CENTRAL AFRICAN REPUBLIC

Bangui Declaration on Joint Actions

Sectors Repository

Delivering for the people, Prefecture by Prefecture

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SECTOR 1 OF 8

Agribusiness

Overview, recommendations and support initiatives

The development of agribusiness in CAR has been constrained by a combination of structural, institutional, and security-related challenges. Past conflict has disrupted agricultural production cycles, displaced hundreds of thousands of people, and limited access to farmland and markets. Insecurity along transport routes, the presence of illicit checkpoints, and the fragmentation of regional markets have increased transaction costs and reduced incentives for commercial production. At the same time, inadequate infrastructure, limited access to finance, high transport costs, labour shortages, and weak market institutions continue to inhibit the emergence of competitive agricultural value chains. These challenges contribute to persistent food insecurity, with a significant proportion of the population experiencing acute food shortages and malnutrition.

Recognising the strategic importance of agriculture, the Government of CAR and its development partners have increasingly shifted their focus from emergency humanitarian assistance toward long-term agricultural transformation and agribusiness development. This transition seeks to move the sector beyond subsistence production and towards commercially oriented, market-integrated agricultural systems capable of generating employment, attracting investment, and contributing to economic diversification.

Multilateral development institutions play a central role in supporting this transition. The World Bank's Emergency Food Crisis Response Project (EFCRP), known locally as PRUCAC, has become one of the largest agricultural interventions in the country. While initially designed to address food insecurity, the programme has evolved into a platform for strengthening agricultural markets, improving access to inputs, expanding post-harvest infrastructure, supporting agro-processing, strengthening seed systems, and developing climate resilience mechanisms. The project has reached hundreds of thousands of farmers and seeks to establish stronger links between smallholders, agro-processors, and institutional buyers while promoting more resilient and productive farming systems.

Complementing these efforts, the World Bank's Agriculture Recovery and Agribusiness Development Support Project (ARADSP) focuses more directly on rebuilding agricultural productivity and strengthening rural entrepreneurship. The programme combines investments in community infrastructure, rural road rehabilitation, storage facilities, and market access with support for agribusiness start-ups and agricultural SMEs. It also supports policy reforms and institutional strengthening, particularly in areas such as seed regulation, cooperative development, and agricultural service delivery. Through these interventions, the project seeks to create an enabling environment for private sector participation and commercial agricultural growth.

The African Development Bank (AfDB) has adopted a complementary approach that emphasises climate resilience, environmental sustainability, and technological innovation. Through the Regenerative Agriculture and Agroforestry Project (PARA) and the Technologies for African Agricultural Transformation (TAAT) programme, the AfDB supports the adoption of regenerative agricultural practices, agroforestry systems, climate-resilient seed varieties, digital monitoring technologies, and agro-processing development. These initiatives aim to strengthen value chains while ensuring that agricultural expansion remains environmentally sustainable and resilient to climate risks. They also seek to strengthen national institutions responsible for seed certification, research, and agricultural extension services.

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Bilateral partners have also become increasingly important in shaping the agribusiness landscape. France, through the French Development Agency (AFD), supports rural infrastructure, market connectivity, energy generation, institutional reform, and private sector development. These investments address key bottlenecks that have historically constrained agribusiness growth, including poor transport networks, limited electricity supply, weak business regulations, and inadequate human capital. French assistance is also coordinated with other development partners to improve the effectiveness and sequencing of agricultural investments.

China has emerged as a significant partner in CAR's efforts to modernise its agricultural sector. Since the establishment of a strategic partnership between the two countries in 2024, cooperation has increasingly focused on agricultural value-chain development, technology transfer, infrastructure investment, and agro-industrial processing. Chinese support aligns closely with the government's ambition to move beyond the export of raw commodities towards domestic processing, industrialisation, and greater value addition within the country. Particular emphasis has been placed on developing agricultural processing zones, introducing improved crop varieties, and strengthening technical capacities needed to compete in regional and international markets.

At the national level, the Government of CAR has established an increasingly coherent policy framework to guide agricultural transformation. The National Development Plan (NDP) 2024–2028 positions agriculture as a key driver of inclusive growth, food security, and economic resilience. The plan prioritises agricultural modernisation, mechanisation, infrastructure rehabilitation, expanded access to agricultural finance, and strengthened value chains. It also seeks to create employment opportunities, reduce dependence on food imports, and increase the contribution of agriculture to national economic development.

A major component of this strategy is the promotion of large-scale private investment. The most significant example is the Mahasakthi Agro-industrial Partnership, a US$1.2 billion investment agreement focused on sugarcane and cassava production and processing. The project combines industrial-scale operations with an outgrower model designed to integrate local farmers into commercial supply chains through guaranteed purchase agreements, infrastructure development, and energy generation facilities. The initiative reflects the government's broader objective of building commercially viable agricultural value chains that can generate employment, increase domestic processing capacity, and stimulate rural economic development.

Institutional and regulatory reforms are also central to CAR's agribusiness agenda. The government has been in the process of developing an Agro-Pastoral Land Code intended to improve land tenure security, reduce conflicts over land use, facilitate access to agricultural credit, and provide a more predictable environment for domestic and foreign investment. Alongside this, the National Agriculture Policy adopted in 2023 seeks to modernise the sector through mechanisation, improved infrastructure, agricultural finance, and spatial planning that directs commercial agricultural expansion toward environmentally suitable areas. The implementation of the 2015 Seed Law further supports agribusiness development by establishing the regulatory foundations for formal seed markets, quality control systems, and the dissemination of climate-resilient crop varieties. Together, these reforms aim to create the institutional conditions necessary for sustained private sector investment and long-term agricultural transformation.

Taken together, these initiatives reflect a broader shift in CAR's development strategy from humanitarian dependence toward productive economic growth. While significant challenges remain, the combination of government reforms, international donor support, and emerging private investment is gradually laying the foundations for a more resilient, market-oriented agribusiness sector. The success of this transition will depend on the country's ability to improve security, strengthen institutions, expand rural infrastructure; ensuring smallholder farmers are effectively integrated into emerging commercial value chains.

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Recommendations (various)

1. Reforming Land Tenure and Formalising Cooperatives

A fundamental priority is the formal passage and rigorous implementation of the Agro-pastoral Land Code to provide a transparent and secure legal framework for land acquisition. This reform should be paired with the establishment of a national registry of farming groups to transition informal cooperatives into formal business entities, enabling them to enter directly into commercial contracts with institutional buyers.

2. Scaling Up Innovative and Catalytic Finance (Risk tolerant & Flexible funding)

To bridge the massive financing gap, where commercial banks allocate less than 5% of lending to agriculture, CAR should explore alternative de-risking mechanisms. Recommendations include:

- Securitisation: Exploring the securitisation of performing agricultural loan portfolios to free up bank balance sheets for new lending.
- Blended Finance: Leveraging mezzanine debt and blended finance instruments to provide long-term "patient capital" for Agribusiness SMEs, which helps "crowd in" private investment.
- Capacity Building for Banks: Replicating models that provide incentives and training for local commercial banks to increase their exposure to the agricultural sector.

3. Strengthening Value Chain Infrastructure and Connectivity

Revitalising the sector depends on reducing the high transaction costs caused by CAR's severely degraded transport network.

- Market Connectivity: Prioritise the rehabilitation of rural roads and trading corridors to link smallholders with urban centres like Bangui, where food prices are higher.
- Post-Harvest Management: Invest in local storage, drying, and aggregation facilities to reduce the significant losses currently incurred between harvest and market.
- Energy for Processing: Replicate the biomass power plant model used in the Mahasakthi deal—reclaiming agricultural residues like sugarcane bagasse—to provide the decentralised power needed for domestic agro-processing.

4. Professionalising the Seed Sector and Inputs

- Regulatory Completion: Finalise and validate the remaining application decrees for the 2015 Seed Law to create a functional, regulated seed market.
- Institutional Support: Provide sustained funding to the Central African Institute for Agronomic Research (ICRA) and the National Seed Office (ONASEM) to ensure the production of certified, elite, and climate-resilient seed varieties.

5. Transitioning to Modern, Climate-Smart Agriculture

- Mechanisation: Move the sector beyond manual farming—currently used by over 99% of farmers—by facilitating access to tractors and modern tillers.
- Regenerative Models: Scale up agroforestry and regenerative practices that restore degraded soil fertility without heavy reliance on imported chemical fertilisers.
- Digital Integration: Deploy digital technologies, including mobile banking, satellite-enabled crop monitoring, and online early warning systems, to bypass traditional infrastructure deficits.

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6. Ensuring Inclusive Growth and Social Cohesion

- Empowering Women and Youth: Given that women represent over 78% of agricultural labour, the government should hyper-prioritise labour-saving technologies and vocational training targeted specifically at female-headed households and rural youth.
- Conflict Resolution: Use the Agro-pastoral Land Code to establish clear boundaries and usage rights to reduce resource-based friction between pastoralists and sedentary farmers.

7. Balancing Expansion with Environmental Stewardship

To ensure long-term sustainability, commercial projects must be directed toward degraded savannah lands rather than high-conservation forests or peatlands. Using updated national soil maps and the Central African Forest Initiative (CAFI) framework will allow CAR to meet international environmental standards, which is vital for attracting global investment.

8. Enhancing Multi-Partner Coordination

The government should lead a permanent coordination platform to align the efforts of multilateral banks (World Bank, AfDB), UN agencies (WFP, FAO), and bilateral partners (China, Russia, France). This will ensure that interventions are prioritised effectively across different regions and that resources are sequenced to move the country from humanitarian reliance to long-term agricultural resilience.

Agribusiness (various National, Bilateral & Multilateral support initiatives)

National

National Development Plan (PND) 2024–2028

The government has established the National Development Plan (NDP) 2024–2028 as the strategic roadmap for transitioning from humanitarian dependency to long-term resilience. The strategy is anchored in Priority Axis 2, which focuses on human capital development, and Priority Axis 4, which targets the acceleration of production and the reinforcement of agricultural value chains to foster inclusive growth.

Strategic Objectives and Priorities

The NDP 2024–2028 seeks to redefine economic priorities by focusing on long-term resilience and sustainability. Its agribusiness objectives are primarily organised under two key "Priority Axes":

- Priority Axis 2 (Human Capital): Focuses on improving food security and ensuring equitable access to basic services for the rural population.
- Priority Axis 4 (Inclusive Growth): Emphasises the acceleration of production and the reinforcement of agricultural value chains to stimulate inclusive growth.

Key Pillars of Agribusiness Development

To raise the agricultural sector to its full potential, the plan proposes several structural reforms aimed at modernisation and increasing competitiveness:

- Modernisation and Mechanisation: The plan aims to move beyond manual farming—which currently characterises over 99% of the sector—by introducing modern equipment such as tractors and tillers.
- Infrastructure Rehabilitation: A major component of the NDP is the rehabilitation of rural transport networks to connect isolated smallholders with urban centres and regional markets, thereby reducing transaction costs and post-harvest losses.

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- Access to Financing: The plan seeks to expand agricultural credit, transitioning farmers from informal credit markets to formal financial services to support commercial-scale activities.
- Technical Training: There is a strong focus on professionalising the sector through technical farmer training and capacity building for national institutions.

Economic and Social Impact

The initiatives outlined in the NDP are expected to generate significant domestic benefits:

- Import Substitution: By boosting local production, the government aims to reduce heavy reliance on food imports, particularly for staples like rice.
- Job Creation: The shift toward commercial agribusiness is designed to create sustainable jobs for the rural population, including youth and returnees.
- Poverty Reduction: By increasing the productivity of the 70-75% of the workforce dependent on farming, the plan serves as a direct pathway for lifting millions of citizens out of extreme poverty.

Institutional and Legal Reforms

To support these goals, the government is pursuing essential institutional changes. This includes drafting an Agropastoral Land Code to provide a secure, transparent legal framework for land acquisition and management, which is vital for attracting long-term international investment.

Investment and Partnerships

The NDP has been actively pitched to international financiers, most notably during an investor roundtable held in Casablanca, Morocco, in September 2025. These efforts have already contributed to major public-private partnerships, such as the $1.2 billion agreement with the Mahasakthi Group, which aligns with the NDP's goals by targeting the commercial-scale production and processing of sugarcane and cassava.

Agro-pastoral Land Code

The Agro-pastoral Land Code is a pivotal legislative reform currently being drafted by the Ministry of Agriculture and Rural Development (MARD) to replace the Central African Republic's (CAR) outdated and insecure land laws. It is designed to serve as the legal foundation for the nation's transition toward structured, commercial agribusiness by addressing long-standing systemic failures in land management.

Establishing a Secure Legal Framework for Investment

The primary barrier to large-scale agricultural expansion in CAR has been the absence of a formalised legal instrument for managing and securing land.

- De-risking Capital: By providing a transparent and legally binding framework for land acquisition, the code aims to encourage long-term capital investments from international and domestic financiers who previously avoided the sector due to tenure insecurity.
- Collateral and Credit: Outdated laws prevent farmers from using land as formal collateral, which contributes to the fact that commercial banks in CAR allocate less than 5% of their total lending to agriculture. The new code is intended to provide the legal recognition of assets necessary to transition farmers from informal credit to formal financial services.

Conflict Resolution and Resource Management

A major source of rural instability in CAR is the frequent conflict between pastoral herders and sedentary crop farmers over shared resources.

- Efficient Allocation: The code provides a formal guide for the efficient allocation of land specifically designated for either pasture or crop farming, reducing resource-based friction.

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- Social Cohesion: By establishing clear boundaries and usage rights, the code supports the broader goal of rebuilding social cohesion in rural areas, which is a prerequisite for sustainable commercial activities.

Formalisation of the Agricultural Sector

The code works in tandem with government efforts to transition the 70–75% of the workforce dependent on farming into a legally recognised business class.

- Transition to Agribusiness: It provides the statutory basis required to move from informal subsistence farming to commercial agribusiness entities.
- Registration of Producer Groups: The code supports the establishment of a national database of farmers and the formal registration of agricultural cooperatives, making them eligible for direct trade and commercial contracts with institutional buyers.

Alignment with National Land-Use Planning

The code is strategically linked to the National Agricultural Policy (adopted in 2023) to ensure that agribusiness expansion does not compromise CAR's environmental assets.

- Strategic Zoning: It aids in directing industrial agricultural projects away from the forest frontier and fragile peatlands toward degraded savannah areas.
- Investment Security: Aligning the code with national land-use planning ensures that investors have long-term security in zones that have been officially vetted for commercial suitability and environmental compliance.

Multilateral Support and Dissemination

The implementation and dissemination of the code are supported by international partners through projects like the World Bank's Agriculture Recovery and Agribusiness Development Support Project (ARADSP).

- Policy Support: Multilateral funding facilitates the technical assistance (TA) needed to finalise the regulations and support the dissemination of key measures enacted by the law once approved by Parliament.
- Capacity Building: Part of this support involves training regional government agents and local authorities on their roles in enforcing the new land-use protocols.

National Agriculture Policy

National Agriculture Policy (Adopted February 2023)

The Council of Ministers adopted the National Agriculture Policy to serve as a comprehensive roadmap for revitalising a sector that accounts for over 50% of CAR's gross domestic product (GDP) but has historically suffered from policy apathy.

- Strategic Transition to Commercial Farming: The policy is the primary vehicle for shifting the sector from low-productivity subsistence farming to commercial agribusiness. It identifies modernisation through mechanisation—addressing the fact that currently less than 1% of farmers use tractors—as a priority for increasing scalability.
- Environmental Zoning for Industrial Growth: A critical agribusiness aid is the policy's use of spatial planning to protect natural assets. It directs large-scale industrial agricultural projects away from the forest frontier and fragile peatlands, instead steering them toward degraded savannah areas. This provides international investors with a clear "green-light" map for development that meets global environmental standards.

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- Sectoral Modernisation: The policy proposes structural reforms to expand agricultural credit, provide technical farmer training, and rehabilitate rural transport networks. By aiming to meet the African Union's Comprehensive Africa Agriculture Development Program (CAADP) target of 10% public spending on agriculture, it seeks to build the state capacity necessary to support private sector expansion.

2015 Seed Law and Implementation Regulations

The 2015 Seed Law is the foundational regulatory text governing the national seed sector. Because quality inputs are a prerequisite for commercial success, the government is currently focusing on making the law fully operational for agribusinesses.

- Spurring Seed Market Development: The law is designed to move seed production from informal, unregulated exchanges to formal professional markets. It provides the legal basis for research and development (R&D), field trials, and variety registration, which allows private seed companies to enter the market with legal protection.
- Institutional Quality Control: Through the law, the government is strengthening the capacity of the National Seed Office (ONASEM) to manage seed testing, control, and certification. For agribusinesses, this ensures that the seeds they purchase are certified (e.g., Base seed R1), reducing the risk of crop failure.
- National Official Seed Variety Catalogue: The law supports the creation of a formal catalogue of approved seed varieties. This helps agro-processors and exporters standardise their raw material supply, as they can mandate that their outgrowers use specific, high-performing varieties listed in the catalogue.
- Climate-Smart Resilience: A major component of the law's implementation is the production of climate-smart seed varieties. The government has set a target that at least 50% of improved seeds distributed or certified under this framework be climate-resilient, helping agribusinesses de-risk their operations against the increasing frequency of droughts and floods in CAR.
- Professional Training: The law facilitates the training of professionals in seed technology, varietal maintenance, and germplasm management. This builds a domestic workforce of seed inspectors and technicians that can support the expansion of private seed-production firms.

Bilateral

French Development Agency (AFD)

France remains a critical bilateral partner for the Central African Republic (CAR) through the French Development Agency (AFD), which operates under a strategic bilateral roadmap endorsed in 2024. As of December 2025, AFD manages an active portfolio of €102.7 million across 15 projects aimed at state reform, infrastructure development, and reducing the vulnerability of the population.

Direct Support for Private Sector Agribusiness

- Proparco Loans: AFD's private-sector arm, Proparco, provides targeted loans to support local agricultural small and medium-sized enterprises (SMEs). This is vital for de-risking the sector, as commercial banks in CAR historically allocate less than 5 per cent of their lending to agriculture due to tenure insecurity and high operational risks.
- Encouraging Entrepreneurship: Through various funding mechanisms, the agency supports the transition of rural farmers into a legally recognised business class, aligning with CAR's broader goal of moving from subsistence to commercial farming.

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Critical Infrastructure and Energy

- Market Connectivity: AFD finances the construction of market facilities and road infrastructure to open up isolated rural areas. Improving access roads is essential for reducing the high transaction costs and post-harvest losses that currently discourage farmers from producing surpluses.
- Energy for Transformation: The agency supports the rehabilitation of the Boali hydropower plant, which aims to increase renewable energy production and secure a reliable electricity supply. This addresses a major bottleneck in the agribusiness value chain, as chronic energy shortages historically inhibited domestic agro-processing and urban transformation facilities.

Institutional Reform and Business Climate

- Legal Frameworks (OHADA): AFD aid supports the implementation of the Organisation for the Harmonization of Business Law in Africa (OHADA) protocols. Strengthening this legal framework is crucial for providing international and domestic investors with the transparency and security needed for long-term agricultural capital investments.
- Macroeconomic Stability: The agency works with state technical services to improve public financial management, ensuring sustainable public finances and secured relations with international financial institutions.
- Technical Assistance: Through Expertise France, the AFD Group provides on-the-ground technical expertise to build the capacity of national institutions responsible for implementing agricultural policies.

Human Capital and Integrated Rural Development

- "Education for All" Programme: This AFD-funded initiative provides basic schooling and vocational training for 21,500 students across 50 schools in isolated sub-prefectures, including Carnot, Berberati, and Gamboula.
- Income-Generating Activities: To foster long-term community resilience, the programme integrates the development of income-generating activities for families, providing them with the autonomy needed to invest in their own farming operations.
- Health and Workforce Productivity: AFD provides €9 million in support to the Institut Pasteur de Bangui (IPB) to improve diagnostic capacity and care for children. Maintaining a healthy rural population is a prerequisite for a productive agricultural workforce and long-term agribusiness growth.

Multilateral Coordination

- Donor Synergies: AFD aid is coordinated with other major development partners, including the World Bank, the African Development Bank (AfDB), and the EU, to ensure that agribusiness interventions are prioritised and sequenced effectively across different regions.

China

Aid from the People's Republic of China is a central component of the Central African Republic's (CAR) strategy to diversify its bilateral partnerships and transition toward structured commercial farming. This cooperation was significantly elevated in September 2024 during the Forum on China-Africa Cooperation (FOCAC) Beijing Summit, where the two nations announced the establishment of a strategic partnership.

Strategic Value-Chain Integration

Chinese aid is increasingly focused on the "Belt and Road" agricultural value-chain integration.

- Local Value Addition: There is a strategic shift away from the export of raw materials toward local value addition and domestic processing. This aims to keep more of the economic surplus within CAR.

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- Special Agricultural Processing Zones: The CAR government is actively seeking Chinese investment to establish special agricultural processing zones. These zones are intended to serve as industrial hubs where raw harvests can be transformed into finished goods for domestic consumption and export.

Technology Transfer and Research

China provides technical support to overcome the low yields and outdated agronomic practices that historically hindered Central African farmers.

- Advanced Crop Varieties: A key pillar of the partnership involves the introduction of advanced crop varieties that are better suited to the local climate and capable of producing higher yields.
- Technical Training: Aid includes building local capacity to meet international export standards. This professionalisation is necessary for Central African produce to compete in global markets and enter new trade corridors.

Infrastructure and Industrial Integration

China's approach emphasises the "integrated development of infrastructure construction and industries".

- Belt and Road Cooperation: The two countries have signed several bilateral cooperation documents, including a Belt and Road cooperation plan, which links infrastructure projects directly to industrial and agricultural output.
- Modernisation Assistance: President Touadéra has expressed a commitment to learning from the success of Chinese modernisation to help CAR achieve the goals of its National Development Plan (PND) 2024–2028.

Governance and Institutional Support

Beyond physical assets, Chinese aid facilitates the sharing of administrative and developmental expertise.

- State Governance Exchanges: China has committed to strengthening exchanges with CAR on state governance, providing the institutional knowledge required to create a safer and more transparent business environment.
- Capacity Building: Cooperation extends to broad capacity building initiatives designed to improve the effectiveness of the national institutions responsible for oversight of the agricultural sector.

Geopolitical Context

This deepening of ties with China occurs alongside a broader bilateral realignment in Bangui. As the United States Agency for International Development (USAID) prepares for a planned withdrawal in early 2025—which will leave a significant gap in emergency food funding—CAR is increasingly reliant on partners like China and Russia to provide the long-term investment needed for market-driven, self-sustaining agribusiness.

Multilateral

World Bank

Emergency Food Crisis Response Project (EFCRP)

The Emergency Food Crisis Response Project (EFCRP), known locally as PRUCAC, is a large-scale multilateral intervention funded by the World Bank to address the Central African Republic's (CAR) deteriorating food security while laying the groundwork for long-term agribusiness development. Initially approved in June 2021 with a $50 million grant, it has since received two additional financings, bringing the total project budget to $150 million.

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The project specifically aids agribusiness development through the following mechanisms:

Transitioning from Relief to Resilient Production

The EFCRP serves as a strategic bridge between immediate humanitarian aid and a structured agricultural economy.

- Decentralised Input Markets: To overcome logistical bottlenecks, the project shifted from a centralised state procurement model to a decentralised system. By providing smallholders with production capital through cash transfers and vouchers, the project allows farmers to source seeds and tools from local suppliers, thereby stimulating domestic agricultural supply chains.
- Scale of Impact: As of late 2025, the project has reached 691,716 farmers (including 231,746 women) with agricultural assets and services, representing nearly 99% of its initial target. Future expansions aim to reach 1,050,000 farmers and produce 500,000 metric tons of food crops.

Value Chain Infrastructure and Market Linkages

A core agribusiness objective of the EFCRP is reducing post-harvest losses and integrating smallholders into commercial markets.

