



RESTRUCTURING PAPER  
ON A  
PROPOSED PROJECT RESTRUCTURING  
OF  
LOCAL CONNECTIVITY EMERGENCY PROJECT  
APPROVED ON APRIL 3, 2016  
TO  
GOVERNMENT OF CENTRAL AFRICAN REPUBLIC

TRANSPORT & ICT

AFRICA

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## ABBREVIATIONS AND ACRONYMS

<b>CAR</b>	Central African Republic
<b>CEMAC TTFP</b>	CEMAC Transport-Transit Facilitation Project
<b>CEN</b>	Country Engagement Note
<b>EUFOR</b>	European Force
<b>FPA</b>	Fiduciary Principles Accord
<b>GRM</b>	Grievance Redress Mechanism
<b>LIPW</b>	Labor Intensive Public Works
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MINTPER</b>	<i>Ministère des Travaux Publics &amp; de l'Entretien Routier</i> (Ministry of Public Works & Road Maintenance)
<b>MINUSCA</b>	United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic
<b>NR8</b>	National Road 8
<b>OP</b>	Operational Policy
<b>PDO</b>	Project Development Objective
<b>PIU</b>	Project Implementation Unit
<b>PK</b>	Kilometer Point
<b>PPP</b>	Purchasing Power Parity
<b>RETF</b>	Recipient Executed Trust Fund
<b>SPF</b>	State and Peacebuilding Fund
<b>UN</b>	United Nations
<b>UNOPS</b>	United Nations Office for Project Services
<b>WBG</b>	World Bank Group



**BASIC DATA**

**Product Information**

Project ID P157923	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 03-Apr-2016	Current Closing Date 30-Sep-2019

**Organizations**

Borrower Government of Central African Republic	Responsible Agency United Nations Office for Project Services
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**Project Development Objective (PDO)**

Original PDO

The PDO is to reconnect the population of the Northeast CAR to urban centers and local markets by rehabilitating the Kaga-Bandoro – Mbrès – Bamingui – Ndélé road.

The project will contribute to the State and peace building efforts by ensuring basic transport connectivity between poorly connected areas in districts situated in the lagging regions (North-East). This should contribute to: (a) revitalize local economy by providing temporary employment at local level; (b) facilitate the movement of goods and domestic trade; and (c) State redeployment for development through the Ministry of Equipment and Transport, Civil Aviation, and Integration (Ministère de l'Équipement et des Transport, de l'Aviation Civile et du Désenclavement – METACD) decentralized civil servants along the targeted road.

**Summary Status of Financing**

TF	Approval	Signing	Effectiveness	Closing	Net		
					Commitment	Disbursed	Undisbursed
TF-A2340	15-Apr-2016	15-Apr-2016	15-Apr-2016	30-Sep-2019	4.90	3.24	1.66



### Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No

## I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

### Project Description

1. The Local Emergency Connectivity Project (LCEP) aims to support reconnection of the North-East region of the country to Bangui. This is a priority of the Government, as it will contribute to (a) the on-going State redeployment; by facilitating civil servants' movements; (b) economic recovery, by reopening trade corridors; and (c) ensuring humanitarian access to populations in North-East; (d) and peace consolidation.

2. The Project, designed to support social and economic recovery and facilitate peacebuilding, is embedded in a program jointly implemented with the MINUSCA, and his objective is to ensure an all-season road traffic of the Kaga-Bandoro – Mbrès – Bamingui – Ndélé road (333 km). The reopening of that road is directly benefiting to the 74 villages along the road, accounting for more than 37,000 people, and this will be achieved through the recovery of traffic along the road, as well as the temporary employment generated by Labor Intensive Public Works (LIPW) and light maintenance systems. The project activities are as follows:

**(a) Component 1. Drainage Improvement.** This component is financing the improvement of drainage, and the provision and installation of signaling and rain barriers along the Kaga-Bandoro – Mbrès – Bamingui – Ndélé road (333 km). LIPWs will be used as much as possible during implementation of these activities, depending on the type of works, and of the availability of labor in the communities nearby. The component will also cover the construction of a new metal bridge over the Bamingui river to allow the crossing of the river during all seasons.

**(b) Component 2. Road Protection and Maintenance.** This component is financing the management of rain barriers, and the setting of light maintenance systems involving communities (*'cantonnage'*) to ensure the protection and maintenance of the full length of the road (333 km) during project implementation, and to enable the appropriation of the project by the population.

**(c) Component 3. Institutional Strengthening and Capacity Building.** This component aims to support the redeployment of the *Chefs de Service Préfectoral* of the MINTP in the *sous-préfectures* of Kaga-Bandoro and Ndélé by rehabilitating an office in Kaga-Bandoro, the reconstruction of an office in Ndélé, and the provision of the minimum set of equipment needed to ensure a proper supervision and monitoring of the project.

**(d) Component 4. Project Management & Contingency Fund.** This component will include the direct and indirect costs necessary to the implementation of the project.

