiers have been responsible for the protection of the president and other government members. In 2019, Rwanda and CAR signed several partnership agreements, and in December 2020, Rwanda sent additional troops to CAR to help block the rebels' march on Bangui.

Credibility

5



Regional cooperation

6



Strategic Outlook

The key challenges facing the Central African Republic (CAR) include the country's history of violence, multiple structural constraints, an underperforming state apparatus and a very weak economy.

CAR's history of conflict precludes unity and has generated a near complete breakdown of trust between communities, both on a small (family, village, groups) and large (state, government) scale. On the community level, this is demonstrated by a lack of respect for traditional leaders, such as family or village elders. On the state level, the abuse of democratic institutions as a means of personal enrichment, rather than as a means of achieving economic and political transformation, is generally accepted. State institutions do not enjoy popular legitimacy. This culture consistently works against the rigid set of state ideals (re)introduced by donors after each conflict.

Structural constraints in CAR severely restrict the political leadership's governance capacity. The country is landlocked, surrounded by unstable neighbors and has only 1,300 kilometers of paved roads. Extensive surface water networks cut off vast parts of the country four to six months of the year. Basic administration remains thin.

CAR has had a weak economy for decades, and it was further weakened by the COVID-19 pandemic, as this lowered demands for its exported products (timber, diamonds). The future of the economy will be dependent on how its main export destinations, France and China, recover, but the biggest challenge for CAR will be to maintain the interest of the international donor community – an international community that given the pressures of the pandemic, might shift its focus elsewhere.

The high levels of mistrust between people will take decades to reconcile. However, strong social capital is a prerequisite to stability and consideration of long-standing examples of community resilience in CAR may provide a starting place from which to build unity. Microeconomic relationships along various value chains (cattle, gold, diamonds) are one such example because resource scarcity supersedes ethnic and religious prejudices and allows for cooperation between opposing groups.

Policy reforms and international aid initiatives should identify people who act contrary to destructive social norms and achieve positive results for themselves and their community. Reforms should focus on providing the basics to enable markets and microeconomic relationships.

The desirable short-term priorities are clear; efforts should be made to fulfill the enormous humanitarian needs of the most vulnerable groups, to use the international legal system to combat impunity, and to eradicate civil conflict across the country. However, long-term solutions to these needs can be found only through successful state-building and a return to peace. CAR's conflict is based on access to resources, and more importantly, the illegal access to and unfair distribution of economic dividends, which both motivates and sustains non-state actors. Without restricting

access to their source of revenue, they have no incentive for peace. The government is much the same, with its main resource being the international community. While the government complies with the minimum necessary to obtain grants, it continues to facilitate conditions of impunity, and allows corruption to continue. To generate real changes, international actors must demand real results. They must look at the country's long history of violence and state weakness and learn from it. They must learn from the history of international aid in the country and conclude that despite the years of consistent international support, the country continues to slide back into violence. If the international community fails to address the lack of enforceable oversight mechanisms, it becomes merely one more enabling factor serving to perpetuate the violence, weak state and dire humanitarian conditions.