- Post-Harvest Assets: The project is constructing 36 drying areas and 36 storage facilities to preserve crop quality. As of late 2025, over 21,000 households were already utilising these improved post-harvest technologies.
- Structured Offtake Mechanisms: To ensure market security, the project introduced Results-Based Financing (RBF) specifically for cassava agroprocessors. This model incentivises industrial firms to establish structured purchase agreements with local farmers.
- Aggregator Partnerships: Because many CAR cooperatives lack the legal standing to contract directly with institutional buyers, the EFCRP established partnerships with accredited commercial suppliers. These suppliers aggregate smallholder produce for sale to large-scale buyers like the World Food Programme (WFP), with 9,144 tons commercialised through this model in late 2024.

Regulatory and Seed System Strengthening

The project provides the technical foundation necessary for a professional agribusiness environment.

- Utilising the 2015 Seed Law: The EFCRP provides technical assistance (TA) for the promulgation of application decrees for the 2015 Seed Law. This is vital for creating a regulated seed market that protects the rights of private seed companies and ensures quality for farmers.
- Rebuilding National Research Institutions: Support is provided to the Central African Institute for Agronomic Research (ICRA) to produce pre-basic and foundation seeds and to build five regional seed banks to preserve genetic diversity.
- Sector Strategy Development: A new subcomponent provides TA to update or develop a National Agricultural Sector Strategy, designed to guide the government's transition from humanitarian reliance to long-term agricultural resilience.

Climate Resilience and Early Warning Systems

To de-risk agribusiness from climate shocks, the EFCRP integrates modern meteorological technology and resilient inputs.

- Climate-Smart Seeds: The project targets a 50% adoption rate for climate-resilient seed varieties among beneficiaries.
- The CA-SAP Platform: The EFCRP launched an online early warning system (the FAO Central African Republic Early Warning System) to provide farmers with timely information on flood risks and hydro-meteorological events, which is essential for protecting field investments.

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- Resilient Public Works: Through Labor-Intensive Public Works (LIPW)—also known as THIMO—the project has generated over 550,000 person-days of employment to rehabilitate critical infrastructure, such as drainage channels and rural roads, to prevent seasonal flooding from disrupting trade corridors.

Institutional Coordination

The project supports the establishment and functioning of the National Agency for Food and Nutritional Security. This agency serves as a permanent, government-led platform to coordinate food security monitoring and early warning systems, ensuring that agribusiness growth is not derailed by future unmanaged crises.

Agriculture Recovery and Agribusiness Development Support Project (ARADSP)

The Agriculture Recovery and Agribusiness Development Support Project (ARADSP), also identified by its French acronym PRSA-AC, is a $25 million initiative funded by the World Bank designed to revitalise the primary economic sector of the Central African Republic (CAR). The project's central objective is to increase the agricultural productivity of small-scale farmers and strengthen the commercial capacity of approximately 40 agribusiness micro, small, and medium enterprises (Agri-MSMEs) within its intervention zones. Geographically, the project targets regions with high production potential that have been historically isolated by conflict, including Ouham, Ouham-Pendé, Bamingui-Bangoran, Vakaga, and the outskirts of Bangui.

The ARADSP specifically aids agribusiness development through the following three primary components:

1. Productive Infrastructure and Entrepreneurship

This component, allocated $10 million, seeks to rebuild the "social fabric" and commercial viability of rural communities through a combination of community-driven development (CDD) and direct support for start-ups.

- Community Managed Infrastructure: The project provides matching grants for small-scale projects identified by local communities, such as water points, footpaths to access roads, small-scale irrigation, and storage facilities.
- Agribusiness Accelerator: To foster a new class of entrepreneurs, the project established a pilot business start-up accelerator in Bangui. This facility provides technical assistance for business plan development, managerial training, and mentoring for start-ups, with a particular focus on youth and women-led enterprises.
- Matching Grant Windows: Capital is distributed through tiered windows, ranging from $5,000 for small-scale farmer groups to $100,000 for larger Agri-SMEs that act as off-takers for local produce.

2. Market Connectivity and Public Infrastructure

Recognising that high transaction costs and poor logistics are major barriers to agribusiness, the project allocates $7.5 million to improve physical access to markets.

- Rural Road Rehabilitation: The project funds the rehabilitation of 250 kilometres of rural roads and the maintenance of a further 300 kilometres using labour-intensive public works (HIMO). This method provides immediate temporary income to rural households while opening up trade corridors.
- Agri-Logistics Facilities: To reduce post-harvest losses, the project invests in the construction and improvement of critical infrastructure along trading corridors, including local markets, storage buildings, sales points, and livestock auction areas.

3. Public Service Quality and Policy Reform

The project invests $7.5 million to address the "policy vacuum" in the sector and build the state's capacity to support a professional agribusiness environment.

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- Seed Law: A major agribusiness aid is the technical assistance provided to implement the 2015 Seed Law. This includes supporting the Central African Institute for Agronomic Research (ICRA) and the National Seed Office (ONASEM) in variety trials, certification, and the creation of a national official seed catalogue.
- Enabling Policy Environment: The project finances the dissemination of critical legislation, including the Agro-pastoral Land Code, the cooperative law, and the national cotton strategy, all of which are vital for securing long-term private sector investment.
- Multi-Service Centres: In partnership with the Chamber of Agriculture and the National Federation of Central African Breeders (FNEC), the project establishes multi-service points that provide rural business advisors, veterinary pharmacies, and vaccination campaigns for small ruminants and poultry.

Economic Impact and Implementation

The ARADSP is designed to be highly sustainable, boasting an economic internal rate of return (IRR) of 21 per cent. By de-risking the sector through improved infrastructure and legal frameworks, it encourages commercial banks—which historically allocate less than 5 per cent of their lending to agriculture—to provide formal credit to farmers. Implementation is led by the Ministry of Agriculture and Rural Development (MARD), with fiduciary management handled by AGETIP-CAF and technical execution involving specialised partners such as UNOPS and WFP.

African Development Bank (AfDB) Initiatives

Agriculture Sector Support Project (PARA)

The Regenerative Agriculture and Agroforestry Project (PARA) is an ambitious $12.18 million initiative designed to sustainably transform the agricultural landscape of the Central African Republic (CAR) by integrating climate resilience with commercial modernisation. Supported by the African Development Bank (AfDB) and the Technologies for African Agricultural Transformation (TAAT) programme, PARA represents a strategic shift towards ecological sustainability as a foundation for agribusiness growth.

The following breakdown provides a detailed look at how PARA aids agribusiness development in the country:

Strategic Model and Environmental Restoration

PARA scales up an innovative agricultural model based on syntropic agroforestry and regenerative practices.

- Land Rehabilitation: Developed by the Society of Sustainable Agricultural Industries (SIAD), this model has already restored over 406 hectares of degraded land in CAR, improving soil productivity without heavy reliance on chemical inputs.
- Climate Resilience: By focusing on agroecological systems, the project ensures that agribusiness expansion is resilient to climate shocks, which is vital for long-term investment stability.

Value Chain and Agro-processing Development

A primary objective of PARA is to transition smallholders into the formal economy by reinforcing specific commodity sectors.

- Agro-processing: The project funds the development of agro-processing facilities and value chains, allowing farmers to add value to their raw harvests and reduce post-harvest losses.
- Commercialisation: By strengthening the links between production and processing, PARA aims to create a more productive and inclusive agricultural sector that can better compete in regional markets.

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Technological and De-risking Innovations

To modernise the sector and make it more attractive to private lenders, PARA integrates several high-tech and financial de-risking tools.

- Digital Monitoring: The project introduces digital climate-monitoring solutions to provide farmers with timely data for better-informed decision-making.
- Innovative De-risking: PARA implements modern mechanisms such as mobile micro-insurance and the "uberisation of tractors" (smallholder farmers being able to hire tractors) to reduce the operational risks and high marginal costs often associated with agricultural expansion in CAR.
- Biological Inputs: The introduction of bio-inoculants supports productivity gains while maintaining the project's focus on regenerative, ecological farming.

Institutional and Seed System Strengthening

Recognising that high-quality inputs are a prerequisite for commercial yields, PARA invests heavily in the national seed infrastructure.

- Seed Production: The project focuses on producing improved, climate-resilient seeds for maize, soybean, and cassava.
- Capacity Building: Significant resources are allocated to building the technical capacity of the Central African Institute for Agronomic Research (ICRA) and the National Seed Office (ONASEM), ensuring the state can maintain quality control and variety registration.
- Professional Training: Dissemination of best practices is managed through Farmer Field Schools and demonstration activities, which help to professionalise the rural workforce.

Financing and Implementation Framework

The project's $12.18 million budget is derived from a multi-partner funding arrangement involving multilateral and sovereign contributors.

- Funding Sources: Financing includes a $5.845 million grant from the AfDB's Climate Action Window (CAW), a $1.3 million contribution from the United Nations Development Programme (UNDP), and an in-kind contribution of $5.036 million from the CAR government.
- Governance: The project is placed under the oversight of the Ministry of Environment and Sustainable Development (MEDD) in collaboration with the Ministry of Agriculture and Rural Development (MADR), with the UNDP handling day-to-day operational and fiduciary management.

Target Regions and Beneficiaries

The project targets specific high-potential regions that have already shown promise with pilot regenerative models.

- Intervention Zones: PARA operates across the Lobaye and Mambéré-Kadéï regions.
- Direct Impact: The project aims to reach 1,600 smallholder farmers, with a strong emphasis on gender inclusivity by ensuring 60 per cent of beneficiaries are women.

Technologies for African Agricultural Transformation (TAAT)

The Technologies for African Agricultural Transformation (TAAT) programme is a flagship initiative of the African Development Bank (AfDB) designed to significantly increase agricultural productivity across the continent by deploying high-performance technologies. In the Central African Republic (CAR), TAAT serves as a primary technical engine for modernising the sector and transitioning it towards structured agribusiness.

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Technical Foundation for the PARA Project

TAAT is a lead technical partner in the Regenerative Agriculture and Agroforestry Project (PARA), an initiative finalized in March 2026 to scale sustainable agricultural models in CAR.

- Scaling Regenerative Models: TAAT provides the technical framework to scale up syntropic agroforestry and regenerative models developed by the Society of Sustainable Agricultural Industries (SIAD), which have already restored over 406 hectares of degraded land in the country.
- Value Chain Development: TAAT's involvement in PARA includes a specific focus on the development of agro-processing facilities and value chains, which is essential for adding value to raw harvests and reducing post-harvest losses.

Seed Sector

Recognising that quality inputs are the bedrock of commercial agribusiness, TAAT focuses on fundamentally professionalising CAR's national seed systems.

- Staple Crop Focus: The programme emphasises the production of improved, climate-resilient seeds for maize, soybean, and cassava.
- Institutional Strengthening: TAAT works directly with the Central African Institute for Agronomic Research (ICRA) and the National Seed Office (ONASEM) to build their technical capacity for seed testing, certification, and the preservation of plant genetic diversity.
- Seed Delivery Systems: A core pillar of the programme is strengthening seed delivery mechanisms to ensure that smallholder farmers have consistent and dependable access to elite, high-yielding seed varieties.

Deployment of Modern Agribusiness Technologies

TAAT introduces cutting-edge "climate-resilient innovations" that bypass traditional infrastructure deficits and enhance the commercial viability of farming operations.

- Innovative De-risking: To make local agribusinesses more attractive to private lenders, TAAT integrates de-risking technologies such as mobile micro-insurance.
- Digital and Biological Tools: The programme introduces digital climate-monitoring solutions and bio-inoculants to increase yields while maintaining ecological sustainability.

Capacity Building and Knowledge Transfer

TAAT utilises a "Training of Trainers" (ToT) approach to create a sustainable network of expertise within CAR.

- Extension Strengthening: The programme aims to build the capacity of agricultural extension agents who then cascade Good Agricultural Practices (GAP) and field demonstration management to frontline extension networks and lead farmers.
- Professional Training: Technical training is delivered through Farmer Field Schools and demonstration activities, focusing on varietal maintenance, germplasm management, and master growing techniques.

Socio-Economic Impact and Inclusion

Through its technical assistance, TAAT seeks to foster a more productive and inclusive agricultural sector.

- Targeting Vulnerable Groups: In its PARA project involvement, the programme targets 1,600 smallholder farmers across the Lobaye and Mambéré-Kadéï regions, with a specific mandate that 60 per cent of beneficiaries be women.
- Sustainable Wealth Creation: By empowering local planters to transition from subsistence farming to becoming agricultural entrepreneurs, TAAT aims to create shared and sustainable wealth as part of CAR's broader economic diversification strategy.

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Mahasakthi Agro-industrial Partnership

The Mahasakthi Agro-industrial Partnership is a historic $1.2 billion (nearly 800 billion FCFA) investment agreement designed to radically transform the sugarcane and cassava sectors in the Central African Republic (CAR). Signed in Bangui on 15 April 2025, this public-private partnership with the Indian conglomerate Mahasakthi Group is a cornerstone of the nation's National Development Plan 2024–2028, signaling a shift toward large-scale, structured commercial agribusiness.

Scale and Agricultural Focus

The partnership targets the intensive cultivation and processing of two high-yield crops across 30,000 hectares of land:

- Sugarcane: 20,000 hectares dedicated to production.
- Cassava: 10,000 hectares focused on the nation's primary staple.

To ensure environmental sustainability, the government, with support from the Central African Forest Initiative (CAFI), is working to direct this commercial expansion toward degraded savannah lands rather than high-conservation forests or peatlands.

The Outgrower Business Model

A defining feature of the partnership is its use of an outgrower model to de-risk farming for local citizens while building an entrepreneurial class. The land is split 50/50 between:

- Direct Management: Mahasakthi Group will directly manage 15,000 hectares.
- Local Planters: 15,000 hectares are reserved for local volunteer planters, with a minimum allocation of 5 hectares per entrepreneur.

This model—replicated from Mahasakthi's successful operations in India—includes a guaranteed buyback system, ensuring that the more than 3,000 local agro-entrepreneurs involved have a reliable market for their harvests.

Supporting Infrastructure and Energy

To support the industrial processing of these crops, the agreement includes the construction of two biomass power plants with a combined capacity of 70 megawatts. These plants will use a circular energy model, reclaiming and burning sugarcane bagasse (residue) to provide a decentralized power source for transformation facilities. This directly addresses the chronic energy shortages that have historically inhibited urban agro-processing in CAR.

Economic and Social Impacts

The partnership is expected to be a major driver of economic growth and stability:

- Job Creation: The project is projected to create more than 100,000 direct jobs, providing significant opportunities for rural youth and returnees.
- Import Substitution: By boosting domestic production and processing, the government aims to reduce its heavy reliance on food imports.
- Poverty Reduction: The initiative empowers local communities to transition from subsistence farming to commercial agriculture, creating shared and sustainable wealth.

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SECTOR 2 OF 8

Agriculture

CAR is an agrarian economy in which agriculture serves as the principal source of employment, income, and food security. The sector employs approximately 74 per cent of the workforce and contributes heavily towards country's formal Gross Domestic Product (GDP). Despite extensive agricultural potential, abundant natural resources, and favourable climatic conditions across much of the country, agricultural development remains constrained by decades institutional fragility, inadequate infrastructure, low levels of mechanisation, and chronic underinvestment.

CAR's agricultural landscape is highly diverse, encompassing five distinct agro-ecological zones ranging from humid equatorial forests in the south-west to semi-arid savannas in the north. These zones support a wide range of production systems, including cassava, maize, rice, yams, sorghum, millet, coffee, cocoa, oil palm, livestock, and pastoralism. Southern prefectures are characterised by fertile soils suitable for perennial cash crops and root crops, while central and northern regions support cereals, livestock production, and pastoralist grazing systems. This ecological diversity provides significant opportunities for agricultural expansion and value-chain development, although much of the country's agricultural potential remains underutilised. Arable land and permanent pasture account for only a small proportion of total land area, and irrigation remains extremely limited.

Agriculture in CAR remains overwhelmingly dominated by smallholder subsistence farming. Approximately 95 per cent of agricultural value-added originates from small family farms averaging between 1.5 and 2 hectares. Production systems rely heavily on manual labour, with limited use of mechanisation, improved seed varieties, irrigation, or modern agricultural inputs. Women play a particularly important role in the sector, representing more than 78 per cent of the agricultural labour force and undertaking much of the cultivation, processing, and marketing of agricultural products. However, their participation is constrained by limited access to land, finance, and productive assets. Youth similarly face significant barriers to participation in commercial agriculture despite representing the majority of the population.

The sector continues to face severe structural challenges. The 2012–2013 politico-military crisis caused a dramatic collapse in agricultural production, resulting in widespread loss of livestock, destruction of seed stocks, and displacement of rural populations. Insecurity continues to affect production systems, market access, and investment decisions across many regions. Climate change is further exacerbating vulnerabilities through rising temperatures, declining rainfall in northern regions, increased drought frequency, and recurrent flooding in southern agricultural areas. Soil erosion, plant diseases such as Cassava Mosaic Virus, and limited agricultural research institutions further suppress productivity.

Pastoralism constitutes another important dimension of the agricultural economy. Livestock contributes approximately 15 per cent of national GDP and supports millions of rural livelihoods. Seasonal routes bring large numbers of cattle from neighbouring Chad into CAR each year. While pastoralism is economically significant, competition over land and water resources has increasingly generated tensions between pastoralists and sedentary farmers, particularly in regions affected by insecurity and weakened customary governance structures. These conflicts have become a major focus of development interventions aimed at improving rural stability and agricultural productivity.

Mechanisation remains limited throughout the country, although it is increasingly recognised as essential for improving productivity and expanding cultivated areas. Most farmers continue to rely on hand tools and

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manual labour, resulting in low yields and limited commercialisation. Access to tractors and mechanised equipment is constrained by high acquisition costs, limited maintenance capacity, and challenges related to fuel supply. Although diesel fuel is generally available in Bangui and major urban centres, CAR remains entirely dependent on imported fuel transported through the Douala–Bangui corridor. Fuel availability in remote agricultural regions is often unreliable due to transport bottlenecks, insecurity, and periodic national shortages. Consequently, farmers frequently rely on private storage or informal fuel markets, which increases operational costs and uncertainty for mechanised farming enterprises.

Recognising the importance of agriculture for economic recovery and national stability, the government and its international partners have implemented a broad range of development initiatives aimed at transforming the sector. Multilateral institutions play a central role in these efforts. The International Fund for Agricultural Development (IFAD) supports agricultural revitalisation through the Savannah Agropastoral Production Revival Project (PREPAS), which focuses on increasing productivity, strengthening seed systems, rehabilitating agricultural institutions, and improving climate resilience in key savanna production zones. The project targets tens of thousands of households and prioritises women and youth participation.

The Food and Agriculture Organization of the United Nations (FAO) supports agricultural development through a combination of technical assistance, seed system strengthening, livestock health programmes, agricultural statistics, and conflict-management initiatives. Its Support Project for the Regulation of Cross-Border Transhumance in Central Africa (PARTTAC) seeks to reduce conflicts between herders and farmers by establishing regulated pastoral corridors and strengthening cross-border cooperation. FAO also plays a leading role in promoting climate-resilient crops, rebuilding agricultural data systems, and supporting emergency agricultural recovery in conflict-affected communities.

Gender inclusion has become an increasingly important component of agricultural development strategies. Through its Women's Empowerment through Climate-Resilient Agriculture programme, UN Women works to improve women's access to land, finance, technology, and markets. The programme has supported land allocation for women's farming associations, established financial guarantee mechanisms for women entrepreneurs, and strengthened women's participation in agricultural value chains. These interventions seek to address longstanding structural inequalities that have limited women's ability to participate fully in commercial agriculture despite their dominant role in agricultural production.

The European Union has also contributed to agricultural modernisation through programmes such as PAPEUR-Rural, which has demonstrated the transformative potential of mechanisation. The programme has enabled agricultural cooperatives to acquire tractors, expand cultivated areas, and achieve greater financial autonomy. Several participating cooperatives have successfully transitioned from small-scale subsistence production to commercially oriented operations, illustrating the potential for mechanisation to drive broader sectoral transformation.

At the national level, agricultural development is guided by a series of strategic frameworks designed to link agricultural growth with economic recovery and peacebuilding. The National Recovery and Peacebuilding Plan (RCPCA) identifies agriculture and livestock development as essential pillars of national reconstruction, emphasising food security, income generation, infrastructure rehabilitation, and conflict management. The National Agricultural Investment and Food Security and Nutrition Programme (NAIFSNP) provides the operational framework for agricultural transformation, focusing on crop and livestock value chains, research and extension services, food security, natural resource management, and institutional strengthening. These frameworks align with continental initiatives such as the Comprehensive Africa Agriculture Development Programme (CAADP) and seek to transition the country from humanitarian dependence toward sustainable agricultural growth.

The implementation of these strategies relies heavily on national institutions such as the Central African Agricultural Development Agency (ACDA), the National Agency for Livestock Development (ANDE), and the

Central African Institute of Agricultural Research (ICRA). These institutions are responsible for extension services, livestock development, seed production, agricultural research, and farmer training. However, decades of conflict and underinvestment have left them with limited financial resources, ageing infrastructure, and insufficient technical capacity. Consequently, many remain heavily dependent on external donor support for operational effectiveness.

Agricultural development in CAR therefore exists at the intersection of significant opportunity and substantial challenge. The country possesses abundant natural resources, diverse agro-ecological conditions, and a large agricultural workforce. At the same time, weak infrastructure, limited mechanisation, uncertain land tenure, inadequate research capacity, and climate vulnerability continue to constrain productivity and investment. Ongoing reforms and development programmes increasingly focus on addressing these structural constraints through mechanisation, institutional strengthening, climate adaptation, improved land governance, and greater integration of farmers into commercial value chains. The success of these efforts will be critical not only for agricultural growth, but also for broader objectives related to food security, poverty reduction, economic diversification, and long-term national stability.

Bilateral Initiatives

European Union and PAPEUR-Rural

The PAPEUR-Rural (*Programme d'Appui à la Promotion de l'Entrepreneuriat en Milieu Urbain et Rural*) is a major initiative funded by the European Union designed to transition agricultural practices in the Central African Republic from subsistence manual labour to modernised, mechanized production.

The programme's primary achievement has been helping smallholder farmers move "from hoes to tractors" by providing the initial capital, machinery, and training necessary to scale their operations.

Key Impacts and Achievements

The programme has fundamentally altered the production capacity of grassroots organisations:

- Transition to Mechanization: Under PAPEUR-Rural, fifteen primary agricultural cooperatives successfully moved from using manual tools like hoes and machetes to mechanical cultivation.
- Expansion of Cultivated Land: By integrating tractors into daily operations, these cooperatives have significantly expanded their production areas and driven local commercialisation.
- Financial Autonomy: A critical success of the programme is the financial independence it fostered. When EU funding was temporarily suspended during the 2024 agricultural season, the cooperatives had become sufficiently resilient to pool their own savings from previous harvests to fund their mechanized operations, collectively cultivating 316 hectares autonomously.

Notable Success Stories

Several cooperatives have emerged as models of growth under the PAPEUR-Rural framework:

- Nouvel Élan Cooperative (Kpabé): This group demonstrated remarkable self-sustainability; before joining the programme in 2019, they ploughed only four hectares. By 2025, they were autonomously cultivating 110 hectares using their own tractor operations.
- Bossembélé Seed Cooperative: Specialising in high-quality certified maize seeds, this cooperative grew its production sixfold in its first year. It now attracts forward orders from international humanitarian buyers and agricultural agencies.
- Boukoko Seed Cooperative: This group mastered modern seed production and isolation techniques, supplying high-quality, climate-resilient maize seeds to the regional market.

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- Mossoro ti Waka Cooperative (Mboko): Successfully integrated tractors to reduce member labor fatigue and expand the area used for staple food crops.