3. The program is also designed to optimize the use of funds between the project financed by the State and Peace-building Fund administered by the World Bank, and the activities initially scheduled by the MINUSCA. The MINUSCA will (i) finance and implement the mechanized road works for the reopening of the road, and its periodic maintenance, and (ii) will provide security



and logistics for the good implementation of the project. The mechanized road works were to be implemented according to national standards.

4. Finally, the Government agreed to use the Fiduciary Principles Accord (FPA) enabling UNOPS to implement the project on its behalf, therefore maximizing implementation benefits and swiftness. The FPA will enable UNOPS to leverage MINUSCA’s operational capacity to achieve implementation, which is essential given the security volatility.

**Project Status**

5. Securing actors on the ground remains a major concern for implementation. Nevertheless, works are ongoing on the Kaga Bandoro-Ndele road section (330 km): (i) Treatment of the critical points has been carried out by MINUSCA on 230 km (70%) of road; (ii) LIPWs have mobilized 991 volunteers (22% of which are female) selected through a transparent and public lottery, and equivalent to 26,490 man-days. However, mobilization of LIPW has been penalized by the quality of MINUSCA’s mechanized work (lower than the standards agreed with UNOPS); (iii) Works to repair small structures are currently on-going, and the program envisages interventions on 76 structures, including 17 units to be rebuilt; and (iv) Rehabilitated and newly equipped offices in Kaga Bandoro and Ndélé have been handed over to the Ministry of Public Works.

**Rationale for restructuring**

6. With regards to drainage improvement planned activities, the Bamingui Bridge has to be reconstructed. However, to ensure sustainability of the structure and of the investment, the UNOPS Design Review recommended the bridge to be redesigned from 25 to 45.72 meters, hence an increase in its cost.

7. On July 19, 2017, the Project’s Steering Committee (Government of Central Africa, World Bank, MINUSCA and UNOPS) recommended to prioritize only essential rehabilitation/construction of drainage infrastructures to readjust the budget lines, and carry out a reallocation to supplement the budget of the Bamingui bridge construction works. For that purpose, it is hereby proposed to use the contingency funds of the project to reallocate them so (i) to complete the shortage of “Drainage Improvement” budget due to cost escalation associated to Bamingui Bridge re-design, as well as (ii) to support improvement of the mechanized work done by MINUSCA. The use of these funds is subject to Bank’s no objection.

8. INT currently has an open case in CAR that is in the early stages of the investigation.

**II. DESCRIPTION OF PROPOSED CHANGES**

9. This first proposed Level 2 restructuring would adjust the SPF Grant TFOA2340 components and cost to allow for the use of the Contingency Fund of the Project (US\$500,000) to cover cost escalation associated to: (i) the Bamingui Bridge re-design from 25m length to 45m length; and (ii) to support improvement of the mechanized work done by MINUSCA.

10. The proposed reallocation has an impact on the breakdown per Project components; however, it covers a reallocation between budget items within the sole Category I of expenses, and there is no reallocation between the Project’s Categories of expenses as per the FPA (cf. table below). The total amount of the budget remains unchanged, and the proposed reallocation is detailed under Part IV - Detailed changes of this Restructuring Paper to show: (i) the detailed breakdown of the amount of US\$4,557,000 allocated to the Category I of expenses; and (ii) the amount of US\$343,000 allocated to the UNOPS general management support, which the remains the same.

Category	Amount of the Grant Allocated (Expressed in USD)	Percentage of Expenditures to be Financed (Inclusive Taxes)
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(1) Goods, works, consultants' services, Operating Cost and Training under the project	4,557,000	100 %
(2) UNOPS general management support	343,000	100 %
<b>TOTAL AMOUNT</b>	4,900,000	

### III. SUMMARY OF CHANGES

	Changed	Not Changed
Change in Components and Cost	✓	
Change in Implementing Agency		✓
Change in Project's Development Objectives		✓
Change in Results Framework		✓
Change in Loan Closing Date(s)		✓
Cancellations Proposed		✓
Additional Financing Proposed		✓
Reallocation between Disbursement Categories		✓
Change in Disbursements Arrangements		✓
Change in Disbursement Estimates		✓
Change in Overall Risk Rating		✓
Change in Safeguard Policies Triggered		✓
Change of EA category		✓
Change in Legal Covenants		✓
Change in Institutional Arrangements		✓
Change in Financial Management		✓
Change in Procurement		✓
Change in Implementation Schedule		✓
Other Change(s)		✓



IV. DETAILED CHANGE(S)

COMPONENTS

Current Component Name	Current Cost (US\$M)	Action	Proposed Component Name	Proposed Cost (US\$M)
Drainage Improvement	2.80	Revised	Drainage Improvement	3.37
Road Protection and Maintenance	0.50	Revised	Road Protection and Maintenance	0.46
Institutional Strengthening and Capacity Building	0.40	Revised	Institutional Strengthening and Capacity Building	0.37
Project Management and Contingency Fund	1.20	Revised	Project Management and Contingency Fund	0.36
	0.00	New	UNOPS General Management Support	0.34
<b>TOTAL</b>	<b>4.90</b>			<b>4.90</b>