Strategic Importance

The success of these cooperatives is highlighted as a viable model for the broader transformation of the Central African agricultural sector. Policy recommendations suggest that scaling this approach—specifically by linking it with other financial instruments like the $100,000 Guarantee Fund—could help transition more smallholders from subsistence to a commercial scale, thereby reducing the country's dependence on food imports and lowering youth vulnerability to recruitment by armed groups.

Multilateral Initiatives

International Fund for Agricultural Development (IFAD) and PREPAS

The International Fund for Agricultural Development (IFAD), known in French as *Fonds International pour le Développement Agricole* (FIDA), is a critical multilateral partner in the Central African Republic (CAR), focusing on transitioning the agricultural sector from crisis response to long-term sustainable development.

The primary vehicle for IFAD's current intervention in the country is the Savannah Agropastoral Production Revival Project, commonly referred to by its French acronym PREPAS (*Projet de Relance de la Production Agropastorale dans les Savanes*).

Project Overview and Financing

PREPAS is a large-scale initiative designed to revitalize agropastoral value chains and improve food security in the nation's savanna regions.

- Implementation Period: The project is planned to operate from 2018 to 2024.
- Budget: It is primarily financed by IFAD with a total investment of USD 28.77 million. This includes a co-financing contribution from the African Development Bank (AfDB) of USD 11.9 million.
- Institutional Framework: The project operates under the joint tutelage of the Ministry of Agriculture and Rural Development (MADR) and the Ministry of Livestock and Animal Health (MESA).

Geographic Focus and Target Beneficiaries

The project focuses on production basins in the western and central savanna zones.

- Locations: Activities are implemented in ten sub-prefectures: Baoro, Bouar, Boali, Boda, Bogangolo, Bossemptélé, Damara, and Yaloké, with extensions to Bimbo (Sakaï region) and Bozoum.
- Reach: PREPAS specifically targets 30,000 households. In coordination with the Savannah Agricultural Value Chain Development Project (PADECAS), the two initiatives aim to support a combined 60,000 households, or approximately 480,000 direct beneficiaries.
- Social Inclusion: The project prioritises smallholder farmers, ensuring that at least 50% of beneficiaries are women and 30% are youth.

Strategic Objectives and Key Activities

PREPAS aims to enhance the productivity and income of rural producers through several strategic pillars:

- Value Chain Support: The project targets key staples, including maize, cassava, rice, and red beans, as well as large cattle (gros bétail) value chains.
- Modernisation of Techniques: A major component is the introduction of Simplified Cultural Techniques (TCS), also known as no-till technology, for the production of improved maize varieties. This method is

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designed to increase soil organic matter by up to 50%, reduce erosion, and enhance climate resilience through carbon storage.

- Institutional Strengthening: PREPAS funds the rehabilitation and equipping of dilapidated state agency buildings, including those of the Central African Agricultural Development Agency (ACDA), the National Agency for Livestock Development (ANDE), and the Central African Institute of Agricultural Research (ICRA).
- Seed Systems: It strengthens the Seed Producers' Network (REPROSEM) to ensure a reliable supply of certified, high-yielding, and climate-adapted seeds to farmers.

National and Historical Context

PREPAS builds upon the achievements of the earlier Food Crops and Small Livestock in the Savannah Recovery Project (PREVES), which operated from 2011 to 2017. It is a central component of the National Recovery and Peacebuilding Plan (RCPCA), which identifies the revival of the agricultural and livestock sectors as an essential driver for restoring national stability and economic growth.

Food and Agriculture Organization of the United Nations (FAO) and PARTTAC

The Food and Agriculture Organization of the United Nations (FAO) serves as a principal multilateral partner in the Central African Republic (CAR), providing technical oversight and implementing large-scale projects aimed at transitioning the country from emergency response to sustainable agricultural development. One of its most significant regional initiatives is the Support Project for the Regulation of Cross-Border Transhumance in Central Africa (PARTTAC).

The PARTTAC Project

PARTTAC is a coordinated regional initiative funded by the European Union (EU) and implemented by the FAO to address the violent conflicts arising from seasonal cattle migration.

- Regional Cooperation: The project operates under a joint action plan validated between Cameroon, Chad, and the CAR to manage transnational pastoral movements.
- Core Objectives: The framework aims to harmonise pastoralist regulations across borders and secure dedicated pastoral corridors to prevent herds from encroaching on cultivated farming fields.
- Monitoring and Security: PARTTAC establishes a regional observatory and utilizes advanced technological tools, such as drone monitoring and joint cross-border military patrols, to restore security along seasonal migration routes.
- Customary Governance: By regulating these corridors, the project seeks to revive sustainable pastoral governance and reduce the friction between heavily armed herders and sedentary agrarian communities.

Broader Roles of the FAO in CAR

Beyond PARTTAC, the FAO is deeply integrated into the CAR's national agricultural strategies and specific development schemes:

- Technical Oversight for PARSANKO: The FAO is the supervisory entity for technical assistance for the Enhanced Resilience and Food and Nutrition Security in Kémo and Ouaka Districts (PARSANKO) project. In this role, it manages the scaling up of "resilience cells" (CdRs), which integrate Farmer Field Schools (FFS), Village Savings and Loan Associations (VSLA), and social dialogue clubs.
- Seed and Crop Development: The FAO provides technical support to improve the productivity of producer organisations and facilitates access to high-quality genetic materials, including climate-resilient NERICA rice and varieties of cassava resistant to the Cassava Mosaic Virus.

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- Livestock Health and Climate Strategy: The agency supports the Ministry of Livestock and Animal Health (MESA) in conducting national vaccination campaigns against diseases such as Contagious Bovine Pleuropneumonia (CBPP) and Newcastle disease. Additionally, the FAO collaborates with national authorities to validate methane emission reports as part of CAR's commitment to reduce greenhouse gas emissions by 24.8% by 2030.
- Rebuilding National Data Foundation: Under the third phase of the Global Strategy to Improve Agricultural and Rural Statistics (GSARS3), the FAO provides essential training to national statistical officers to rebuild the country's degraded research capabilities and monitor progress toward the Sustainable Development Goals (SDGs).
- Crisis Response Support: The FAO, often in partnership with the World Food Programme (WFP), provides emergency crop production support to thousands of vulnerable households through the distribution of essential seed kits and tools following periods of conflict.

UN Women Flagship Programme

The UN Women Flagship Programme, titled Women's Empowerment through Climate-Resilient Agriculture in West and Central Africa, is a regional initiative launched in 2017 to promote economic empowerment and enhance the resilience of women farmers to climate change. In the Central African Republic (CAR), the programme addresses the systemic marginalisation of women, who represent over 78% of the agricultural workforce but often lack legal control over land and access to formal credit.

Core Objectives and Pillars

The programme combines policy advocacy with direct programmatic action to remove structural barriers limiting women's participation in agricultural value chains. It focuses on four primary areas:

- Gender-Responsive Land Governance: In the absence of formal land management legislation in CAR, the programme advocates with customary leaders and administrative authorities to secure land rights for women.
- Access to Finance: The initiative acts as an intermediary between financial institutions and women's cooperatives to develop tailored financial products.
- Access to Skills and Technology: The programme supports a transition from traditional manual labour to conservation agriculture through the introduction of renewable energy and energy-efficient technologies.
- Market Access: It facilitates links between women producers and large-scale agribusinesses.

Key Achievements in the Central African Republic

The programme has delivered several specific outputs through its implementation in CAR:

- Land Allocation: Through the support of Gender-Responsive Land Governance Charters, which serve as participatory tools for communities to identify land-access bottlenecks, over 500 hectares of land have been specifically allocated to women's farming associations. This has secured land access for approximately 1,250 women in agricultural cooperatives.
- Leadership Training: More than 300 traditional and local leaders have been trained in gender-responsive land governance and mediation processes for land disputes.
- The Guarantee Fund: A dedicated $100,000 Guarantee Fund was established in partnership with AFPEC (Women's Association for the Promotion of Savings and Credit) and the company Express Union. This fund allows women agri-entrepreneurs, who often lack the property titles required for traditional mortgages, to access formal credit for income-generating activities.

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- Commercial Connectivity: The programme is currently facilitating discussions with New HUSSACA, a major producer of oils and soap, to establish market links for maize produced by women.

Humanitarian and Climate Resilience Projects

Under the umbrella of climate resilience, UN Women also implements projects funded by the Central Emergency Response Fund (CERF) in remote, conflict-affected areas.

- Geographic Focus: Recent projects have targeted the southeastern prefectures of Haut-Mbomou and Mbomou, specifically the regions of Obo, Zémio, and Rafaï.
- Support Infrastructure: These initiatives focus on the rehabilitation and expansion of Integrated Women and Girls Empowerment Centres (IWECs) and the construction of post-harvest food-processing platforms.
- Livelihood Kits: Women in these regions receive gender-sensitive, climate-resilient agricultural kits, including tools and seeds, to restore food production disrupted by erratic rainfall and displacement. By providing these tools, the programme aims to reduce negative coping strategies, such as the recruitment of youth into armed groups, by creating viable rural livelihoods.

Global Strategy to Improve Agricultural and Rural Statistics (GSARS3)

The third phase of the Global Strategy to Improve Agricultural and Rural Statistics (GSARS3) is a critical foundational initiative designed to rebuild the degraded statistical and research infrastructure in the Central African Republic (CAR).

Core Objectives and Timeline

Implemented by the Food and Agriculture Organization of the United Nations (FAO), the third phase of this strategy spans from 2024 to 2027. Its primary objective is to institutionalise the production of high-quality data to monitor progress towards the Sustainable Development Goals (SDGs) and provide a reliable evidence base for national policy decisions.

Key Strategic Features

- Alignment with Global Initiatives: GSARS3 is aligned with the 50x2030 Initiative, a global effort to close the agricultural data gap in low and lower-middle-income countries by the year 2030.
- Capacity Building: The programme provides both theoretical and practical training to national statistical officers. This includes training on conducting agricultural surveys to replace the current system, which has been severely weakened by decades of political instability and conflict.
- Research Rebuilding: Beyond basic data collection, the strategy assists in rebuilding the country's research foundation, which has suffered from a lack of funding—R&D spending in CAR was recorded as only 0.16% of agricultural GDP in 2011, among the lowest in Africa.

Context and Importance

The need for GSARS3 is driven by the state of agricultural statistics in CAR, which are currently described as unreliable and structurally underreported. Official figures often overlook the massive informal agrarian economy, which is the primary survival mechanism for rural households. By building a functional agricultural survey system, GSARS3 aims to provide the government with the necessary data to transition from emergency crisis-response models to long-term, structured agribusiness and rural development.

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Government Programmes

National Recovery and Peacebuilding Plan (RCPCA)

The National Recovery and Peacebuilding Plan (Plan de Relèvement et de Consolidation de la Paix, RCPCA), covering the period 2017–2021, was established as the primary multisectoral strategy for national reconstruction following the 2013 crisis. It was developed with the support of the European Union, the United Nations, and the World Bank Group through a Mutual Engagement Framework (CEM). The plan identifies the agricultural and livestock sectors as essential engines for national stability and economic recovery.

Strategic Pillars for Agriculture

The RCPCA organised its interventions into three main pillars, two of which are directly tied to agricultural development and food security:

- Pillar 2: Renewing the Social Contract between the State and the Population. This pillar includes Objective 3, which aims to "Ensure food security and resilience". The strategy under this pillar focuses on strengthening the resilience of vulnerable populations to break the cycle of dependency on humanitarian assistance.
- Pillar 3: Promoting Economic Recovery and the Revival of Productive Sectors. This pillar identified the revival of agriculture and livestock as a top priority to provide rural populations with rapid access to income-generating activities and employment. It aims to manage the transition from subsistence farming to a more productive and diversified agricultural economy.

Key Objectives and Implementation Strategies

The RCPCA aims to restore productive capacities and livelihoods through several targeted strategies:

- Recapitalisation: Supporting smallholder farmers and herders by increasing agricultural production and supporting food crop value chains.
- Resilience Cells (CdR): The plan specifically prioritised the scaling up of the "caisses de résilience" approach. These community-based cells integrate technical agricultural training, financial education through savings and loan associations, and social cohesion through dialogue clubs.
- Infrastructure and Markets: Pillar 3 targeted the rehabilitation and construction of infrastructure, including rural roads and proximity facilities, to revitalise local commercial circuits.
- Nutrition and Social Support: The plan integrated school canteen programmes and nutritional supplements to combat child malnutrition and support patients under medical treatment.
- Conflict Management: To increase livestock productivity and support peaceful coexistence, the RCPCA introduced integrated structures to manage transhumance and reduce conflicts between herders and sedentary farmers.

Achievements and Outcomes (2017–2021)

Several specific agricultural advancements were recorded during the implementation of the RCPCA:

- Increased access to inputs: There was an improvement in the distribution of improved seeds, promoting local empowerment.
- Technological Integration: Beneficiaries began integrating agro-ecological practices into their farming methods.
- Livestock Development: The plan facilitated the training of community agents in animal health and initiated short-cycle breeding (poultry and small ruminants) as a viable profession for women and youth.

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- Small-scale Industry: The plan supported the development of small processing units, such as mills, soap factories, and oil mills, to add value to agricultural products.

Challenges and Constraints

Despite its strategic importance, the implementation of the RCPCA agricultural plan faced significant hurdles:

- Persistent Insecurity: High rates of insecurity and the presence of armed groups often made the drafted productivity mechanisms inappropriate for the actual field conditions.
- Displacement: Ongoing internal displacement hindered the ability of farmers to remain on their land and maintain production cycles.
- Resource Mobilisation: The government faced difficulties in mobilising internal resources, leaving the plan heavily reliant on external donor funding.
- Structural Weaknesses: Critical appraisals noted a lack of a clear gender approach and insufficient measures to ensure that reforms would be sustainable once specific projects concluded.

Ultimately, the RCPCA served as a foundational document that integrated existing sectoral strategies, such as the National Agricultural Investment and Food Security and Nutrition Programme (NAIFSNP), to align international aid with the country's long-term recovery goals.

National Agricultural Investment and Food Security and Nutrition Programme (NAIFSNP)

The National Agricultural Investment and Food Security and Nutrition Programme (NAIFSNP), often referred to by its French acronym PNIASAN (*Programme National d'Investissement Agricole, de Sécurité Alimentaire et Nutritionnelle*), is the operational framework for agricultural development in the Central African Republic (CAR). Developed as part of the Comprehensive Africa Agriculture Development Programme (CAADP), an African Union initiative, it serves to align national efforts with continental goals for agricultural growth.

Strategic Objectives

The NAIFSNP is designed to contribute to poverty reduction and food security through six specific strategic objectives:

1. Development of crop value chains: Focusing on increasing the productivity and commercialisation of staple and cash crops.
2. Development of livestock value chains: Aims to revitalise the animal husbandry sector, which has been severely depleted by conflict.
3. Promotion of non-timber forest products and fisheries: Supporting the sustainable use of forest resources (such as shea nuts and caterpillars) alongside the aquaculture sub-sector.
4. Strengthening research and advisory services: Building the capacity of local communities, managing natural resources, and providing extension services to farmers.
5. Emergency response and food security: Managing acute food and nutrition crises through cross-cutting actions and rapid-response mechanisms.
6. Institutional coordination: Improving sectoral management and the ability of state agencies to implement agricultural policy.

Performance Indicators and Targets

To monitor its progress, the programme identifies eight key performance indicators, including the volume of agro-sylvo-pastoral production, the annual growth rate of agricultural GDP, and the prevalence of child malnutrition. The original targets for the NAIFSNP included:

- Inducing an average annual growth in agricultural activity of 6 per cent.
- Reducing the national food insecurity rate to 15 per cent.

Funding and the Investment Gap

The implementation of the NAIFSNP requires substantial financial resources, estimated at approximately USD 650 million. However, the programme has faced a significant financing gap:

- Committed funding: Between 2014 and 2018, effective financing reached only USD 121.1 million from international partners and USD 22.9 million from the CAR government.
- Financing Gap: The gap remained as high as 77.7 per cent during the late 2010s, primarily because state and donor priorities were often diverted toward urgent humanitarian and security emergencies rather than long-term investment.

Implementation and Evolution

The 2012–2013 politico-military crisis severely disrupted the planned framework for the NAIFSNP. To adapt to the post-crisis environment, the government adopted specific Roadmaps for Agricultural Recovery and Livestock Development (2019–2021) to accelerate implementation under the broader National Recovery and Peacebuilding Plan (RCPCA).

Current major projects that align with the NAIFSNP's goals include:

- PRADAC (*Agriculture Recovery and Agribusiness Development Support Project*), funded by the World Bank.
- PREPAS (*Savannah Agropastoral Production Revival Project*), funded by the International Fund for Agricultural Development (IFAD).
- PADECAS (*Savannah Agricultural Value Chain Development Project*), funded by the African Development Bank (AfDB).
- PARSANKO (*Enhanced Resilience and Food and Nutrition Security in Kémo and Ouaka Districts*), which aims to scale up "resilience cells" to integrate technical farming skills with financial and social support.

Despite these efforts, CAR is currently considered not on track to meet the targets set under the Malabo Declaration, an AU commitment to agricultural transformation, due to persistent insecurity and the systemic underfunding of agricultural research and development.

Central African Agricultural Development Agency (ACDA)

The Central African Agricultural Development Agency (ACDA), or *Agence Centrafricaine de Développement Agricole*, is the primary public body in the Central African Republic (CAR) responsible for providing agricultural extension services and implementing rural development policy.

Core Mandate and Activities

Under the supervision of the Ministry of Agriculture and Rural Development, ACDA is tasked with several key functions to support smallholder farmers:

- Farmer Training: Providing technical training to rural producers to improve their cultivation methods and increase yields.
- Cooperative Structuring: Assisting farmers in organizing themselves into structured cooperatives and economic interest groups.
- Input Distribution: Managing the dissemination of essential agricultural supplies, such as improved seeds and basic tools.

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- Regional Extension: Operating through regional directorates (DRDAs) to provide proximity support to farmers across the country's diverse agro-ecological zones.

Role in Development Projects

Despite severe resource constraints, ACDA is a central partner in several high-profile international development initiatives:

- PARSANKO Project: Under this Global Agriculture and Food Security Programme (GAFSP) initiative, ACDA staff serve as master trainers. They are responsible for revising technical manuals and training facilitators for Farmer Field Schools (FFS), focusing on climate-sensitive production and reducing post-harvest losses.
- PADECAS and PREPAS: ACDA is involved in these African Development Bank and IFAD-funded projects, which aim to revitalize agropastoral value chains in the savanna regions. These projects include components for rehabilitating ACDA's dilapidated office buildings and equipping its decentralized services.
- Seed Production: ACDA works alongside the Central African Institute of Agricultural Research (ICRA) and the Seed Producers' Network (REPROSEM) to manage the distribution of certified seeds to farming communities.

Institutional Challenges and Constraints

The effectiveness of ACDA has been significantly undermined by decades of instability and underinvestment:

- Funding Gaps: Historically, ACDA's activities were heavily supported by the World Bank until 1998. Since the cessation of that funding and the onset of recurrent politico-military crises, its operations have been "reduced to their simplest expression".
- Dilapidated Infrastructure: Many of the buildings housing ACDA's services are old, in ruins, or lack basic working conditions like electricity and running water.
- Human Resources: The agency employs 78 technical staff, including 12 agricultural engineers, but many are demotivated by low salaries and a lack of equipment.
- Geographical Inequity: Due to persistent insecurity, there is an asymmetrical distribution of services. Public agricultural offices are often concentrated in larger urban areas like Bangui, leaving remote but productive rural provinces without adequate support.

National Agency for Livestock Development (ANDE)

The National Agency for Livestock Development (ANDE), or *Agence Nationale de Développement de l'Elevage*, is the primary public body in the Central African Republic (CAR) responsible for the management and technical advancement of the livestock sub-sector. While it operates under the supervision of the Ministry of Livestock and Animal Health (MESA), its activities are essential to the country's broader agricultural development and rural economy.

Core Mandate and Responsibilities

ANDE's primary mission is to move the livestock sector from emergency response toward a productive and modernised system. Its key responsibilities include:

- Veterinary Services and Animal Health: The agency is tasked with identifying and managing outbreaks of bacterial, viral, and parasitic diseases, such as Contagious Bovine Pleuropneumonia (CBPP) and Newcastle disease.

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- Livestock Management: Historically, ANDE (and its predecessor, the *Service de l'Elevage*) has been responsible for providing technical services to livestock raisers and managing government ranches and *métayage* (share-herding) operations.
- Pastoralist Support: The agency works to address the needs of transhumant and settled herders, focusing on improving animal feed and herd management to enhance productivity.
- Capacity Building: ANDE facilitates the training of community agents in animal health and initiates professional pathways for youth and women in short-cycle breeding, such as poultry and small ruminants.

Role in Development Initiatives

ANDE is a vital implementing partner for several large-scale international agricultural projects:

- PARSANKO Project: In the Kémo and Ouaka districts, ANDE staff act as master trainers for Farmer Field Schools (FFS). They are responsible for disseminating climate-sensitive agricultural techniques and training facilitators to support 16,000 households through animal vaccination campaigns.
- PADECAS and PREPAS: These projects, funded by the African Development Bank and the International Fund for Agricultural Development (IFAD), include components to rehabilitate ANDE's dilapidated decentralized office buildings and provide new equipment to its regional branches.
- Transhumance Regulation: ANDE is involved in efforts to reduce conflicts between herders and sedentary farmers by helping to manage transhumance corridors and shared water points.

Institutional Challenges and Constraints

Despite its strategic importance, ANDE faces systemic barriers that often limit its effectiveness in the field:

- Resource Depletion: Decades of conflict led to the looting of veterinary posts and the destruction of agency infrastructure. Many of its buildings lack basic working conditions, including running water and electricity.
- Funding Gaps: Due to volatile state budgets, ANDE is often forced to generate a large share of its own operational budget internally by selling goods and services, such as poultry feed and custom training sessions.
- Technical and Personnel Deficits: The quality of veterinary services suffers from limited human and financial capacity. Consequently, less than 17 per cent of herders currently use modern equipment or methods to treat livestock, with many relying on traditional techniques or counterfeit medicines.
- Low Regional Coverage: Asymmetrical distribution means that while ANDE maintains a presence in Bangui, its offices in remote but demographically important rural provinces are often understaffed or non-functional due to persistent insecurity.

ANDE's current capacity is heavily dependent on technical and financial assistance from multilateral partners.

Central African Institute of Agricultural Research (ICRA)

The Central African Institute of Agricultural Research (Institut Centrafricain de Recherche Agronomique, ICRA) is the primary state body responsible for leading agricultural Research and Development (R&D) in the Central African Republic (CAR). Since its creation in 1993, the institute has prioritised the production and multiplication of improved seeds and plant materials to meet the critical needs of rural producers.

Institutional Structure and Locations

ICRA maintains a specialised organisational structure with departments dedicated to forestry, savanna systems, biotechnology, and agropastoral research. Its activities are decentralised across several agro-ecological zones via a network of research stations and experimental points of support:

- Forest Zone Stations: Key sites include Boukoko and Samba (focusing on cassava, maize, and yams), Loppo, Bissa, Niakari, and Kongbo.
- Savanna Zone Stations: Important hubs include Bambari (rice, maize, and groundnuts), Soumbé, Poumbaïdi, Bakéré, Bolé, Ngoulinga, Guiffa, and Katakpa.
- National Seed Laboratory: Located in Bangui, this facility is responsible for the final laboratory testing and certification of seed samples for germinative capacity, purity, and health.

Role in Agricultural Development

ICRA is a central actor in the government's efforts to transition the sector from subsistence to modernised production. Its key developmental roles include:

- Seed Value Chain Management: ICRA manages the "pre-base" and "base" seed production for staple crops like cassava, maize, rice, groundnuts, and sorghum. These high-quality genetic materials are then provided to the Seed Producers' Network (REPROSEM) for commercial multiplication.
- Quality Control and Certification: The institute is mandated to perform field-level inspections during flowering and harvesting, as well as laboratory certification, to ensure the quality of seeds distributed to farmers.
- Climate Adaptation and Disease Management: Current research priorities include developing treatments for the Cassava Mosaic Virus through thermotherapy and identifying climate-resilient crop varieties, such as NERICA rice.
- Technical Training: ICRA staff serve as Master Trainers for facilitators in Farmer Field Schools (FFS), helping to disseminate good agricultural practices and climate-sensitive techniques to community-led "resilience cells".

Systemic Challenges and Constraints

Despite its importance, ICRA's capacity has been severely degraded by decades of instability and underinvestment:

- Financial Scarcity: CAR's spending on agricultural R&D is among the lowest in Africa, representing only 0.16 per cent of agricultural GDP. Due to volatile state funding, ICRA is often forced to generate its own operational budget by selling seeds, poultry feed, and custom training services.
- Human Capital Deficit: The institute suffers from significant brain drain and an aging researcher pool. In 2011, ICRA employed 64 researchers, 42 of whom were over 50 years old, while only two held PhD degrees. There is currently no PhD-level training in agricultural sciences available at the University of Bangui.
- Impact of Conflict: ICRA's research facilities, laboratories, and vital gene banks were repeatedly vandalised, looted, and destroyed during the political crises of 2003 and 2013. The loss of these genetic resources has further diminished the availability of improved seeds nationwide.

International Development Projects

ICRA is a vital implementing partner for several multilateral initiatives aimed at rebuilding CAR's agriculture:

- PARSANKO (GAFSP/FAO/AfDB): This project focuses on strengthening ICRA's capacity for seed certification processes and retraining staff in participatory extension methods.
- PADECAS (AfDB): This project includes specific components to rehabilitate ICRA's dilapidated buildings and equipment at the Bouko research centre and the Bakéré and Bolé stations.
- GSARS3 (FAO): Under the third phase of the Global Strategy to Improve Agricultural and Rural Statistics, ICRA participates in efforts to rebuild the country's degraded agricultural data foundation.

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National Pioneer Youth Centres (JPN)

The National Pioneer Youth Centres (Jeunesse Pionnière Nationale, or JPN) serve as a critical state instrument for rural development and the professionalisation of young people in the Central African Republic (CAR). Given that youth under the age of 25 constitute approximately 60% of the national population and face high rates of unemployment, these centres are designed to provide an alternative to dangerous informal work or recruitment into armed groups. The role of the JPN in agricultural development is characterised by the following key elements:

Vocational Training and Modernisation

The primary mandate of the JPN is to provide vocational training in both agricultural and supporting technical trades. A core strategic goal is to facilitate a psychological and physical transition for young farmers "from hoes to tractors"—moving away from traditional manual labour toward modernised, semi-mechanised agricultural professions. Training includes:

- Semi-mechanised farming: Teaching techniques that increase productivity and reduce the physical fatigue associated with manual tools.
- Supporting trades: Providing skills in mechanics, carpentry, and masonry, which are essential for maintaining agropastoral value chains and building rural infrastructure.

Integration with International Projects

The JPN centres are pivotal implementing partners for large-scale development schemes, such as the PARSANKO project (funded by GAFSP, the African Development Bank, and the FAO). Under this framework:

- Targeted Training: The centres are tasked with training 1,000 young people (allocated equally as 50% male and 50% female) in rural occupations.
- Installation Kits: Upon completion of their training, beneficiaries receive an installation kit to help them establish their own enterprises or cooperatives.
- Technical Support: The International Labour Organization (ILO) provides technical tools and capacity building to the JPN centres to ensure the training modules remain relevant to market needs and sustainable enterprise development.

Strategic Locations and Infrastructure

The JPN operates through decentralised hubs to reach remote rural populations. Key centres mentioned in current development plans include:

- Bambari (Ouaka Prefecture): A major hub for agropastoral activity in the east-central region.
- Grimari (Ouaka Prefecture): This centre was specifically targeted for construction and rehabilitation using funding from the African Development Bank (AfDB) to expand the reach of youth empowerment programmes.

By combining technical training with small-scale mechanisation, the JPN centres aim to make farming a viable and lucrative professional path, ultimately reducing rural-to-urban migration and fostering long-term food security.

Recommendations

1. Adopt an Ethical "Conflict-Neutral" Security Model

Operating in CAR involves significant security risks, but a major CSR priority must be avoiding complicity in atrocities.

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- Recommendation: Enterprises must avoid informal security arrangements with militias to protect assets, as seen in the controversial case of SUCAF RCA and the UPC. Instead, support community-led conflict management by working with established bodies like Peace and Reconciliation Committees (CLPRs) and the National Federation of Central African Livestock Producers (FNEC) to resolve land and resource disputes through dialogue.
- Strategic Goal: Ensure that commercial activities do not inadvertently fuel armed conflict or bypass customary authorities.

2. Implement a Contract Farming/Outgrower Model

The sources highlight that large-scale industrial plantations are less resilient than smallholder-integrated models.

- Recommendation: Scale the model used by CETAC SA, which manages a premium tobacco value chain by contracting with 3,000 smallholders. This provides stable pricing and technical inputs to farmers while supporting approximately 100,000 family members.
- Strategic Goal: Transition rural populations from dangerous and illegal artisanal mining to stable, sustainable agricultural livelihoods.

3. Prioritize Women's Financial and Legal Empowerment

Women represent over 78% of the agricultural workforce but are systematically excluded from land ownership and formal credit.

- Recommendation: Invest in the recapitalization of the $100,000 Guarantee Fund for women agri-entrepreneurs or support the implementation of Gender-Responsive Land Governance Charters. These initiatives help women secure legal land rights through participatory mediation with traditional chiefs.
- Strategic Goal: Close the gender gap to increase aggregate agricultural productivity, which the FAO estimates could lift millions out of hunger.

4. Transition Youth "From Hoes to Tractors"

Manual labor is a psychological and physical barrier for youth, who make up 60% of the population and are vulnerable to recruitment by armed groups.

- Recommendation: Partner with the National Pioneer Youth Centers (JPN) to provide vocational training in mechanization, solar-powered processing, and mechanics. Support cooperatives like Nouvel Élan, which have successfully used collective savings to transition from manual tools to mechanical cultivation.
- Strategic Goal: Make farming a viable professional path for young people, reducing rural-to-urban migration and militia recruitment.

5. Invest in Post-Harvest and Climate-Resilient Infrastructure

The CAR agricultural sector suffers from massive post-harvest losses and vulnerability to riverine flooding.

- Recommendation: Fund the construction of Integrated Women and Girls Empowerment Centres (IWECs) and post-harvest processing platforms for drying and storing crops. Support climate-smart technologies prioritized by the government, such as drip irrigation for vegetables and thermotherapy for treating Cassava Mosaic Virus.
- Strategic Goal: Stabilize food supply during lean periods and extreme weather events.

6. Support Sustainable Transhumance Corridors

Violent conflict between transhumant herders and sedentary farmers is a primary driver of rural instability.

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- Recommendation: Contribute to the rehabilitation of pastoral infrastructure, including veterinary health centers, clearly demarcated migration corridors, and shared water points. Support the use of technological tools like drone monitoring to restore security along these routes.
- Strategic Goal: Reduce crop destruction and reprisal killings, fostering a symbiotic regional economy where herders and farmers can coexist peacefully.

7. Rebuild National Research and Data Capabilities

CAR's agricultural research capacity (ICRA) is among the lowest in Africa due to repeated looting and brain drain.

- Recommendation: Establish international fellowships for Central African agronomic scientists and support the rehabilitation of secure, modern research stations.
- Strategic Goal: Institutionalize the production of high-quality, climate-resilient seeds locally to replace the current system of recycling degraded varieties.

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SECTOR 3 OF 8

Forestry

CAR occupies a strategically important position within the Congo Basin, home to the world's second-largest tropical forest ecosystem and one of the planet's most significant carbon sinks. Forests cover approximately 28.3 million hectares, representing around 45% of the national territory, and constitute one of the country's most valuable natural assets. Historically, the forestry sector has played an important economic role, contributing an estimated 7–10% of GDP and accounting for between 40% and 50% of export revenues.

The sector is currently undergoing a period of significant transition. Regional commitments under the Central African Economic and Monetary Community (CEMAC) have been driving a progressive shift away from raw log exports, and recently the country has committed to a complete log export ban. While implementation remains uneven, the policy direction reflects a broader effort to increase domestic value addition, strengthen environmental stewardship, and reduce dependence on the export of unprocessed natural resources.

For CAR, this transition presents both risks and opportunities. The immediate challenge lies in replacing revenues historically generated through timber extraction. However, the country's extensive forest estate also provides an opportunity to reposition forestry within a broader sustainable development framework centred on carbon finance, ecosystem services, biodiversity conservation, local value addition, and community-based economic development.

CAR's forests deliver environmental services of both national and global significance. In addition to storing substantial quantities of carbon, they play a critical role in regulating watersheds, reducing soil erosion, protecting biodiversity, and supporting climate resilience across large parts of the country.

Recent data demonstrates the urgency of strengthening forest management. Between 2010 and 2023, assessments indicated that net carbon absorption in the Forestry and Other Land Use sector declined by more than 90%, reflecting increasing pressure on forest resources and highlighting the need for improved conservation and restoration efforts. Dense rainforest areas in the southwest and southeast of the country remain particularly important due to their biodiversity value, carbon storage potential, and role in maintaining regional ecological stability.

Beyond carbon storage, forests deliver ecosystem services that underpin both national economic activity and rural livelihoods. Recent estimates that forest ecosystem services contribute more than 15% of national GDP through watershed protection, microclimate regulation, soil retention, and the provision of wild foods. Native forest systems are particularly important for sediment retention and water security, accounting for nearly three-quarters of the domestic value generated by ecosystem services. Forest resources also remain central to household energy consumption, with fuelwood and charcoal satisfying more than 95% of national energy demand. These figures highlight that forestry should be viewed not solely as an environmental sector, but as a critical component of CAR's economic and social infrastructure.

CAR's forests support more than 208 mammal species, including forest elephants, western lowland gorillas, chimpanzees, African wild dogs, and northern lions. The conservation of these flagship species provides opportunities for biodiversity financing, ecotourism development, and international conservation partnerships while reinforcing the country's contribution to regional and global biodiversity targets.

Carbon finance represents one of the most significant emerging opportunities within CAR's forestry sector. Discussions with carbon market specialists highlighted the potential for the country's forests to generate

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revenue through verified carbon credit programmes, particularly under the Paris Agreement's Article 6.2 mechanisms and voluntary carbon markets.

CAR's extensive forest estate could provide the basis for large-scale carbon projects capable of attracting international climate finance. Stakeholders consulted during this research emphasised that a national carbon registry would be a critical piece of enabling infrastructure, providing the systems necessary to monitor, verify, and monetise emissions reductions. Such systems would also allow the country to participate more effectively in emerging international carbon markets and potentially develop regional partnerships with neighbouring countries.

However, significant barriers remain. The country currently lacks several components required for participation in higher-value compliance markets, including a National Forest Monitoring System, a national carbon registry, and a legal framework governing Internationally Transferred Mitigation Outcomes (ITMOs). Governance and transparency concerns further complicate market access and may limit investor confidence until reforms are implemented. Importantly, carbon finance should not be viewed as a complete replacement for forestry revenues. Rather, carbon revenues are likely to function most effectively as a complementary income stream, supporting conservation, sustainable forest management, and local development alongside carefully managed forestry activities.

While carbon finance remains an emerging market, several examples demonstrate its potential scale. The Chinko Conservation Area generated approximately USD 7.35 million through verified carbon credit sales linked to avoided forest degradation, illustrating the capacity of conservation-based projects to attract international investment. Current voluntary market pricing for REDD+ credits remains relatively modest, typically ranging between USD 5 and USD 8 per credit. However, the CAR's longer-term ambition is likely to centre on participation in Article 6.2 mechanisms, enabling sovereign carbon transactions through Internationally Transferred Mitigation Outcomes (ITMOs). Regional precedents suggest considerable upside potential. Gabon's landmark USD 150 million agreement with the Central African Forest Initiative (CAFI) demonstrates the scale of climate finance that may become accessible to countries capable of establishing credible monitoring, reporting, verification, and governance systems.

Forests provide critical livelihood support for rural communities throughout CAR. Non-timber forest products (NTFPs) represent one of the most significant, yet often overlooked, components of the forest economy. In high-value forest regions, NTFPs account for an average of 42% of annual household income, while in some transboundary areas they contribute as much as 80% of local incomes. Across Central Africa, approximately 60% of the rural population relies upon forest products for subsistence and informal economic activity.

Key products include honey, wild fruits, nuts, medicinal plants, resins, caterpillars, and Gnetum leaves. The tree *Ricinodendron heudelotii* provides kernels widely used in regional food systems and has demonstrated considerable commercial potential. Pilot programmes in Lobaye recorded sales of approximately 500 kg at around USD 2.20 per kilogram, enabling individual households to generate incomes exceeding twice the national monthly minimum wage from a single harvest.

NTFPs also represent a significant opportunity for women-led enterprise development. Women and children dominate the collection, processing, and sale of Gnetum leaves, fruits, and edible caterpillars, while women in Bangui are estimated to manage informal markets processing hundreds of tonnes of wild meat annually. Honey production presents additional opportunities for value addition. Although current production methods remain largely traditional, relatively modest investments in processing, storage, and quality assurance could significantly increase market access and export potential.

Despite this recent ban on raw log exports, forestry is likely to remain an important economic activity. Rather than eliminating timber production altogether, the transition presents an opportunity to promote more sustainable and higher-value forms of forest utilisation. Improved Forest Management models, which combine

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selective harvesting with active reforestation and conservation measures, may allow forests to generate multiple revenue streams while maintaining ecological integrity.

At the same time, export restrictions create incentives to expand domestic processing capacity. Increased investment in sawmills, furniture manufacturing, timber processing enterprises, and forestry-related vocational training could help retain a greater share of value within the national economy. Such investments would support employment creation while reducing dependence on the export of unprocessed logs.

The need for industrial upgrading is particularly acute. In 2023, CAR produced approximately 710,000 cubic metres of logs but only 72,000 cubic metres of processed timber, highlighting the limited domestic value capture currently achieved within the sector. Processing capacity remains concentrated among a small number of operators, while sawmill recovery rates of around 30% remain significantly below international benchmarks of 50-60%.

Energy infrastructure represents one of the most significant constraints to industrial expansion. Many forestry operations rely upon self-generated electricity through diesel generators and wood-waste boilers, increasing production costs and limiting investment in higher-value secondary processing activities such as kiln drying and furniture manufacturing. In response, policymakers have proposed the establishment of Special Economic Zones centred on biomass-powered industrial clusters capable of supporting timber processing, furniture production, and forestry-related SMEs.

The long-term objective is not simply to replace timber exports with domestic processing, but to develop integrated forestry value chains capable of generating employment, skills development, and broader economic diversification. Regional modelling suggests that successful implementation of local processing policies across the Congo Basin could support tens of thousands of new jobs over time.

Long-term success in both forestry and carbon markets will depend on community participation and effective governance. Current uncertainty surrounding land tenure and carbon rights represents one of the most significant constraints to future investment. Ongoing reforms to the Forest Code are expected to strengthen community participation through the formal recognition of Free, Prior and Informed Consent (FPIC) processes and the creation of community forestry mechanisms. These reforms have the potential to improve local ownership, reduce conflict, and create more equitable benefit-sharing arrangements.

Community forestry is increasingly viewed as a mechanism for aligning conservation outcomes with local economic development. Under the current legal framework, community forests are managed through state-approved agreements and simple management plans. The first formal community forest allocation in CAR occurred in 2019, granting management rights over approximately 15,000 hectares of the Lomba Forest to local villages.

Existing legislation already provides for a degree of revenue redistribution, with portions of industrial felling taxes and reforestation taxes earmarked for local government structures. However, weak public financial management has often prevented these revenues from reaching communities in practice. Emerging conservation and carbon finance models provide examples of alternative approaches. The Chinko project, for example, directs a proportion of carbon revenues into a dedicated community development fund supporting local infrastructure and public services.

The formal incorporation of Free, Prior and Informed Consent (FPIC) into ongoing Forest Code reforms would represent a significant step towards improving community participation, reducing conflict, and increasing investor confidence in forestry and carbon projects. Successful carbon and conservation projects require clear agreements governing land rights, carbon ownership, and revenue distribution. Benefit-sharing arrangements must be transparent and designed to ensure that local communities receive tangible economic and social benefits from conservation activities. Without such safeguards, investor confidence may remain limited and projects could struggle to secure long-term community support.

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CAR's forests support globally significant biodiversity and contain some of Central Africa's most important conservation landscapes. Existing public-private conservation partnerships provide valuable examples of how environmental protection can be combined with local development objectives. Protected areas such as Chinko Nature Reserve and Dzanga-Sangha demonstrate the potential for conservation-led development models. These initiatives support wildlife protection, anti-poaching efforts, ecological monitoring, ecotourism development, and local employment creation. Notably, the Dzanga-Sangha model incorporates a formal revenue-sharing mechanism that allocates tourism income among park management, local communities, and government institutions.

While ecotourism remains relatively small in absolute terms, it demonstrates how conservation can generate economic activity alongside biodiversity protection. The Dzanga-Sangha Protected Areas attract approximately 800 visitors annually and generate around USD 1 million in tourism revenue through entrance fees and lodge operations. Although this currently covers only a small proportion of overall operating costs, the sector provides employment opportunities for guides, trackers, hospitality workers, and service providers.

Perhaps more significant is the employment generated through conservation management itself. Chinko Nature Reserve has become one of the largest formal employers in eastern CAR, supporting more than 350 national staff across ranger services, construction, administration, and community engagement programmes. Conservation revenues have also contributed to the financing of teachers, medical personnel, and women-led micro-enterprises, demonstrating the broader development impact that protected area management can generate when integrated with local communities.

Bilateral and Multilateral Initiatives

CAR Initiatives

Voluntary Partnership Agreement (VPA-FLEGT)

The Voluntary Partnership Agreement (known as the *Accord de Partenariat Volontaire* or VPA) is a legally binding bilateral trade agreement between the Central African Republic (CAR) and the European Union (EU). It was established under the EU's Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan to ensure that Central African timber exported to international markets is produced in compliance with national laws.

Timeline and Status

- Negotiations and Entry into Force: Negotiations began in October 2009, leading to the agreement being initialled in December 2010. It officially entered into force on 1 July 2012.
- Implementation Pauses: Due to the successive political and military crises that afflicted the country between 2012 and 2016, the implementation of the VPA was largely paused.
- Recent Resumption: Implementation activities have effectively resumed in recent years, with a major policy and technical session—the 6th meeting of the Joint Implementation Committee (*Comité Conjoint de Mise en Œuvre* or CCMO)—held in Bangui in March 2024 to revitalise the process.

Core Objectives

The VPA-FLEGT serves as a primary tool for improving forest governance and securing the state's natural resource revenues. Its main goals include:

- Traceability and Transparency: Establishing robust systems to track timber from the forest to the point of export.
- Combating Illegal Logging: Ending the illicit exploitation of forests and the associated trade that has historically funded domestic conflicts.

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- Market Access: Promoting the access of Central African timber to the EU market and other international jurisdictions by guaranteeing its legal origin.

Key Components and Technical Progress

- Legality Assurance System (LAS): Efforts are underway to develop a comprehensive LAS, which will be the backbone of licenses for legal timber. While not yet fully deployed, its matrix has been designed.
- Legality Verification System (SVL): A new approach for the SVL (*Système de Vérification de la Légalité*) is being developed with support from the FAO EU FLEGT Programme.
- Digital Management: A Database Management System matrix has been created. Furthermore, recent CCMO recommendations include equipping the Ministry of Water and Forests with an autonomous computerised system (the SIFF MIROIR scenario) based on a participatively developed legality verification grid.

Stakeholder Participation

The VPA process is noted for its multi-stakeholder approach, involving the government, the private sector, and civil society.

- Private Sector Action Plans: Industrial operators have developed specific action plans for the 2023–2028 period to support the government's goal of reaching 100% local wood processing by 2028.
- Civil Society and Indigenous Peoples: Groups such as REPALCA (Network of Indigenous and Local Peoples) and the GDRNE (CSO platform for Sustainable Management of Natural Resources) are formally integrated into the VPA committees to ensure community rights are respected in the new Forest Code.

Challenges to Implementation

Despite its legal force, the VPA faces several hurdles in CAR, including the lack of operational resources following the end of major readiness grants. Additionally, the presence of unregulated "parallel economies" and non-state armed actors often allows timber to bypass the official registries and verification systems intended by the agreement.

European Union Advisory Mission (EUAM RCA)

The European Union Advisory Mission in the Central African Republic (EUAM RCA) is a civilian mission established under the Common Security and Defence Policy (CSDP). While its primary mandate is to provide strategic advice to internal security forces, it has significantly expanded its scope to include the Ministry of Water, Forests, Hunting and Fishing (MEFCP). This involvement is based on the principle that protecting natural resources is a vital pillar of national sovereignty, economic security, and sustainable peace.

With its mandate currently extended to August 2026, the mission’s activities in the forestry sector focus on the following key areas:

Institutional and Administrative Modernisation

EUAM RCA works to strengthen the administrative capacity of the MEFCP to ensure more effective and accountable governance.

- Digitisation and Archiving: Recognising that the ministry’s reliance on paper records makes data vulnerable to loss or manipulation, the mission has supported a major digitisation reform. In partnership with the French company Mind&Go, EUAM RCA provided specialised laptops and a year-long training cycle for staff to manage digital databases and spreadsheets.
- Knowledge and Documentation Room: The mission funded the total renovation and modernisation of the ministry’s Knowledge and Documentation Room (*Salle de Connaissance & Documentation*). This

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upgraded facility serves as a central digital repository for legal texts, environmental maps, and research publications to be used by ministry cadres, students, and researchers.

Educational and Training Support

The mission supports the development of the National School of Water, Forests, and the Environment (ENEFE). This strategic initiative aims to establish a sustainable national training system to improve the state's ability to manage and control its natural resources. Specifically, it focuses on training forestry inspectors and game wardens to more effectively police active logging concessions.

Environmental Security and Border Coordination

EUAM RCA advises on combating transnational environmental crimes, such as illegal logging and wildlife trafficking, which are often linked to domestic and international conflicts.

- Interoperable Coordination: The mission promotes "interoperability" between different security actors. A primary example is the support for a border coordination space at Port Amont in Bangui. This project facilitates better information sharing between the Gendarmerie, National Police, Customs, and Forestry inspectors to curb the smuggling of timber along the Ubangi River.
- Strategic National Security: The mission operates under the belief that environmental security is an integral part of national security. By securing natural resource revenues, the mission aims to help the state reduce the influence of unregulated "parallel economies" and non-state armed actors.

Collaborative Partnerships

EUAM RCA's forestry initiatives are often executed in synergy with other international partners. For instance, recent documentation training sessions were conducted as part of an EU-funded biodiversity project led by B4Life. These efforts align with the broader Voluntary Partnership Agreement (VPA) and the Forest Law Enforcement, Governance and Trade (FLEGT) initiative aimed at ensuring that Central African timber exported to international markets is of legal origin.

Multilateral Initiatives

Economic and Monetary Community of Central Africa (CEMAC)

Regional integration through the Economic and Monetary Community of Central Africa (CEMAC)—comprising the Central African Republic (CAR), Cameroon, Gabon, Chad, the Republic of Congo, and Equatorial Guinea—is a defining force for current forestry policy in CAR. This cooperation aims to shift the region from being an exporter of raw materials to a hub for industrial timber processing.

The Regional Log Export Ban

The primary instrument of CEMAC regional integration in forestry is a collective directive to end the export of unprocessed timber. While an initial ban was enacted in January 2022, CAR failed to implement it. In February 2024, CEMAC ministers met in Bangui and validated a revised, binding deadline of 1 January 2028 for a complete regional ban.

Economic Projections and Industrialisation

CEMAC integration is driven by the goal of capturing greater domestic value from natural resources.

- Job Creation: Regional projections suggest that comprehensive local processing across the CEMAC zone could generate more than 60,000 industrial jobs.
- Revenue Growth: A fully enforced regional ban is expected to increase public revenues by 25% and attract billions in new investment.

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- Regional Precedent: Gabon, a regional leader, implemented its ban in 2010; although it saw an initial 80% drop in tax revenues, it successfully quadrupled the forestry sector's contribution to its national GDP over the long term.

Harmonisation of Policy and Regulation

Regional integration involves aligning legal and fiscal frameworks to prevent "leakage" or timber laundering across borders.

- Fiscal Alignment: The World Bank recommends that Congo Basin countries, including CAR, strengthen regional cooperation through harmonised regulations and better alignment of forestry fiscal policies.
- Regional Certification: In 2022, CEMAC held workshops to validate regional guidelines for forest certification and taxation, aimed at creating a level playing field for sustainable operators across member states.
- DRC Integration: Although not a CEMAC member, the Democratic Republic of the Congo (DRC) announced in 2024 its intention to join the CEMAC states in implementing the 2028 log export ban to ensure a uniform regional approach.

Challenges to Regional Integration

Despite political commitments, several hurdles remain to effective integration:

- Communication Gaps: During regional meetings, some local public administration officials in member states admitted they were only then learning about the CEMAC directives, highlighting a lack of internal coordination.
- Regulatory Loopholes: The absence of a precise regional definition for "processed wood" allows some companies to circumvent the ban through "squaring"—minimally modifying logs into square blocks for export.
- Infrastructure Deficits: CAR, being landlocked, faces higher logistical costs and energy shortages compared to its coastal CEMAC neighbours, making it difficult to compete in the regional processing market.

The World Bank Natural Resources Governance Project (Projet de Gouvernance des Ressources Naturelles - PGRN)

The Natural Resources Governance Project (known by its French acronym PGRN – *Projet de Gouvernance des Ressources Naturelles*) was a major initiative by the World Bank (Project ID P161973) designed to enhance the management and transparency of the extractive and forestry sectors in the Central African Republic. The project's completion report was published on 30th June 2026.

Within the context of CAR's forestry sector, the project focussed on several critical areas of reform and institutional strengthening:

1. Support for REDD+ Implementation

The PGRN acted as a primary vehicle for implementing the National REDD+ Investment Framework (*Cadre National d'Investissement REDD+* or CNI-REDD+) for the 2020–2025 period. It provided the financial and technical infrastructure necessary to move the country from the "readiness" phase toward actual investments in forest conservation and sustainable land use.

2. Fiscal Reform and Revenue Mobilisation

A central pillar of the PGRN's work in forestry was addressing the country's "fiscal-taxation paradox," where high nominal tax rates are undermined by outdated reference values. Key contributions in this area include:

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- Taxation Assessments: The project funded a comprehensive study in 2022 titled *"Updated Status of Forestry Taxation in CAR"* to compare the national tax burden with regional neighbours like Gabon and the Democratic Republic of the Congo.
- Reference Value Modernisation: PGRN provided the analytical basis for recommending that the government regularly update its Mercurial Values (*Valeurs Mercuriales*) to match international market prices and transition export duty calculations from Free On Truck (FOT) to Free On Board (FOB) to increase state revenue.

3. Institutional Strengthening and Oversight

The project operated directly through the Ministry of Water, Forests, Hunting and Fishing (*MEFCP*), with a dedicated project coordinator overseeing its activities. Its work includes:

- Synergy and Coordination: PGRN aimed to reinforce the synergy between different sectoral actors to ensure that forestry policy is aligned with broader national development plans.
- Data Management: Supported the digitisation and archiving of forestry records to improve transparency and evidence-based decision-making.

4. Public-Private Partnerships (PPPs)

The project facilitated collaboration between the state and the private sector to operationalise sustainable forestry. For example, the PGRN tasked mission managers with coordinating with private operators like CentraForest to implement industrial reforestation and agroforestry projects.

5. Regional Integration

The project also provided technical assistance to help CAR align its national laws with regional CEMAC (Economic and Monetary Community of Central Africa) directives, particularly the upcoming 2028 regional log export ban. This includes supporting the development of implementing regulations for the Forest Code to ensure that industrial processing obligations are met.

African Development Bank (AfDB) Strategic Assessments

The African Development Bank (AfDB) has provided strategic assessments and financial support to the Central African Republic (CAR) aimed at modernising the forestry sector and enhancing natural resource management. Its work primarily focuses on addressing the underutilisation of forest resources and promoting industrial value addition.

The following details the key strategic assessments and projects supported by the AfDB in CAR:

FAC-2030 Strategic Vision (2018)

A foundational study supported by the AfDB and conducted by Forêt Ressources Management Ingénierie (FRMi) titled *"FAC-2030: Strategic Vision and Industrialisation of the Timber Industry in Central Africa to 2030"* provides a comprehensive assessment of the sector's potential. Key findings from this assessment include:

- Underutilised Resource Potential: The study concludes that the potential of forest resources in CAR is significantly underused.
- Low Harvest Rates: It notes that only 25 to 35 percent of the available log volumes specified in forest management plans are actually harvested.
- Concentration of Species: Production is heavily concentrated on a very small number of timber species, which limits the economic diversity of the sector.

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Economic Rationale for Local Processing

AfDB assessments emphasize the economic necessity of shifting away from raw log exports toward domestic industrialisation. The Bank estimates that exporting processed wood products rather than primary logs yields substantial benefits, including:

- Economic Margins: Generating 3 to 10 times greater economic margins relative to primary products.
- Employment Generation: Creating 4 to 12 times more employment opportunities.

Active Support Projects

The AfDB also funds specific initiatives that contribute to the National REDD+ Investment Framework (CNI-REDD+) and broader environmental goals:

- PARGN (Projet d'Amélioration de la Gestion Durable des Ressources Naturelles): A project focused on improving the sustainable management of natural resources within CAR.
- PADECAS (Projet d'Appui au Développement des Chaînes de Valeurs dans les Savanes): An initiative supporting the development of value chains in the country's savannah regions.

These assessments and projects demonstrate the AfDB's role as a key technical and financial partner in helping CAR transition from a raw material exporter to a more industrialised, forest-smart economy.

Revenue Mobilisation Scenarios (World Bank/IMF)

The World Bank and IMF have identified significant untapped fiscal potential in the Central African Republic (CAR), particularly within the natural resource sectors. According to a joint IMF-World Bank estimate as of April 2025, the country's current domestic revenue mobilisation capacity is between CFAF 150 billion and CFAF 180 billion.

To address the current shortfall, the World Bank has modeled specific scenarios to optimize revenue from the forestry and mining sectors.

Forestry Revenue Mobilisation Scenarios

The forestry sector currently operates well below its capacity, with industrial logging concentrated on only four species and processing rates failing to meet legal requirements. The World Bank modeled three scenarios to increase annual forestry revenues from a baseline of approximately CFAF 3.7 billion:

- BAU+ (Business as Usual Plus) Scenario: This assumes a compliance with the 80% domestic processing rate set in 2023. This scenario is projected to raise CFAF 6.5 billion (a 75.7% increase).
- High Scenario: This assumes harvesting 75% of the log potential for main species and 20% for ancillary species, alongside a 90% processing rate and improved sawmill yields of 40%. This is projected to raise CFAF 8.3 billion (a 124.3% increase).
- Optimistic Scenario: This assumes harvesting 85% of log potential for main species and 30% for ancillary species, full compliance with the 100% processing mandate by 2028, and sawmill yields reaching 50%. This scenario could generate CFAF 9.1 billion (a 145.9% increase).

Strategic Policy Recommendations

To achieve these mobilisation targets, the World Bank proposes a three-pronged approach:

1. Strengthened Monitoring and Enforcement: Strictly enforcing existing articles of the Forestry Code (such as those governing processing rates) and improving in-situ controls by the General Directorate of Forests.
2. Infrastructure and Investment: Increasing public investment in roads and energy access is essential to expanding processing capabilities and attracting industrial investors.

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3. Fiscal Modernisation: Simplifying forestry taxation through lump-sum taxes and transitioning export duty calculations from Free On Truck (FOT) to Free On Board (FOB) values to capture more revenue relative to international prices. Additionally, reducing the VAT rate on processed wood products from 19% to 5% could stimulate the local market.

The Extractive Industries Transparency Initiative (EITI)

The Extractive Industries Transparency Initiative (EITI) is a global standard for the good governance of oil, gas, and mineral resources, which in the Central African Republic (CAR) has been expanded to include the forestry sector. It serves as a primary mechanism for reporting the economic contribution and financial flows of these industries to the state treasury.

Role in the Forestry Sector

In CAR, the EITI is a critical tool for tracking the "fiscal-taxation paradox" where high nominal tax rates are often undermined by low tax bases and infrequent market updates. The EITI reports provide a transparent breakdown of revenues collected by the state from industrial logging operators, specifically regarding:

- Area Taxes (Rent): Annual royalties paid per hectare of concession.
- Felling and Reforestation Taxes: Levies based on the volume of timber harvested and exported.
- Export Duties: Taxes calculated from the value of wood products at the border.

The initiative helps bridge the information gap between the private sector and the government, highlighting discrepancies where official "Valeur Mercuriale" (market reference values) lag behind international timber prices.

Recent Suspension (November 2024)

The CAR was temporarily suspended from the EITI in November 2024. The EITI Board reached this decision based on several factors:

- Low Validation Score: The country failed to meet the necessary technical and transparency standards required by the initiative.
- Civil Society Protocol Breaches: There were significant concerns regarding the shrinking civic space in CAR, as the EITI requires the active and free participation of civil society in monitoring resource governance.
- Governance Challenges: The lack of transparency was linked to the "parallel economy" of unregulated extraction, particularly involving non-state armed actors and external security contractors like the Wagner Group, whose activities often bypass state registries and export duties.

Key Data from EITI Reports

Prior to its suspension, EITI reports provided vital macroeconomic data on the forestry sector's performance:

- GDP Contribution: Industrial forestry contributed approximately 2.6% of the national GDP in 2021.
- Export Revenue: Timber products represented 47.4% of the state's total export revenues in 2021, though this dropped to 23.7% in 2022 as mining exports increased.
- State Revenue: The sector generated approximately CFAF 5.5 billion in forestry revenues in 2022. This represents a significant portion of natural resource income, given that CAR has no oil or gas production.
- Regional Comparison: EITI data shows that CAR's forestry revenues remain significantly lower than coastal neighbors like Gabon and Cameroon, partly due to the high costs of being a landlocked nation and the lack of domestic processing capacity.

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Central African Forest Initiative (CAFI)

The Central African Forest Initiative (CAFI) is a multi-donor trust fund and international partnership established to support the preservation of the Congo Basin's forest ecosystems. The partnership with the Central African Republic (CAR) began in 2019 and has recently transitioned from a preparatory phase into a significant investment phase.

Partnership Milestone and Funding

In February 2024, a high-level meeting in Bangui between the CAR government and CAFI's Executive Board marked the formal entry into the investment phase with a US$10 million allocation. This phase includes:

- Pilot Project Financing: A call for expressions of interest (EoI) was launched in 2024 to select executing agencies for pilot projects identified in the national framework, specifically focusing on the Bangui periphery region with a maximum budget of $10 million.
- Preparatory Grants: Previously, CAFI provided grants to help CAR develop its REDD+ National Investment Framework (NIF), which was shared in early 2020, and subsequently funded feasibility studies for the pilot projects.
- Support for National Planning: A $600,000 grant was allocated to the United Nations Development Programme (UNDP) to assist ministries in integrating climate and forestry issues into the National Development Plan (NDP) 2024–2029.

Strategic Objectives and Themes

CAFI's support is aligned with CAR's development vision, which prioritises the following areas:

- Decentralisation and Land Tenure: Promoting land use planning and securing usage rights to address the indirect causes of deforestation.
- Agricultural Transition: Moving away from slash-and-burn practices toward more sustainable models.
- Sustainable Forest Management: Strengthening governance and transparency, including within the mining sector.
- Non-Market Approaches: Emphasising Article 6.8 of the Paris Agreement to deliver non-carbon benefits like poverty reduction and food security.

Technical Tools for Environmental Services

CAFI has developed specific regional tools to facilitate and monitor Payments for Environmental Services (PES) projects, which are expected to be deployed in CAR:

- Planning Tool: A system used to projection costs and estimate the potential impacts of PES deployment.
- Management Tool: A web-based platform (using Kobo Toolbox) and mobile application that allow for the digital contracting, monitoring, and execution of direct payments to local participants.

Regional Comparison

Within the broader CAFI framework, other Congo Basin nations have reached more advanced stages of results-based payments. For example, Gabon signed a Letter of Intent with Norway under CAFI for up to US$150 million in payments for verified emission reductions, receiving its first $16.9 million payment in 2021. CAR aims to follow similar pathways by establishing the necessary carbon market infrastructure and technical readiness through its current CAFI-backed initiatives.

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United Nations Development Programme (UNDP)

The United Nations Development Programme (UNDP) serves as a vital strategic and technical partner in the Central African Republic (CAR), focusing on the integration of climate, environmental, and forestry concerns into national development frameworks.

The following sections detail the UNDP's primary contributions and ongoing involvement in CAR's forestry and climate sectors:

1. Integration into National Planning

A key component of the UNDP's current work is the implementation of a US$600,000 preparatory grant provided by the Central African Forest Initiative (CAFI). This grant is specifically designed to help national ministries integrate climate and forestry issues directly into the National Development Plan (NDP) 2024–2029. This process aims to identify key measures for preserving forest cover while ensuring that environmental goals are a central axis of the country's broader economic strategy.

2. NDC Development and the "Climate Promise"

Since May 2022, CAR has been a participant in the UNDP Climate Promise, an initiative providing technical and financial support to enhance the ambition and quality of the country's Nationally Determined Contributions (NDC).

- NDC 3.0 Support: The UNDP, alongside the Green Climate Fund, provided the support necessary for the Coordination Nationale Climat to prepare and submit the NDC 3.0.
- Policy Structuring: These programs have assisted the government in structuring more robust climate policies and refining its climate finance strategy.

3. Capacity Building and Technical Infrastructure

The UNDP is identified as a primary technical and financial partner (TFP) for several proposed reforms aimed at modernising the forestry sector and establishing carbon market readiness.

- Article 6 and Carbon Markets: Recommendations for the national roadmap suggest that the UNDP should support structured training programs for public agencies and civil society regarding Article 6 of the Paris Agreement and carbon standards.
- Intersectoral Coordination: The UNDP is expected to provide technical assistance for developing intersectoral policies that link forestry, agriculture, and energy, ensuring these sectors are aligned with international climate finance requirements.
- Social Safeguards: The organisation is slated to support the operationalisation of stakeholder engagement plans, including the management of Free, Prior and Informed Consent (FPIC) and grievance mechanisms for local and indigenous communities.

4. Key Personnel and Mission Support

Stakeholder consultations and missions conducted in late 2024 involved specific UNDP personnel, including the Environmental Program Manager and a Climate Change Expert, to ensure synergy between international support and national priorities. The UNDP Resident Representative in CAR also plays a central role in high-level dialogues between the government and CAFI's Executive Board to coordinate the partnership's investment phase.

International initiatives worth considering

Many countries in the developing world are currently launching or expanding national forestry, reforestation, and forest-restoration strategies as part of climate, biodiversity, and economic development plans. Key examples include:

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Africa

Nigeria

. Large-scale tree planting and land restoration through the ACReSAL program.

. Focus on combating desertification, restoring degraded land, and expanding shelterbelts in northern regions.

Democratic Republic of the Congo (DRC)

. National REDD+ strategy to reduce deforestation in the Congo Basin.

. Major participant in the Central African Forest Initiative (CAFI).

Republic of the Congo

. National forest investment frameworks and restoration programs supported through CAFI and international climate finance.

Cameroon, Gabon, Central African Republic, Equatorial Guinea

. Developing forest conservation and sustainable forest management strategies under CAFI and REDD+ frameworks.

Morocco

. "Forests of Morocco 2020–2030" strategy focuses on reforestation, biodiversity conservation, and combating desertification.

Uganda

. National afforestation and landscape restoration initiatives highlighted by FAO as significant examples in Africa.

31 African countries under AFR100

. Countries including Ethiopia, Rwanda, Ghana, Kenya, Malawi, and others have collectively committed to restoring over 100 million hectares of degraded land by 2030.

Latin America

Brazil

Renewed efforts to curb Amazon deforestation and restore degraded forests.

Forest restoration is integrated into climate commitments and REDD+ programs. ([UNEP - UN Environment Programme

Colombia

Expanding Amazon conservation and restoration programs.

Forest protection is a key element of climate policy

Peru

National forest conservation and REDD+ implementation aimed at reducing Amazon deforestation.

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Asia

Indonesia

. Major forestry reforms, peatland restoration, mangrove rehabilitation, and REDD+ implementation.

. One of the most active developing countries in forest-based climate policy.

Vietnam

. National forestry development strategy emphasizing forest cover expansion, carbon sequestration, and sustainable timber production.

India

. Large-scale afforestation through the Green India Mission and state-level forestry programs.

. Forest restoration is integrated into national climate commitments.

Broader Trend

The UN-REDD Programme currently supports around 65 developing countries in developing forest strategies, REDD+ programs, and sustainable forest management policies. Many of these countries are incorporating forests into their Nationally Determined Contributions (NDCs) under the Paris Climate Agreement.

Active countries possessing investment opportunities, carbon credits, or timber and forestry sectors with the strongest growth prospects

Best Combined Carbon + Timber Investment Markets

Country	Carbon Credit Potential	Timber Growth	Investment Climate	Overall Outlook
Brazil	Very High	Very High	Medium	Excellent
Paraguay	High	Very High	High	Excellent
Uruguay	Medium-High	High	Very High	Excellent
Chile	Medium	High	High	Very Good
New Zealand	High	Medium	Very High	Very Good
Australia	High	Medium	Very High	Very Good

1. Paraguay — One of the Most Undervalued Opportunities

Paraguay has become increasingly attractive because plantation forestry has expanded rapidly, exports hit record levels, and the government actively promotes forestry investment. Commercial plantations reportedly grew about 66% in two years, while national plans target a much larger forestry contribution by 2035.

Why investors like it:

- Fast eucalyptus growth
- Relatively inexpensive land
- Carbon-credit project potential

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- Expanding export infrastructure
- Less competition than Brazil

For private investors seeking 10–20 year forestry exposure, Paraguay is arguably one of the highest-growth frontier markets today.

2. Brazil

Brazil remains the global giant in forestry and carbon markets.

Investment themes include:

- Eucalyptus plantations
- Carbon removal projects
- Amazon conservation finance
- Biomass and wood products

Major capital is flowing into Amazon-protection and carbon-credit projects, including multi-billion-dollar initiatives linked to forest conservation.

Risk is higher because of regulatory complexity and political cycles, but long-term upside is enormous.

3. Uruguay

Uruguay is often viewed as the "institutional investor's forestry market."

Advantages:

- Strong property rights
- Stable government
- Export-oriented forestry sector
- Large-scale timber processing

Returns tend to be lower than Paraguay, but risk-adjusted performance is often superior.

Strong Carbon Credit Growth Markets

If your primary objective is carbon credits rather than timber, focus on countries where large-scale afforestation and restoration projects are expanding.

Brazil

. Amazon conservation

. REDD+ projects

. Reforestation credits

Kenya

. Well-known carbon project ecosystem

. Strong international NGO involvement

. Nature-based credit generation

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Indonesia

. Massive restoration potential

. High biodiversity premiums

Australia

. Mature carbon-credit framework

. Institutional investment participation

Global investment into carbon-credit supply reached record levels recently, with capital increasingly flowing into high-quality forestry and removal projects. Afforestation and reforestation (ARR) projects remain among the fastest-growing carbon-investment categories.

Emerging High-Growth Frontier Markets

These are riskier but potentially offer outsized returns:

- Zambia
- Mozambique
- Tanzania
- Cameroon
- Laos

These markets have abundant land and biological growth potential but often carry higher political, legal, and infrastructure risks.

Where Large Institutional Capital Is Going

The biggest global investors are increasingly targeting:

1. Brazil
2. United States
3. Australia
4. New Zealand
5. Uruguay
6. Paraguay

The trend is toward high-integrity carbon removals, afforestation, reforestation, and sustainable timberland ownership, as low-quality carbon credits face increasing scrutiny and stricter standards.

If I were ranking countries solely for the next 10–20 years:

1. Paraguay
2. Brazil
3. Uruguay
4. New Zealand
5. Australia
6. Chile

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For a balance of growth, carbon-credit upside, land appreciation, and timber returns, Paraguay, Brazil, and Uruguay currently stand out as the strongest combination.

The Central African Forest Initiative (CAFI) is a major international climate-finance partnership created in 2015 to protect the forests of the Congo Basin, the world's second-largest tropical rainforest after the Amazon. It brings together donor governments, Central African countries, the UN system, and development organizations to reduce deforestation while supporting economic development.

CAFI currently works with six countries in Central Africa:

- Cameroon
- Central African Republic
- Democratic Republic of the Congo
- Republic of the Congo
- Equatorial Guinea
- Gabon

These countries collectively contain much of the Congo Basin rainforest.

How CAFI Works

CAFI does not primarily buy forests itself. Instead, it:

1. Helps governments create national forest and land-use plans.
2. Funds reforms that reduce deforestation.
3. Provides performance-based payments when agreed targets are met.
4. Supports sustainable agriculture, forestry, land-use planning, and rural development.

Funding comes from donor countries including members of the European Union, Norway, the United Kingdom, Germany, France, the United States, and others.

Why Investors Pay Attention

CAFI is important because it helps create the policy and governance foundations needed for:

- Carbon-credit projects
- REDD+ forest conservation programs
- Sustainable forestry investments
- Payments for ecosystem services
- Biodiversity finance
- Large-scale reforestation and afforestation projects

As governance improves, private investors often become more willing to invest in forest carbon and sustainable timber projects.

Opportunities and Challenges

Potential opportunities

- Carbon-credit development
- Sustainable timber plantations

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- Agroforestry
- Forest conservation finance
- Biodiversity credits (an emerging market)

Major challenges

- Land tenure uncertainty
- Political instability in some countries
- Infrastructure limitations
- Verification and monitoring costs
- Regulatory complexity for carbon projects

The strongest investment interest today tends to be concentrated in the DRC, Gabon, and Republic of the Congo, because of their vast forest resources and increasing involvement in carbon-finance programs.

Why It Matters Globally

The Congo Basin stores enormous amounts of carbon and supports tens of millions of people. CAFI's goal is to prevent deforestation from becoming as severe as it has in parts of the Amazon while creating economic incentives for countries to keep forests standing. CAFI estimates that Central African forests absorb roughly 1.1 billion tonnes of CO_2 annually and are critical for global climate stability.

If you're evaluating forestry, timber, or carbon-credit investments, the countries most commonly discussed alongside CAFI are the Democratic Republic of the Congo, Gabon, and Republic of the Congo because they contain some of the largest remaining intact tropical forests on Earth.

"Forests of Morocco 2020–2030" (French: *Forêts du Maroc 2020–2030*) is Morocco's national forestry strategy launched in 2020 under the leadership of Mohammed VI. The program was designed to reverse decades of forest degradation, modernize the forestry sector, increase private-sector participation, and create new economic opportunities while protecting biodiversity.

Why the strategy matters

For investors, it is one of the more ambitious forestry programs in North Africa because it combines:

- Reforestation and afforestation
- Sustainable timber production
- Ecotourism development
- Biodiversity conservation
- Community-based forest management
- Public-private partnerships in forestry assets

The strategy seeks to transform forests from a protected public resource into a productive economic sector while maintaining sustainability.

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Key Targets

1. Massive Reforestation Program

Morocco plans approximately 600,000 hectares of new forest plantations by 2030, beginning at around 50,000 hectares annually and increasing toward 100,000 hectares per year by the end of the program.

2. Private Forestry Investment

The government aims to encourage private investment on roughly 120,000 hectares of plantation forests, particularly eucalyptus and pine.

3. Employment and Rural Development

The strategy targets creation of approximately 27,500 additional direct jobs while increasing income from forestry, ecotourism, and forest-related value chains.

4. Biodiversity Protection

The program strengthens protection of national parks and important ecosystems while promoting sustainable use rather than unrestricted exploitation.

Four Main Pillars

1. Community participation
   - Local forest development organizations
   - Shared management with rural communities
1. Forest development by land-use type
   - Commercial forestry
   - Ecotourism
   - Conservation zones
1. Modernization
   - Digital forest management
   - Modern nurseries
   - Improved planting techniques
1. Institutional reform
   - Creation of specialized forest-management agencies
   - Updated legal and governance frameworks

Carbon Credits and Investment Potential

From a carbon-market perspective, Morocco is interesting because:

- Large-scale afforestation is eligible for carbon-removal methodologies.
- Morocco has strong climate commitments and relatively stable institutions compared with many emerging forestry markets.
- Projects can potentially combine carbon credits, ecosystem restoration, ecotourism, and timber production.

However, Morocco is not a high-yield timber market like Brazil, Paraguay, or Uruguay because growth rates are slower and water availability is a major constraint. The investment case is generally stronger for carbon, restoration, biodiversity, and climate-finance projects than for industrial timber plantations.

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Carbon credits post-logging ban

CAR possesses one of the most significant concentrations of intact tropical forest in the world. As part of the Congo Basin, its forests represent an extraordinary natural asset, storing vast quantities of carbon, sustaining globally important biodiversity, regulating water systems, and providing livelihoods for local and indigenous communities. Historically, however, the economic value of these forests has been largely understood through the lens of extractive industries, particularly timber production. Forests have traditionally been viewed as resources to be harvested rather than as long-term environmental assets capable of generating sustainable financial returns.

The introduction restrictions on timber extraction fundamentally changes this economic equation. Rather than reducing the value of forests, conservation measures create an opportunity to redefine how forests contribute to national development. A standing forest is no longer only a source of timber; it becomes a source of carbon storage, biodiversity conservation, and climate finance.

For CAR, this creates the possibility of transitioning from a forest-extraction economy toward a forest-conservation economy. Through the development of a sovereign carbon market supported by a national carbon registry and robust measurement systems, the country can monetise the environmental services provided by its forests while ensuring that conservation generates tangible economic benefits for the state and its citizens.

The Economic Opportunity of Forest Carbon Credits

Carbon markets provide a mechanism through which countries, companies, and institutions can finance activities that reduce or remove greenhouse gas emissions. A carbon credit generally represents one tonne of carbon dioxide equivalent (tCO_2e) that has been avoided, reduced, or removed from the atmosphere through a verified environmental activity.

For a heavily forested country such as CAR, the largest opportunity lies in recognising the climate value of maintaining existing forests. Forest carbon credits can be generated through avoided deforestation, reduced forest degradation, improved forest management, restoration activities, agroforestry, and other nature-based solutions.

The REDD+ framework (Reducing Emissions from Deforestation and Forest Degradation) is particularly relevant because it allows countries and projects to generate credits by demonstrating that emissions have been prevented through effective conservation and sustainable management. Improved Forest Management methodologies can also create value where forests are managed in ways that maintain or increase carbon stocks.

However, carbon markets increasingly demand evidence that climate benefits are tangible. This means that CAR must carefully design its programmes to demonstrate that carbon reductions would not have occurred without the intervention being financed through carbon revenues. A logging ban alone may not automatically qualify forests for carbon credits if international standards determine that the forests were already fully protected. Therefore, the legal and technical structuring of carbon programmes will be a critical component of the national strategy.

Creating a Sovereign Carbon Asset System

The development of a carbon market requires more than individual carbon projects. CAR's strategic advantage lies in developing a sovereign system in which the government maintains oversight and coordinates the country's environmental assets.

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Rather than allowing separate project developers to independently control carbon assets across the country, the sovereign approach enables CAR to aggregate forest carbon resources at a national level, establish consistent standards, negotiate with international buyers, and ensure that carbon revenues contribute to broader national objectives.

This approach transforms forests into measurable national assets. Through scientific assessment and digital monitoring, the country can establish how much carbon is stored within its forests, how much additional carbon can be protected through conservation efforts, and how these benefits can be converted into internationally recognised credits.

A sovereign carbon market would allow CAR to participate in multiple forms of carbon finance, including voluntary carbon market transactions, government-to-government agreements under Article 6.2 of the Paris Agreement, and future international climate finance mechanisms.

The Importance of a National Carbon Registry

At the centre of the carbon market architecture must be a national carbon registry. This registry represents the institutional and technological foundation required to manage carbon assets with transparency and credibility. This registry would be connected to national environmental information systems, including forest inventories, satellite monitoring platforms, carbon stock measurements, geographic information systems, and independent verification reports.

This infrastructure would allow CAR to move from a situation where its forests are valuable but difficult to monetise, toward a system where environmental assets can be measured, certified, and traded. A registry would also support CAR's obligations under the Paris Agreement. Under Article 6 mechanisms, countries participating in international carbon transfers must maintain accurate accounting systems to ensure that emissions reductions are not counted by multiple parties. A sovereign registry is therefore not only a commercial tool but also a requirement for participation in future international carbon markets.

Legislative and Regulatory Foundations

A credible carbon market requires a clear legal framework defining ownership, authority, responsibilities, and financial flows. CAR's participation in international climate markets is linked to its commitments under the Paris Agreement and its Nationally Determined Contribution (NDC), which establishes a national emissions reduction target of 17% by 2035. However, existing legislation does not yet provide a comprehensive framework governing carbon credits as environmental and financial assets.

Existing laws, including the Forestry Code and the Environment Code, provide important foundations by regulating forest management and environmental monitoring. However, these frameworks must be expanded through dedicated carbon market legislation. A Carbon Markets Act, for example, could provide the legal basis for the national registry, carbon credit issuance, project approval procedures, international transactions, environmental safeguards, and revenue-sharing arrangements. Such legislation would provide certainty for investors, communities, and international buyers while ensuring that carbon assets remain aligned with national sovereignty and development priorities.

The successful operation of a sovereign carbon market requires a strong institutional structure capable of balancing government authority, technical expertise, and stakeholder participation. This institution would responsible for managing the carbon registry, approving projects, supervising credit issuance, and overseeing market integrity.

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Measuring and Verifying Carbon Assets

The credibility of any carbon market depends on the quality of its Measurement, Reporting and Verification (MRV) system. CAR should therefore establish a national MRV framework capable of accurately measuring forest carbon stocks, tracking changes over time, and verifying emission reductions.

The first stage of implementation requires a comprehensive national forest inventory and carbon stock assessment. This will establish the baseline data necessary for calculating carbon assets across protected areas, forest concessions, and conservation landscapes.

A dedicated MRV Unit within the National Carbon Registry Authority would oversee technical standards and coordinate verification with internationally accredited third-party organisations.

By ensuring that all carbon credits are independently verified and scientifically robust, CAR can position its credits as high-integrity assets within international markets.

CAR's Carbon Project Portfolio

CAR already possesses significant potential carbon assets across its protected landscapes and conservation areas. The Chinko Conservation Area represents an important example of how conservation can generate economic value through avoided emissions. The project has demonstrated the viability of generating conservation finance while protecting ecosystems. Other high-potential areas include the Dzanga-Sangha Special Reserve, Manovo-Gounda-Saint-Floris National Park, and Bamingui-Bangoran National Park.

A national portfolio approach would allow CAR to develop multiple types of carbon projects, including REDD+, improved forest management, agroforestry, clean energy initiatives, and wetland or blue carbon projects. Diversifying the portfolio reduces reliance on a single carbon methodology and allows the country to participate across different environmental markets.

Biodiversity and Nature Markets

CAR's forests represent some of the world's most important biodiversity reserves, creating potential opportunities in emerging markets for biodiversity credits and ecosystem-service payments.

A future environmental exchange platform could facilitate trading in multiple environmental assets, including biodiversity conservation credits, watershed protection credits, restoration credits, and other ecosystem services. The combination of carbon value and biodiversity value could significantly increase the attractiveness of CAR's environmental assets. High-integrity landscapes with exceptional biodiversity characteristics may command premium prices because buyers increasingly seek climate projects that deliver broader environmental and social benefits.

Ensuring Community Benefits and Social Protection

A successful carbon market must ensure that communities living within and around forest ecosystems benefit directly from conservation revenues. Without effective benefit-sharing mechanisms, carbon markets risk concentrating financial benefits among external actors while local populations bear the costs of conservation restrictions.

CAR should establish a legally guaranteed national benefit-sharing framework that ensures revenues reach indigenous peoples, local communities, and conservation partners. Such a framework should include transparent allocation mechanisms, community development programmes, social safeguards, and conflict-

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resolution procedures. By creating economic incentives for communities to protect forests, carbon finance can become a tool for both conservation and rural development.

Conclusion

The Central African Republic has the opportunity to transform one of its greatest natural assets into a long-term source of economic development. Restrictions on logging does not mean that forests lose their economic value. Instead, it creates the opportunity to recognise forests for their full contribution to the global economy: as carbon reservoirs, biodiversity centres, climate stabilisers, and providers of essential ecosystem services.

By establishing a sovereign carbon market supported by strong legislation, a national registry, credible MRV systems, international market access, and equitable benefit-sharing, CAR can create a new model of sustainable development.

The country's forests can become more than a resource to be extracted. They can become a permanent environmental asset generating finance, protecting biodiversity, supporting communities, and strengthening CAR's position within the global climate economy.

REDD+

REDD+ represents one of the most important international mechanisms for linking forest conservation with climate finance. The term REDD+ refers to **Reducing Emissions from Deforestation and Forest Degradation, plus the conservation, sustainable management of forests, and enhancement of forest carbon stocks**.

Developed under the framework of the United Nations Framework Convention on Climate Change (UNFCCC), REDD+ was created to address one of the major causes of global greenhouse gas emissions: the destruction and degradation of tropical forests.

Forests play a critical role in regulating the global climate because they absorb and store significant quantities of carbon. Trees, vegetation, soils, and forest ecosystems collectively act as natural carbon reservoirs. When forests are cleared for agriculture, degraded through unsustainable extraction, or damaged by fires and other pressures, the carbon stored within them is released into the atmosphere, contributing to climate change.

REDD+ seeks to change the economic equation surrounding forests. Historically, forests have often generated value through extraction, particularly timber production and land conversion. REDD+ introduces a different model in which forests can generate economic value by remaining intact. Countries and communities can receive financial support for demonstrating that they have reduced emissions, protected forest carbon stocks, improved forest management, or restored degraded ecosystems.

For countries with significant forest resources such as CAR, REDD+ provides an opportunity to transform forests from traditional extractive assets into long-term environmental and economic assets. It creates the possibility of generating income from conservation while supporting biodiversity protection, rural development, and national climate commitments.

The original concept of REDD focused primarily on reducing emissions caused by deforestation and forest degradation. Over time, the framework expanded to recognise that forests provide climate benefits in several ways, leading to the inclusion of the "+" element.

The first component of REDD+ involves reducing deforestation. This means preventing the permanent conversion of forests into other land uses, such as agricultural expansion, mining areas, or infrastructure development. By preventing forests from being cleared, countries avoid releasing the carbon stored within those ecosystems.

The second component focuses on reducing forest degradation. Forests do not need to be completely destroyed to lose their climate value. Activities such as illegal logging, unsustainable harvesting, uncontrolled

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fires, and other disturbances can significantly reduce the amount of carbon stored in forests. Preventing degradation therefore protects the long-term carbon capacity of forest landscapes.

The third component is the conservation of existing forest carbon stocks. Many tropical forests already contain enormous quantities of stored carbon. Protecting these intact ecosystems represents a significant climate benefit because the carbon remains locked within the forest rather than being released.

The fourth component involves sustainable forest management. This recognises that forests can provide economic benefits without being destroyed. Sustainable approaches allow communities and countries to use forest resources while maintaining ecological functions and carbon storage.

The final component is the enhancement of forest carbon stocks. This includes activities such as forest restoration, reforestation, and improving degraded landscapes so that they absorb and store additional carbon over time.

CAR and REDD+

CAR contains extensive areas of relatively intact forest, particularly in the southern and southwestern regions of the country. These forests represent a major global carbon reserve while also supporting exceptional biodiversity, including elephants, gorillas, chimpanzees, and numerous other species.

One of CAR's advantages is that it still retains large areas of forest that have not experienced the level of deforestation seen in some other tropical forest countries. This creates an opportunity for preventative conservation: protecting forests before they are extensively degraded rather than attempting to restore them after significant damage has occurred.

However, the existence of intact forests does not mean that they are free from pressure.

CAR's forests face several emerging threats, including agricultural expansion, shifting cultivation, illegal logging, charcoal production, and mining activities. Around urban centres such as Bangui, demand for charcoal places additional pressure on forest resources. Artisanal mining, particularly for gold and diamonds, also creates challenges in certain areas.

A successful REDD+ programme must therefore address the economic and social drivers of forest loss. Protecting forests requires more than conservation rules; it requires creating alternative sources of income, strengthening governance, improving monitoring, and ensuring communities benefit from conservation.

REDD+ Project Development and Community Participation

A national REDD+ programme provides the advantage of stronger coordination and the integration of REDD+ with broader land-use planning, climate policy, and development strategies.

However, local implementation remains essential because forests are managed and protected by people living within these landscapes. Community-based REDD+ projects can provide a direct mechanism for communities to become conservation partners. Under such models, communities may participate in forest monitoring, protect important ecosystems, prevent illegal activities, and develop sustainable economic activities.

These activities could include agroforestry, sustainable agriculture, non-timber forest products, ecotourism, sustainable harvesting, and improved farming techniques that reduce pressure on surrounding forests. The success of REDD+ depends on ensuring that conservation creates tangible benefits for those who live closest to the forest.

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Potential REDD+ Activities in CAR

A REDD+ programme in CAR would likely involve a combination of conservation, sustainable development, and governance activities.

Sustainable agriculture could become a major component due to agricultural expansion – alongside subsequent practices such as "slash and burn" – is one of the primary drivers of forest loss. Improving productivity on existing agricultural land, introducing agroforestry systems, and supporting sustainable crops can reduce pressure to clear additional forest.

Addressing charcoal demand around cities such as Bangui would also be important, wherein REDD+ could support improved charcoal production methods, alternative energy solutions, and sustainable woodlot development. Community forestry could provide additional economic opportunities by allowing communities to manage forests for products such as honey, medicinal plants, nuts, and other non-timber resources.

Conclusion

For the Central African Republic, REDD+ should be understood not simply as a carbon-credit mechanism, but as a broader strategy for forest governance, economic development, and climate resilience. If designed effectively, REDD+ can allow CAR to transform its forests into long-term national assets while supporting communities, protecting biodiversity, and contributing to global climate goals.

For a country located at the heart of the Congo Basin, REDD+ represents an opportunity to ensure that forests are not viewed only as resources to be extracted, but as natural capital capable of generating sustainable prosperity for future generations.

Government programmes

The Forestry Tax System and Reference Values

The forestry tax system in the Central African Republic (CAR) is a specialised fiscal regime designed to capture a portion of the profits earned by operators while serving as financial compensation for accessing national forest resources. It is structured around two main classes: royalties, which compensate for the commercial use of renewable resources considered national heritage, and forestry taxes, which act as instruments to guide harvesting and management practices.

The Three Reference Values

Forestry taxation in CAR relies on three specific reference values based on average wood market prices:

- Valeur Mercuriale (VM): This is the estimated value of timber on the markets, used as the primary reference for felling and reforestation taxes. By law, these values are supposed to be updated every six months by a joint decree from the Ministries of Forestry, Trade, and Finance, though in practice, they often lag behind market realities (e.g., values set in 2019 were not updated until 2023).
- Free On Board (FOB): This value includes the *Valeur Mercuriale* plus the costs associated with transport and packaging.
- Free On Truck (FOT): This represents the value of the merchandise loaded onto a truck at the transaction location, typically the forest lumber yard or sawmill site. CAR uses FOT values as the base for calculating export duties, which results in lower duty payments compared to countries using FOB values.

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Key Components of the Forestry Tax System

Under the 2008 Forest Code and subsequent Finance Laws (such as the 2024 Finance Law), forestry companies are subject to several specific levies:

- Area Tax (Rent): An annual tax collected per hectare of useful surface area under a Logging and Management Permit (PEA). Currently set at CFAF 600/ha/year, it is relatively high compared to regional neighbors like the Democratic Republic of the Congo (CFAF 310) and North Congo (CFAF 350).
- Felling Tax (Taxe d'Abattage): A tax based on the volume of timber felled, currently set at 7% of the *Valeur Mercuriale*.
- Reforestation Tax (Taxe de Reboisement): Calculated based on the volume of species exported at a rate of 11% of the *Valeur Mercuriale*. Sources note that this tax is applied despite the absence of active reforestation programs in CAR's natural forests, effectively making it an additional felling tax.
- Export Duties (Exit Duties): Calculated from the FOT value, these duties vary by product: 11% for logs, 5% for sawnwood, and 2% for further processed products (second and third processing).
- Ecotax: Established by the 2005 Finance Law, this tax applies to permits without a management plan at a rate of 500 CFA francs/ha.
- Deforestation Tax: Levied on holders of deforestation authorisations for activities other than logging.

The "Fiscal-Taxation Paradox"

Recent analysis highlights a significant paradox in CAR's forestry fiscal framework:

1. High Nominal Rates: The combined rate of felling and reforestation taxes (18%) is 3 to 7.5 times higher than felling tax equivalents in other Congo Basin countries.
2. Low Tax Bases: These high rates are offset by extremely low *Valeur Mercuriale* bases that do not reflect international market prices.
3. Revenue Loss: Because VMs are updated infrequently and export duties are calculated on low FOT values, the state captures far less revenue than its potential. In 2022, the state collected approximately CFAF 5.5 billion in forestry revenues, representing only about 1% of total tax revenue.

Economists suggest that by modernising the tax system—specifically by regularly updating VMs to match market prices and transitioning export duty calculations to FOB values—CAR could increase its annual forestry revenue to between CFAF 6.5 billion and CFAF 9.1 billion.

The Area Tax (Redevance Superficielle)

The Area Tax (known in French as *Redevance Superficielle* or *le loyer*) is a primary component of the forestry fiscal regime in the Central African Republic (CAR), functioning as an annual rent for the commercial use of forest resources. It is specifically levied on industrial operators who hold a Logging and Management Permit (*Permis d'Exploitation et d'Aménagement* or PEA), which is the legal authorisation required to conduct large-scale timber extraction and processing.

Key Characteristics and Rates

- Tax Base: The tax is calculated per hectare of the "useful surface area" under the PEA, which on average constitutes approximately 70% of a concession's total land area.
- Current Rate: Under the current fiscal framework and the 2024 Finance Law, the rate is set at CFAF 600 per hectare per year.
- Payment Terms: The rent is due on the 1st of January each fiscal year. For companies applying for a new PEA, the law requires a commitment to pay an amount equivalent to three years of rent upfront.

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- Legal Justification: The tax is categorised as a royalty, representing financial compensation to the state for the use of renewable natural resources that are considered part of the national heritage.

Regional Comparison

The Central African Republic's area tax is considered relatively high when compared to neighbouring countries in the Congo Basin that face similar logistical and inland transport challenges.

- Democratic Republic of the Congo: Operators pay CFAF 310 per hectare per year.
- North Republic of Congo: The rate is set at CFAF 350 per hectare.
- Gabon: Unlike CAR's flat rate, Gabon uses the area tax as an incentive for sustainable management. Concessions with international certifications (such as FSC) pay a reduced rate of CFAF 300, while those without any certification are charged CFAF 1,000 per hectare.

Fiscal Significance

The Area Tax is a stable and significant contributor to CAR's domestic revenue mobilisation. In 2022, the state collected approximately CFAF 1.33 billion from this tax, accounting for 24.2% of the total forestry revenue for that year. While forestry income is generally split between rent, felling taxes, and reforestation taxes, the Area Tax is particularly important because it does not require the same level of difficult on-site monitoring as the felling tax, making it a more predictable source of funding for the national budget.

However, despite these collections, the broader forestry sector continues to contribute only about 1% of total national tax revenue, as low processing yields and infrequent updates to timber reference values limit the state's overall capture of potential profits.

Industrial Processing Obligations

Industrial Processing Obligations in the Central African Republic (CAR) are governed by the 2008 Forest Code, which mandates that industrial logging companies must process a significant portion of their timber locally rather than exporting raw logs. The primary objective of these obligations is to stimulate domestic industrialisation, create employment, and ensure the state captures more value from its natural resources.

Core Legal Requirements

- The 70% Rule: Under Article 44 of the 2008 Forest Code, holders of Logging and Management Permits (PEA) are legally required to process at least 70% of the total "category 1 species" (the most commercially valuable timber) that they harvest within CAR-based processing units, such as sawmills or peeling plants.
- Local Supply Mandate: The production of logs must first meet the demand of local processing units before being considered for export.
- Relocation Restrictions: Any relocation of industrial processing units requires specific authorisation from both the Ministry of Forestry and the Ministry of Industry.

The 2028 Log Export Ban and Phased Targets

To align with a regional directive from the Central African Economic and Monetary Community (CEMAC), CAR is moving toward a total ban on the export of raw timber. The government has established a progressive transition schedule to reach 100% local processing by 1 January 2028:

- 2025: 80% processing target.
- 2026: 90% processing target.
- 2027: 95% processing target.
- 2028: 100% local processing requirement.

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Implementation Challenges and Looping Holes

Despite these legal mandates, sources indicate that actual processing rates consistently fall well below statutory requirements. Several factors hinder compliance:

- "Squaring" Loophole: Some companies circumvent processing obligations through a practice known as "squaring," which involves roughly sawing round logs into basic square blocks. Because there is no precise regulatory definition for what qualifies as "processed wood," these minimally modified logs are often exported as finished products.
- Special Permits: The authorities frequently issue "special permits" or exceptional exemptions that allow favored companies to continue exporting raw timber despite the national processing targets.
- Infrastructure Deficits: A lack of reliable electrical grids, skilled labour, and modern machinery makes high-level processing (second and third-stage manufacturing) economically difficult for many operators, who remain reliant on outdated equipment with low material yields of approximately 30%.
- Insider Admissions: Company representatives from major industrial loggers have admitted to investigators that they continue to export "100% logs" because raw logs are easier to sell to Asian markets, where clients prefer to handle the final processing themselves.

Economic and Fiscal Rationale

Economists suggest that if processing obligations were fully met, the impact on the national economy would be substantial. CEMAC projections indicate that moving to full local processing could generate over 60,000 jobs across the region and increase public revenues by 25%. Currently, CAR's export duties are structured to encourage processing: logs are taxed at 11%, while sawnwood is taxed at 5%, and further processed products (second and third processing) are taxed at only 2%.

Export Duty Adjustments

Export duty adjustments in the Central African Republic (CAR) are a focal point of proposed fiscal reforms aimed at modernising the forestry sector and maximising domestic revenue. The current system is characterised by a "fiscal paradox" where high nominal tax rates are undermined by low tax bases and infrequent updates to market values.

Current Export Duty Framework

Under the 2008 Forest Code and the 2024 Finance Law, custom duties and taxes on timber exports—known as exit duties—are structured to incentivise local processing:

- Logs: Taxed at a rate of 11%.
- Sawnwood (First processing): Taxed at a rate of 5%.
- Further processed products (Second and third processing): Taxed at a rate of 2%.

The FOT vs. FOB Discrepancy

A primary issue identified in the sources is the base used for these calculations. CAR currently calculates export duties using the Free On Truck (FOT) value, which represents the merchandise value loaded onto a truck at the transaction location (typically the sawmill or forest lumber yard).

Regional peers and international standards typically use the Free On Board (FOB) value, which includes the *Valeur Mercuriale* (market value) plus the additional costs of transport and packaging to a shipping port. Because FOT values do not include these logistics costs, they are significantly lower than FOB values, resulting in CAR having the lowest effective export duty payments in the Congo Basin.

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Recommended Adjustments for Investors and Policymakers

To capture lost revenue and align with regional standards, experts and multilateral organisations have proposed several adjustments:

- Transition from FOT to FOB: Moving the tax base to FOB values is recommended to optimise revenue collection and ensure the state receives a fair share of the profit relative to international prices.
- Regular Updates to Mercurial Values (VM): While VM reference values are legally required to be updated every six months, they often lag by years (e.g., the 2019 values were not adjusted until 2023). Keeping these values current with global market realities is essential for a functional tax system.
- Diversification Incentives: Introducing lower tax rates for under-utilised or ancillary species could encourage operators to harvest more than just the four primary commercial species (Sapelli, Ayous, Iroko, and Mukulungu) that currently dominate 70–75% of production.
- Simplification through Lump-Sum Taxes: Modernisation proposals suggest introducing simplified lump-sum taxes applied directly to products to reduce administrative complexity and information asymmetries between the private sector and government.

Implementing these adjustments, combined with stricter enforcement of local processing targets, is projected to transform the sector's fiscal contribution. Modeling suggests that a modernised forestry tax system could increase annual state revenue from the current average of CFAF 3.7 billion to between CFAF 6.5 billion and CFAF 9.1 billion.

The 2024 Mining and Natural Resources Reforms

The 2024 natural resources reforms in the Central African Republic (CAR) represent a significant legislative effort to modernise the governance of the extractive and forestry sectors, primarily through the adoption of a new Mining Code and the ongoing revision of the Forestry Code. These reforms aim to increase domestic revenue, enhance state authority over remote resources, and align national laws with global climate commitments.

The 2024 Mining Code (Law No. 24.008)

Adopted on 21 August 2024, the new Mining Code introduces several structural changes to how CAR manages its gold, diamond, and mineral wealth.

- Establishment of GEMINCA: A central pillar of the reform is the creation of a new state-owned enterprise named Central African Gems and Minerals (*Gemmes et minéraux de Centrafrique* or GEMINCA). This entity is designed to manage and market precious and semi-precious stones and metals, holding a monopoly on export activities.
- Production-Sharing Requirements: The state now requires a production share from mining operators, set at a maximum of 10% of gross production. This is a new levy intended to significantly boost national revenue from both semi-mechanized and small-scale mines.
- Increased Surface Fees: For semi-mechanized artisanal mining permits (PEASM), the surface royalty has been substantially increased from CFAF 1.5 to CFAF 10 per m^2.
- State Capital Participation: The state's free stake in the capital of mining operators (for small-scale industrial permits or PEPM) has been adjusted from 15% to 10%. Crucially, these are now designated as preferred shares that grant the government priority dividends.

Intersectoral Alignment and Environmental Security

The 2024 reforms are designed to work in tandem with a draft Forestry Code (reviewed by stakeholders in late 2025) to address long-standing "duplicate land-use" conflicts where mining and logging overlap.

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- Regulating Mining in Forest Zones: The new framework imposes stricter environmental standards on extractive projects located within active forest concessions. This includes mandatory restoration obligations for mining sites once operations cease, though sources note that historical compliance with these rules has been poor.
- Curbing Wagner Group Activities: The reforms seek to provide a more robust legal basis to counter the "parallel economy" of unregulated extraction. Specifically, the draft Forest Code and the 2024 Mining Code aim to reinforce state authority against actors like the Wagner Group, whose intensive and often illegal exploitation of gold and timber has historically bypassed state registries and export duties.

Digital Oversight and Transparency Reforms

As part of the broader 2024-2025 natural resource agenda, the government has launched initiatives to digitise resource management:

- National MRV Cell: By Decree n° 24.241 of September 2024, the government established a Monitoring, Reporting and Verification (MRV) cell. This cell is tasked with centralising data from various sectors (mining, energy, and forestry) to ensure the country can participate credibly in international carbon markets.
- EITI Status: Despite these reforms, CAR was temporarily suspended from the Extractive Industries Transparency Initiative (EITI) in November 2024 due to a low validation score and concerns regarding civil society protocol. The current reforms are partially intended to restore transparency and meet the criteria for reinstatement.

World Bank modeling suggests that if the 2024 Mining Code is strictly enforced, mining revenues could rise from CFAF 2.0 billion to approximately CFAF 6.4 billion annually. However, experts warn that the 10% production share may be perceived as excessive for artisanal miners, potentially encouraging smuggling or tax evasion if not accompanied by strengthened administrative controls.

Public-Private Partnerships

Public-Private Partnerships (PPPs) in the Central African Republic (CAR) serve as critical mechanisms for overcoming institutional voids, leveraging technical expertise, and mobilising finance for the forestry and conservation sectors. These collaborations typically involve the national government partnering with international non-governmental organisations (NGOs) or private firms to manage protected areas, initiate industrial reforestation, and develop carbon finance infrastructure.

Major Conservation and Carbon Finance Partnerships

The most prominent model of a public-private collaboration in CAR is the management of the Chinko Conservation Area.

- African Parks Network (APN): This organisation manages the Chinko reserve through a long-term agreement with the CAR government. It has successfully registered a REDD+ project on the Verra registry, which generated over $7.35 million in revenue by 2025 through avoided carbon dioxide emissions.
- Benefit-Sharing Model: The partnership includes a pioneering distribution key for carbon revenues: 55% is allocated back to the reserve, 15% covers APN's management fees, 10% is designated for local communities, 9% for the Treasury, and 6% for the Ministry of Environment.
- Chinko Support: This partnership is further bolstered by bilateral support, such as approximately $27 million in funding from USAID since 2016 to support the protected area's operations.

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Industrial Reforestation and Agroforestry

Private operators have also partnered with the state to address uncontrolled deforestation through large-scale planting and sustainable land use.

- Centraforest: A subsidiary of the French FRM group, Centraforest has signed agreements with the government to implement reforestation and agroforestry projects. These include a 718-hectare teak plantation north of Boali and a 2,000-hectare project in Boutili registered as an Afforestation, Reforestation and Revegetation (ARR) project.
- Classified Forest Management: A recent agreement was signed between Centraforest and the government to initiate a new project within the Botambi classified forest.
- SIAD: This partner provides fruit tree seedlings to farmers in the southern region for agroforestry activities, which help prevent degradation while providing the country with potential income from carbon sequestration.

Regulatory Alignment and Industrialisation

PPPs are central to the implementation of the Voluntary Partnership Agreement (VPA) on Forest Law Enforcement, Governance and Trade (FLEGT).

- Private Sector Action Plans: During the 6th meeting of the Joint Implementation Committee for the VPA-FLEGT, private sector actors presented specific action plans for 2024 aimed at supporting the government's goal of 100% local wood processing by 2028.
- Synergy and Capacity Building: The government is working to reinforce synergy between different actors to capitalise on lessons learned from these private sector action plans. Furthermore, international partners like the World Bank and the European Union Advisory Mission (EUAM RCA) provide technical assistance to strengthen the Ministry of Forests' ability to manage these private concessions effectively.

Future Institutional Frameworks for Partnerships

The CAR government is moving toward more structured PPP models as part of its climate finance strategy.

- Carbon Market Office (CMO): A key recommendation in the national strategic roadmap is the establishment of a "one-stop shop" or Carbon Market Office. This office would act as a coordination mechanism to generate and manage a pipeline of Government-to-Private sector (G2P) investments.
- Nesting Strategies: The government aims to develop a "nesting approach" to integrate private REDD+ projects (like those of APN and Centraforest) into the national forest reference emissions level (FREL), ensuring environmental integrity and preventing double-counting.
- Alternative Energy Partnerships: Beyond timber, the government is utilizing PPPs to reduce the demand for fuelwood. For example, the Danzi solar power plant expansion is being implemented through a partnership with the private sector under the $113 million Power Sector Access and Strengthening Project (PARSE).

Recommendations

1. Align with National and International Legislation

- Ensure CSR initiatives comply with CAR's forestry code, environmental laws, and international conventions (CBD, UNFCCC, UNCCD).
- Support participatory management and community involvement as mandated by national laws.
- Integrate REDD+ and carbon trade policies into CSR strategies.

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2. Promote Sustainable Forest Management (SFM)

- Adopt certification schemes (FSC, PEFC) and support forest inventories and resource mapping.
- Encourage restoration, conservation, and community-based management.
- Facilitate capacity building and vocational training for sustainable forestry practices.

3. Enhance Community Participation and Indigenous Rights

- Recognize and protect customary and traditional land rights.
- Use Safeguard Information Systems (SIS) and Free Prior Informed Consent (FPIC) for all projects.
- Promote co-management contracts and participatory domestication of indigenous trees.

4. Support Climate Mitigation and Carbon Financing

- Participate in REDD+ and carbon credit generation projects.
- Facilitate access to climate finance mechanisms (GCF, GEF).
- Promote Payment for Ecosystem Services (PES) and carbon trading.

5. Advance Biodiversity Conservation and Protected Area Management

- Support protected area management, wildlife monitoring, anti-poaching, and conservation partnerships.
- Encourage restoration of degraded lands and sustainable management of NTFPs (Non-Timber Forest Products).

6. Foster Ecotourism and Alternative Livelihoods

- Develop ecotourism, cultural tourism, and wildlife viewing opportunities.
- Promote non-extractive uses of forests (beekeeping, environmental education).
- Support youth-led conservation and green entrepreneurship.

7. Combat Desertification and Land Degradation

- Participate in regional initiatives like the Great Green Wall.
- Promote agroforestry, reforestation, and restoration of degraded landscapes.

8. Encourage Sustainable Harvesting and Timber Processing

- Shift towards selective harvesting, salvage logging, and plantation-based harvesting.
- Support SMEs, sawmill capacity, furniture manufacturing, and value-added industries.

9. Create Local Employment and Build Capacity

- Invest in forestry vocational training and extension services.
- Support green jobs, local employment, and entrepreneurship, especially for youth.

10. Integrate Strategic Environmental and Sustainability Goals

- Align CSR programmes with SDGs, African Agenda 2063, and national climate commitments.
- Focus on restoring degraded landscapes, increasing forest cover, and supporting ecosystem services.

Key Principles:

- Stakeholder Engagement: Involve local communities, youth, and indigenous groups in decision-making.

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- Transparency & Governance: Promote good governance, ethical practices, and transparent representation.
- Innovation & Technology: Utilize technology (e.g., drones, camera traps) for wildlife monitoring and resource management.

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SECTOR 4 OF 8

Mining

The Central African Republic (CAR) presents a striking resource-governance paradox. The country is endowed with a broad mineral base, including gold, diamonds, iron ore, uranium, limestone, copper, nickel, lithium, cobalt, coltan, and rare earths within hundreds of identified mining sites. Yet this potential wealth has not translated into broader development – mining activity concentrated in artisanal and informal channels that generate limited public revenue while exposing workers and communities to exploitation and environmental risk.

Gold and diamonds dominate the mining economy. An estimated 150,000 to 200,000 artisanal miners work across the sector, but official production statistics capture only a fraction of real activity. Official gold output is often recorded at around one to one-and-a-half tonnes annually, while actual production is estimated at between two and nearly six tonnes once smuggling and unreported extraction are considered. In some years, more than 90% of gold production—and possibly as much as 98%—has been estimated to leave the country outside formal channels. This leakage deprives the state of fiscal revenue, weakens regulatory oversight and entrenches incentives for illicit trade.

Beyond gold and diamonds, CAR's mineral base includes large-scale industrial and strategic resources. Iron ore reserves have been estimated at approximately 20 billion tonnes, while the Bakouma area contains uranium-bearing phosphatic sediments of unusually high grade. The government has also identified lithium, cobalt, coltan, rare earths, copper and nickel as potential investment targets linked to global demand for energy-transition minerals. Limestone deposits at Bombassa and Ndimba, as well as sand and gravel resources, are relevant to domestic infrastructure and cement production. However, most of these resources remain underdeveloped, either because of insecurity, poor infrastructure, weak institutions or the absence of reliable project governance.

The central challenge facing CAR's mining sector is not the absence of mineral wealth, but the weakness of the systems meant to govern it. Gold and diamonds have been closely linked to illicit taxation, looting and forced labour Smuggling networks move gold through routes westward into Cameroon and eastward through Chad, Sudan and South Sudan, before onward movement to international trading hubs. Dubai is frequently described as a key mixing point where illegally sourced or conflict-linked gold can be blended with legal material, obscuring its origin. Regional export patterns reinforce concerns that neighbouring states can act as laundering conduits for minerals extracted in CAR.

These illicit networks intersect with serious human rights and security risks. Artisanal miners operate in remote areas where state authority is limited, and mining sites have been affected by armed-group control, banditry, mercenary activity and coercive labour practices. Violence following the 2020 conflict involving the Coalition of Patriots for Change disrupted mining operations and deepened concerns that mineral revenues could sustain instability. Reports of forced labour, intimidation and extrajudicial punishment illustrate how insecurity in mining areas is not only a governance problem but also a direct threat to workers and surrounding communities.

In response, the CAR government has sought to recast the mining sector through a more assertive legal and institutional framework. The centrepiece is the 2024 Mining Code, which aims to formalise artisanal and small-scale mining, tighten control over buying and exporting, increase disclosure obligations and capture a larger

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share of mineral value for the state. The Code incorporates principles associated with the Extractive Industries Transparency Initiative (EITI), including transparency around contracts, revenues and beneficial ownership

The reform package also introduces or strengthens state-linked entities and mechanisms, including GEMINCA (Gemmes et Minéraux de Centrafrique), SONADERM (Société Nationale de Développement des Ressources Minérales) and the proposed gem-cutting organsiation CATAGEM, alongside revenue mobilisation tools such as production-sharing requirements, higher surface fees, export duties, a Mining Fund, valuation controls and anti-fraud enforcement. These measures are designed to reduce smuggling, improve mineral valuation, regulate exporters and buying houses, and create clearer channels through which mining revenue can enter the public treasury.

However, the same reforms carry implementation risks. Stronger state control may improve oversight if institutions are transparent and capable, but it may also discourage formalisation if compliance costs are high, licensing is slow, or miners perceive official channels as extractive rather than supportive. The effectiveness of the 2024 Mining Code therefore depends less on its ambition than on whether it can be implemented in insecure mining zones, supported by credible institutions and accepted by miners, traders and communities.

Mining reform in CAR is inseparable from peacebuilding. The Luanda Roadmap and the disarmament, demobilisation, reintegration and repatriation process seek to reduce armed-group influence, restore state authority and improve security in mineral-producing areas. These initiatives are intended to break the connection between mineral extraction and conflict financing by improving administrative reach and creating conditions for lawful trade.

Progress has been uneven. Armed groups have lost some direct territorial control in certain areas, but insecurity persists through looting, predation, and informal taxation around strategic sites. As a result, peacebuilding schemes function as necessary complements to legal reform: without security and public authority in mining zones, transparency rules, licensing systems and traceability mechanisms remain vulnerable to evasion.

International governance frameworks provide another layer of reform. The Kimberley Process Certification Scheme has been central to efforts to control diamond exports. Following the 2013 diamond export embargo, CAR operated under a “green zone” system that allowed exports only from approved areas considered compliant with monitoring requirements. The full lifting of the embargo in November 2024 created an opportunity for CAR to re-enter formal diamond markets more completely, but it also increased the importance of reliable traceability, documentation and enforcement to prevent conflict diamonds from being laundered into legal supply chains.

EITI plays a parallel role in revenue and contract transparency. CAR’s suspensions from EITI have reflected weaknesses in contract disclosure, beneficial ownership reporting, oversight structures and civic space. Nonetheless, the incorporation of EITI principles into the 2024 Mining Code shows that transparency remains an official policy objective. The challenge is to move from formal commitments to meaningful disclosure that can be used by citizens, investors, regulators and civil society to assess who benefits from mining activity.

Bilateral initiatives

London Bullion Market Association (LBMA) Transparency Requirements

The London Bullion Market Association (LBMA), the leading authority for the global bullion market, is implementing significantly stricter transparency requirements that directly impact the gold mining sector in the Central African Republic (CAR). As CAR is explicitly identified by the industry as a conflict-affected and high-risk area, it falls under a "red flag" designation that triggers enhanced scrutiny.

The following are the key elements of the LBMA transparency requirements and their implications for CAR:

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The 2026 Transparency Mandate

New LBMA transparency requirements took effect in January 2026. These rules will force refiners on the LBMA "Good Delivery List" to move beyond private internal audits and provide greater public visibility into their supply chains.

- Public Disclosure of Origins: Refiners will be mandated to publicly disclose the identities of their exporters and suppliers when sourcing from "red flag" locations like CAR.
- Targeting High-Risk Hubs: The requirements are designed to close gaps in "red flag" locations where conflict minerals often enter the legitimate supply chain. This is particularly relevant to the gold trade, as an estimated 95% of gold from East and Central Africa eventually transits through hubs like Dubai, where it is often mixed with legal gold to obfuscate its origin.

Monitoring of Illicit Actors

The LBMA has begun to take a more assertive stance regarding the specific actors operating within CAR's mining sector. Reflecting concerns over the laundering of conflict gold, the LBMA issued a rare "Sourcing Advisory" on the United Arab Emirates (UAE) in 2024, citing serious gaps in the implementation of due diligence standards by refiners in that region.

Structural Limitations

Despite these new mandates, the sources highlight significant structural challenges that may hinder the effectiveness of LBMA requirements in CAR:

- Failure of Survey-Based Compliance: Current frameworks rely heavily on "survey-based compliance," where suppliers and refiners self-report their sources. In CAR, where roughly 90% to 98% of gold production is smuggled and accompanied by falsified documentation, these surveys often show compliant sourcing despite the minerals originating from conflict zones.
- Refining and Traceability: Once gold is melted and refined, its origin becomes virtually undetectable via standard chain-of-custody documentation. Forensic methods that could detect gold composition are currently considered too costly and time-consuming to be standardised across the industry.
- Audit Misalignment: A 2023 European Union assessment found that the LBMA's responsible sourcing programme was only "partially aligned" with OECD Due Diligence Guidance. This was attributed to uneven implementation by refiners and the assurance providers responsible for conducting the third-party audits.

Multilateral Initiatives

World Bank Natural Resources Governance Project (P161973)

The Natural Resources Governance Project (PGRN), identified by the project number P161973, was the primary multilateral initiative led by the World Bank to rebuild the regulatory and administrative capacity of the Central African Republic's (CAR) mining and forestry sectors.

Launched in March 2018 and backed by a US$10 million International Development Association (IDA) grant, the project was active until its formal closure in June 2023.

Key Mining Components and Objectives

The project was structured into several components, with two specifically dedicated to the mining sector:

- Technical Assistance for Mining Policy ($1.81 million): This component focused on improving mining sector policies and institutional governance.

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- ASM Formalisation and Local Development ($1.98 million): This area aimed to support the formalisation of the artisanal and small-scale mining (ASM) sector and foster development in mining communities.

Major Contributions to the Mining Sector

Despite its challenges, the project provided critical technical and financial support for several recent sovereign reforms:

- The 2024 Mining Code: The project supported the nearly four-year process of drafting and discussing the new mining legislation (Law No. 24-008), which was eventually enacted in August 2024.
- Fiscal and Revenue Analysis: As part of the project, the World Bank conducted studies comparing CAR's mining tax burden with regional neighbours like Gabon and the DRC. This research informed the new code's fiscal measures, such as production sharing and increased surface fees, which simulations suggest could triple state mining revenues.
- Digitalisation Plans: The project laid the groundwork for modernising the sector by planning the development of a digital public mining cadastre to replace the manual, paper-based ledgers currently used in Bangui.

Project Outcomes and Challenges

Upon its completion, the project's overall efficacy was rated as moderately unsatisfactory by the World Bank's Implementation Completion and Results Report. Several factors contributed to this outcome:

- Structural Fragmentation: The project was criticized for being highly fragmented, with nearly a quarter of its total budget ($2.22 million) spent on administrative overheads and project management.
- Fragile Operating Environment: The then highly volatile security situation in CAR, combined with institutional corruption and weak administrative capacity, significantly hindered implementation.
- Implementation Gaps: While the project helped draft the 2024 Mining Code, the World Bank warned that certain provisions—such as the 10% production sharing requirement for artisanal miners—might be seen as "excessive" and could inadvertently discourage formalisation.

International Technical Assistance and Forensic Traceability

International technical assistance and forensic traceability in the Central African Republic (CAR) involve a network of multilateral donors, non-governmental organisations (NGOs), and scientific institutes. These organisations aim to professionalise the Artisanal and Small-scale Mining (ASM) sector, improve transparency, and develop scientific methods to distinguish legal minerals from those financing conflict.

International Technical Assistance Organisations

Several international bodies have provided technical and financial support to the CAR government to help reform its mining policies and formalise artisanal miners.

- World Bank (Natural Resources Governance Project - PGRN): This project, active from 2018 to 2023, was the primary multilateral vehicle for technical assistance. It focused on improving mining policy, institutional governance, and supporting the formalisation of the ASM sector and mining communities.
- USAID (Artisanal Mining and Property Rights - AMPR): This project aimed to strengthen property rights and land tenure for artisanal miners. It was instrumental in conducting field studies, such as the 2019 survey of 322 mining sites, and provided technical guidance on strengthening the diamond chain of custody.
- European Union (Governance of the Diamond and Gold Supply Chains - GODICA): Active between 2019 and 2022, this project focused on supporting responsible sourcing of both gold and diamonds from CAR.

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- Pact: A global NGO that collaborated with the World Bank and USAID to develop the Delve platform, which serves as a global database for ASM data to improve visibility and understanding of the sector.
- International Peace Information Service (IPIS): An independent research institute that provides technical support through site mapping and monitoring. In 2026, IPIS launched an interactive dashboard to visualise officially published mining permits, helping to bridge gaps in public data and transparency.

Forensic Traceability and Scientific Monitoring

Forensic traceability is crucial for identifying the origin of minerals, especially because "conflict diamonds" from the rebel-held east have historically been laundered into the legal supply chain of the west.

- Geological Footprint Analysis (CAR MT): The Kimberley Process (KP) Central African Republic Monitoring Team (CAR MT) developed a system of "footprint" controls. This method relies on the distinct geological features of the Carnot sandstone (west) versus the Mouka-Ouadda sandstone (east). While current technology cannot "fingerprint" individual stones, parcels can be differentiated by patterns in shape, size, and quality. CAR authorities would send digital images of parcels to the CAR MT for scientific comparison against these regional footprints.
- Laboratory Testing (Mintek Institute): In cases of suspected illicit trade, such as the Badica-Kardiam affair, seized diamonds have been sent to specialised facilities like the Mintek Institute in South Africa for forensic laboratory testing. However, these scientific results have sometimes been found inconclusive in court proceedings.
- Remote Sensing (Satellogic and USGS): Organisations like Satellogic use repeat satellite imagery to monitor the physical expansion of industrial mining sites, such as the Ndassima Gold Mine. Similarly, the United States Geological Survey (USGS) has pioneered remote sensing techniques to estimate production capacity and monitor environmental impacts like mercury pollution.
- Forensic Gold Analysis: Industry experts note that while forensic methods exist to determine gold composition, they are not yet standardised across the supply chain because they are costly and time-consuming. Without these methods, gold origin becomes virtually undetectable via standard documentation once it is melted and refined.

Organisations Monitoring Illicit Networks

Because paper-based traceability is often falsified, some organisations focus on "Illicit Network Intelligence" to identify the actors moving minerals.

- Evidencity: This organisation uses data to map the relationships, entities, and pathways used by smuggling rings, providing insights that standard due diligence—which relies on self-reported surveys—often fails to capture.
- Global Initiative Against Transnational Organized Crime (GI-TOC): Provides detailed investigations into how mineral wealth vanishes into opaque networks of predation involving foreign security actors and local elites.

Government programmes

The 2024 Mining Code Reforms

The 2024 Mining Code (Law No. 24-008), enacted in August 2024, represents a comprehensive overhaul of the Central African Republic's (CAR) previous 2009 legal framework. Developed with technical and financial support from the World Bank, the reforms aim to reduce sector informality, attract legitimate investment, and significantly increase state revenue through new taxation models and the creation of state-owned enterprises.

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Transparency and International Alignment

The new code explicitly integrates international standards to improve governance and combat the country's "resource curse".

- International Standards: Article 20 legally obligates all mining title holders to comply with the principles of the Extractive Industries Transparency Initiative (EITI), the Kimberley Process (KP), and the International Conference on the Great Lakes Region (ICGLR).
- Beneficial Ownership: Article 21 requires mining companies to identify and disclose their ultimate beneficial owners to the Ministry of Mines, a move intended to prevent the use of shell companies by political and security elites.
- Contract Disclosure: The code re-establishes the requirement to publish all extractive contracts and licences, seeking to reverse a trend of opaque "security-for-resources" deals.

New State-Owned Enterprises (SOEs)

A central feature of the 2024 reform is the institutionalisation of new state entities to manage the mineral value chain.

- GEMINCA (Gemmes et Minéraux de Centrafrique): Replacing the indebted COMIGEM, GEMINCA is the primary state agency for managing and marketing precious substances. It is designed to act as a legal "market-maker," buying directly from artisanal cooperatives to compete with illicit smuggling networks.
- SONADERM (Société Nationale de Développement des Ressources Minérales): This entity is tasked with improving the nation's geological knowledge base and coordinating public-private partnerships for industrial mining.
- CATAGEM (Centrafricaine de Taillerie des Gemmes): Serving as a national gem-cutting refinery, CATAGEM's mandate is to promote local processing and value addition before minerals are exported.

Fiscal and Taxation Reforms

The 2024 Code introduces several measures to capture a larger share of mineral wealth for the national budget, with simulations suggesting potential revenues could triple compared to 2022 levels.

- Production Sharing: The state now requires a production share of up to 10% of gross production from certain permits, including semi-mechanised (PEASM) and small-scale industrial (PEPM) operations.
- Increased Surface Fees: Fees for semi-mechanised permits have seen a sharp increase, rising from roughly 1.5 CFAF to 10 CFAF per square metre annually.
- Mining Fund: The reforms created the Mining Fund (Fonds Minier), financed by percentages of signature bonuses, royalties, and GEMINCA's turnover to fund geological research and environmental rehabilitation.

Supply Chain Restructuring

The reforms introduce strict new rules for purchasing and exporting minerals to tighten the chain of custody.

- Buying Agents: Licensed buying houses and GEMINCA can no longer purchase minerals from independent brokers known as *collecteurs*. Instead, they must employ their own buying agents (*agents acheteurs*) to ensure direct accountability to the licensed exporter.
- Export Restrictions: The right for mining cooperatives to export diamonds—which was frequently abused by foreign firms—was revoked under the new code; exports are now primarily reserved for GEMINCA and registered buying houses.

Challenges and Criticisms

Despite its progressive goals, the 2024 Mining Code has faced significant scrutiny.

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- Monopoly Concerns: Early drafts faced criticism from the World Bank and civil society for granting GEMINCA near-monopoly powers, which observers feared could be co-opted by foreign security actors to centralise control over the trade.
- Economic Risks: Economists have warned that the 10% production sharing requirement might be seen as excessive by artisanal operators, potentially discouraging formalisation and driving more minerals into the black market.
- Implementation Gaps: CAR was suspended from the EITI in late 2024, the same week the KP embargo was lifted, because the government failed to uphold the very transparency and civil society protocols mandated by the new code.

Extractive Industries Transparency Initiative (EITI) Implementation

The implementation of the Extractive Industries Transparency Initiative (EITI) in the Central African Republic (CAR) has been marked by significant volatility, swinging between periods of international recognition and repeated suspensions due to political instability and governance failures.

Historical Trajectory and Suspensions

- Initial Entry and First Suspension: CAR was admitted as an EITI candidate country in 2008 and achieved "Compliant" status in March 2011. However, following the 2013 coup d'état, the EITI Board suspended CAR's candidate status in April 2013 due to the breakdown of state authority.
- The 2021 Reinstatement and "Adapted Approach": In October 2021, the EITI Board lifted the nationwide suspension. CAR was granted an "adapted approach" to implementation, which allowed the government to focus reporting on the Kimberley Process-compliant "green zones" and rely on unilateral government disclosures for initial reporting cycles. This phase focused on formalising the mining sector and adopting flexible reporting mechanisms.
- The 2024 Suspension: In November 2024—the same week the Kimberley Process lifted its diamond embargo—the EITI Board voted to suspend CAR once again. The country received a very low validation score of 45 points.

Reasons for the Current Suspension

The 2024 suspension was triggered by several critical failures in meeting EITI standards:

- Breaches of Civil Society Protocol: The government failed to protect the operational space for independent civil society organisations. Observers cited reports of intimidation, reprisals, and travel bans imposed on civil society representatives, particularly those attempting to monitor mining areas.
- Gaps in Transparency: Despite legislative promises, the government failed to establish a functional beneficial ownership database or consistently disclose active mining contracts.
- Dysfunctional Governance: The multi-stakeholder group responsible for overseeing EITI in CAR was found to be dysfunctional, with the government failing to engage key actors or provide transparent state revenue data.

Integration into National Law

Despite the suspension, the government has attempted to institutionalise EITI principles through recent legislative reforms:

- The 2024 Mining Code: Article 20 of the new code legally obligates all mining title holders to comply with EITI principles and disclosure requirements.
- Beneficial Ownership: Article 21 mandates that companies identify and disclose their ultimate beneficial owners to the Ministry of Mines, a key EITI requirement intended to prevent elite capture of the sector.

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- Contract Publication: Article 98 re-establishes the legal requirement to publish extractive contracts and licences, seeking to reverse a trend of opaque dealing.

CAR's next EITI validation is expected in 2028. To lift the current suspension, international stakeholders have noted that the government must achieve specific milestones, including the public disclosure of all mining contracts—specifically targeting opaque deals with foreign security partners—and ensuring the physical safety of civil society members monitoring the sector. Transparency is currently viewed by organisations like the IMF as a prerequisite for better sector oversight.

Luanda Roadmap and DDRR Process

The Luanda Roadmap and the Disarmament, Demobilisation, Reintegration, and Reinsertion (DDRR) process are interconnected initiatives led by the International Conference on the Great Lakes Region (ICGLR) aimed at restoring peace and state authority in the Central African Republic (CAR). In the context of the mining sector, these processes are designed to break the "resource curse" by removing armed groups from mineral-rich territories and integrating former combatants into the formal economy.

The Luanda Roadmap serves as a strategic framework for implementing the 2019 Political Agreement for Peace and Reconciliation (APPR-RCA), which originally involved 14 armed groups.

- Dissolution of Armed Groups: Significant progress was reported in 2023, with the dissolution of nine of the 14 signatory armed groups, a move expected to support long-term stability.
- Targeting the CPC: The roadmap has specifically focused on the DDRR of combatants from the Coalition of Patriots for Change (CPC), the main rebel alliance that emerged in late 2020.
- Restoration of State Authority: Advancing this roadmap is considered critical for the continued extension of state authority, which is a prerequisite for legitimate governance of the mining sector.

Impact on the Mining Sector

The DDRR process and the accompanying expansion of state authority have fundamentally altered the dynamics of mineral extraction in CAR.

- Reduced Rebel Control: Reports from the UN Sanctions Committee in 2024 and 2025 indicate that the expansion of state forces has weakened the influence of armed groups by reducing their direct control over key gold and diamond mining sites.
- Shift to Predatory Tactics: As rebels have been pushed out of territorial control over mines through counter-offensives and DDRR efforts, many have shifted their tactics to hit-and-run attacks, looting, and banditry. Instead of managing parallel mining administrations, these groups now frequently rob artisanal miners and traders in border areas.
- Conflict Financing Dynamics: Historically, the control of diamond hubs like Bria provided a "crucial source of funding" that sustained rebel campaigns and actively discouraged combatants from participating in disarmament programs. The goal of the current roadmap is to formalise these sites so that mineral wealth supports national development rather than armed resistance.

Challenges and Strategic Links

Despite some successes, the integration of DDRR with mining sector reform remains complex.

- Decentralisation Mandate: The 2019 Khartoum Agreement (APPR-RCA) specifically called for the decentralisation of natural resource management, an objective that remains difficult to achieve while the central government seeks to consolidate control through state-owned enterprises like GEMINCA.
- Security Sector Reform (SSR): Experts have recommended that future developmental assistance and roadmap implementation be strictly linked with cadastral modernisation. This would involve securing

the Ministry of Mines' records to prevent the irregular allocation of concessions to shell companies as state authority expands into former rebel zones.

- The "Security-for-Resources" Complication: While the roadmap seeks to restore sovereign authority, the state's reliance on foreign paramilitary actors to displace rebels has led to a new "dual-monopoly" model where these allies often capture the very resources liberated from rebel control.

Kimberley Process Certification Scheme (KPCS) Compliance

Compliance with the Kimberley Process Certification Scheme (KPCS) has been the central focus of the Central African Republic's (CAR) diamond sector governance for over two decades, functioning as both a regulatory framework and a mechanism for international sanctions management. CAR was a founding member of the KPCS in 2003, but the country's status has been volatile due to repeated coups and the persistent role of diamonds in financing armed conflict.

Historical Compliance and the 2013 Embargo

The KPCS is a global initiative established to prevent "conflict diamonds"—defined specifically as rough diamonds used by rebel groups to finance armed conflict against legitimate governments—from entering international markets. Following the March 2013 coup by the Séléka coalition, which led to widespread civil war and rebel control of diamond sites, the Kimberley Process (KP) imposed a full export embargo on CAR rough diamonds. This embargo was intended to disrupt conflict financing, but it had the unintended side effect of driving the trade underground and impoverishing hundreds of thousands of artisanal miners who depend on formal exports for their livelihoods.

The "Green Zone" System (2015–2024)

To alleviate the economic pressure of the full ban, the KP introduced an Operational Framework in July 2015 that allowed for the partial resumption of exports from specific "green zones" (compliant zones). For a sub-prefecture to be designated as KP-compliant, it had to meet four criteria:

- Adequate government control over the territory.
- No evidence of systematic armed group interference with diamond production or trade.
- A security environment allowing the free movement of goods and people.
- Effective government monitoring and traceability mechanisms.

By 2019, eight sub-prefectures in southwestern CAR were designated as compliant: Berberati, Carnot, Boda, Nola, Gadzi, Boganangone, Boganda, and Mbaïki. Exports from these zones were overseen by the CAR Monitoring Team (CAR MT), which reviewed documentation and parcel imagery to ensure diamonds originated from legitimate artisanal sites.

Lifting of the Embargo (November 2024)

In November 2024, during the KP Plenary in Dubai, the 11-year-old embargo was fully lifted, reinstating CAR as a full participant in the global diamond trade. The decision was driven by reports of improved security and the expansion of state authority, as well as significant political pressure from African member states who viewed the restrictions as a violation of CAR's sovereignty. As a condition for the lifting, CAR is required to report on its progress regarding security and KPCS compliance throughout 2025.

Institutional Framework for Compliance

The CAR government manages KPCS compliance through several dedicated entities:

- Permanent Secretariat of the Kimberley Process (SPPK): The primary administrative body in charge of internal controls, field monitoring, and the issuance of KP certificates for exports.

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- BECDOR (Bureau d'Évaluation et du Contrôle de Diamant et d'Or): Responsible for the physical evaluation and valuation of diamonds to determine appropriate taxation and prevent undervaluation.
- Monitoring Committees: Multi-stakeholder groups, including the National Monitoring Committee (CNS) and Local Monitoring Committees (CLS), are established in production zones to coordinate security assessments and report incidents to the central government.

Ongoing Compliance Challenges

Despite the lifting of the embargo, significant structural threats to KPCS compliance remain:

- Systemic Smuggling: It is estimated that 93% of CAR's diamond production is exported illegally, often through overland routes to Cameroon or by air via the Bangui airport.
- Laundering of Conflict Diamonds: There are persistent concerns that "conflict diamonds" from non-compliant areas in the rebel-held east are misrepresented as originating from western sites or laundered through regional hubs like Dubai using "mixed-origin" certificates.
- Traceability Gaps: Traceability relies on paper-based "bordereaux d'achat" (purchase slips) that document each sale, but this system is easily manipulated by illicit actors and lacks a modern, digital cadastre to verify mine-site origins.
- Legal Alignment: To strengthen the formal sector, Article 20 of the 2024 Mining Code explicitly mandates that all mining title holders comply with KPCS principles, while the creation of the state-owned enterprise GEMINCA is intended to centralise the trade and reduce smuggling.

Revenue Mobilisation and Monitoring Mechanisms

Revenue mobilisation and monitoring in the Central African Republic (CAR) mining sector are currently undergoing significant transformations, driven by the 2024 Mining Code (Law No. 24-008) and the creation of new state-owned enterprises. While the sector is dominated by Artisanal and Small-scale Mining (ASM), the government is attempting to move from a "resource curse" towards a system that captures more wealth for national development.

Revenue Mobilisation Mechanisms

The CAR government has introduced several fiscal reforms aimed at increasing state revenue, which currently accounts for only a small portion of the national budget despite minerals representing nearly 70% of exports when combined with timber.

- 2024 Mining Code Reforms: The primary tool for revenue mobilisation is the new legal framework enacted in August 2024. Key fiscal changes include:
- Production Sharing: For the first time, the state requires a production share of up to 10% of gross production from certain permits, such as semi-mechanised (PEASM) and small-scale industrial (PEPM) operations.
- Increased Surface Fees: Fees for semi-mechanised permits have risen sharply from roughly 1.5 CFAF per square metre to 10 CFAF per square metre annually.
- Mining Fund (FM - Fonds Minier): This newly established fund is financed by signature bonuses (70%), royalties and surface fees (35%), and a 0.5% levy on the turnover of state agencies and buying houses to fund geological research and environmental rehabilitation.
- GEMINCA (Gemmes et Minéraux de Centrafrique): Replacing the inactive COMIGEM, this state-owned enterprise is designed to act as a legal "market-maker". It is authorised to buy minerals directly from artisanal cooperatives to compete with illicit smuggling networks and ensure minerals enter formal, taxable export channels.

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- Export Duties and Royalties: Total export taxes are set at 2.25% for gold and 4% for diamonds based on values appraised by the state. Simulation models suggest that strict implementation of the 2024 reforms could more than triple annual mining revenues from CFAF 2.0 billion (recorded in 2022) to CFAF 6.4 billion.

Monitoring Mechanisms and Oversight

Monitoring CAR's mining sector is challenging due to vast, remote territories and the informal nature of artisanal sites. The government relies on a combination of institutional oversight and international certification schemes.

- Institutional Framework:
- BECDOR (Bureau d'Évaluation et du Contrôle de Diamant et d'Or): This office is responsible for the physical evaluation and valuation of diamonds and gold to determine appropriate taxation and prevent undervaluation.
- SPPK (Permanent Secretariat of the Kimberley Process): This entity manages internal controls and field monitoring to apply the Kimberley Process Certification Scheme (KPCS) in CAR, including issuing certificates for legal exports.
- USAF (Unité Spéciale Anti-Fraude): The designated mining police force tasked with investigating violations of the mining code. However, they are often under-resourced and outnumbered by paramilitary actors in the field.
- Traceability and Certification:
- Bordereaux d'Achat: Traceability relies on a paper-based system of purchase slips documenting each sale along the chain of custody from the mine site to the exporter.
- Geological Footprint Analysis: To prevent "conflict diamonds" from non-compliant areas in the east from entering the legal supply chain, the CAR Monitoring Team (CAR MT) has historically used parcels' distinct geological features to verify their origin.
- Transparency and Digitalisation:
- Beneficial Ownership: Article 21 of the 2024 Code mandates that companies disclose their ultimate beneficial owners to prevent elite capture and the use of shell companies.
- Digital Cadastre Plans: The government, with World Bank support, has plans to develop a digital public mining cadastre to replace the current manual registry, which is prone to inaccuracies and overlaps.
- Independent Monitoring: Organisations like IPIS (International Peace Information Service) have developed interactive dashboards and site mapping to support sector transparency, while Satellogic uses repeat satellite imagery to monitor industrial expansion at sites like Ndassima.

Recommendations

1. Governance and Transparency Reforms

- Modernise and Digitise the Mining Cadastre: A foundational recommendation is to link Security Sector Reform (SSR) directly with the modernisation of the mining registry. Stakeholders should support the transition from manual, paper-based ledgers in Bangui to a secure digital database to prevent the irregular allocation of concessions to shell companies and political elites.
- Resolve EITI Suspension through Verifiable Milestones: The government must address the reasons for its 2024 Extractive Industries Transparency Initiative (EITI) suspension by protecting civil society monitors and established beneficial ownership registries. International partners should make future developmental assistance contingent upon the public disclosure of all extractive contracts, particularly those involving foreign security partners.

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- Operationalise State-Owned Enterprises (SOEs) with Oversight: Rather than granting monopolies, organisations like GEMINCA should be supported as audited "market-makers",. Providing grants to establish formal purchasing hubs in KP-compliant zones could allow the state to structurally outbid illicit smuggling networks by offering fair-market prices to artisanal miners,.

2. Formalisation of Artisanal Mining

- Revitalise ASM Support Programmes: Professionalising Artisanal and Small-scale Mining (ASM) is vital, as it employs up to 300,000 people. Recommendations include resuming donor-funded projects (like the USAID AMPR) that teach miners health and safety, diamond valuation, and environmental mitigation to reduce the use of mercury.
- Address Gender Disparities: Given that only 5% of mining claim-owners are women, specific initiatives should empower women-majority cooperatives and support their role in local economic linkages.

3. Supply Chain Integrity and Forensic Traceability

- Enforce Strict Traceability Audits Post-Embargo: To prevent "conflict diamonds" from rebel-held eastern zones from contaminating legal exports, the KP must perform continuous geological footprint analyses and audit the use of "mixed-origin" certificates.
- Standardise Forensic Gold Analysis: Industry authorities like the London Bullion Market Association (LBMA) should move beyond survey-based compliance and promote forensic methods to detect gold composition, making it harder for smuggled CAR gold to be laundered in global hubs.

4. Regional and International Cooperation

- Target Regional Transit and Refining Hubs: Because approximately 95% of smuggled gold from the region transits through hubs like Dubai, international stakeholders should deploy targeted financial sanctions against regional refineries (notably in Uganda and Rwanda) that exhibit export volumes inconsistent with their domestic production.
- Harmonise Regional Taxation: CAR should lead a regional approach (similar to the Mano River Union) involving neighbouring countries to harmonise mineral taxes and law enforcement, reducing the incentive for cross-border smuggling into Cameroon or Sudan.

5. Strategic Investment and Value Addition

- Incentivise Western Critical Mineral Partnerships: To counter predatory monopolies, CAR should seek alternative, transparent financing for its transition minerals (lithium, cobalt, copper, and uranium) through frameworks like the Mineral Security Partnership (MSP) or the U.S. EXIM Bank.
- Promote Local Processing: The state should provide incentives for entities like CATAGEM to develop in-country gem-cutting and refining capabilities, shifting the economy away from raw material export dependency.
- Strengthen Revenue Collection Capacity: Priority should be given to building the technical capacity of the Ministry of Mines and Customs (DGDDI) to accurately assess production volumes and values, which could triple state mining revenues under the new code.

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SECTOR 5 OF 8

Power and Energy

CAR faces one of the most severe electricity access deficits in Sub-Saharan Africa. National access remains extremely limited, with recent World Bank data placing overall electricity access at around 18.2% and rural access at only 2%. These figures reflect a sector marked by weak generation capacity, ageing infrastructure, high technical and commercial losses, and deep disparities between Bangui and the rest of the country. In Bangui, access is significantly higher than in rural communes, but the capital remains exposed to outages, fuel shortages and periodic grid instability. Outside the capital, the absence of reliable electricity constrains healthcare, education, commerce, public administration and local economic development.

The country's power system has historically depended on the Boali hydropower cascade and supplementary diesel generation operated by Énergie Centrafricaine (ENERCA). Boali I, II and III provide the backbone of grid supply, but decades of underinvestment, weak maintenance and seasonal hydrological fluctuations have reduced the reliability of the system. During dry periods, hydropower output can fall sharply, forcing greater reliance on diesel plants that are costly to operate and vulnerable to fuel supply disruptions. ENERCA's financial position is also fragile, with tariffs below the full cost of supply, weak revenue collection, illegal connections and transmission and distribution losses that undermine its ability to maintain and expand services.

Against this backdrop, CAR's energy transition is being shaped by a set of overlapping national reforms, bilateral projects and multilateral programmes. These initiatives are not isolated interventions; taken together, they constitute an emerging strategy to stabilise existing supply, diversify generation away from diesel, extend electricity access beyond Bangui and create institutions capable of managing a more open and sustainable power sector.

At the national level, the foundation for reform was laid by the CAR Electricity Code of 2005. The Code sought to move the sector away from ENERCA's long-standing monopoly by creating space for private generation, public-private partnerships and independent oversight. It also established two institutions intended to drive sector reform: the Autonomous Electricity Sector Regulatory Agency (ARSEC) and the Rural Electrification Agency (ACER). ARSEC was designed to regulate electricity services, approve tariffs, issue licences and enforce performance standards, while ACER was created to focus on rural access and decentralised energy solutions. However, the promise of the Code has been constrained by incomplete implementation, limited regulatory independence, weak technical capacity and insufficient funding. As a result, the liberalisation framework exists on paper but has not yet fully unlocked private investment or transformed the operational realities of the sector.

The National Rural Electrification Strategy (SNER), adopted in 2021, gives this reform agenda a clearer access objective. Its target of reaching 60% rural electricity access by 2035 recognises that the national grid alone cannot solve CAR's energy poverty in the near term. Instead, the strategy prioritises decentralised solutions such as solar mini-grids, off-grid solar kits and concession-based rural electrification models. ACER is expected to play a central role in implementing this approach, including by identifying priority towns, managing rural concessions and attracting independent operators. Yet ACER's effectiveness depends heavily on donor-backed capacity-building, because the agency lacks the resources and technical depth required to manage a national rural electrification programme on its own.

The World Bank's Electricity Sector Strengthening and Access Project (PARSE) is one of the most important multilateral schemes supporting this national strategy. Approved in 2022, PARSE combines investment in solar

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generation, grid upgrades, off-grid systems and institutional strengthening. Its design directly addresses the main weaknesses of the sector: inadequate generation capacity, limited grid coverage, weak utility performance and the absence of reliable electricity outside Bangui. The project also supports ARSEC, ACER and ENERCA, making institutional reform a core part of the access agenda rather than a separate governance exercise.

The most visible outcome of this multilateral support is the Danzi solar photovoltaic plant near Bangui. Developed through a partnership between the Government of CAR and the World Bank, the 25 MW solar park with battery storage was designed to supply electricity to around 250,000 people and almost double the country's generation capacity. It is expected to reduce reliance on diesel, lower ENERCA's generation costs and cut emissions while improving daytime electricity supply in the capital. The World Bank has also presented Danzi as a stepping stone toward broader access, alongside PARSE's planned support for mini-grids and solar kits outside Bangui.

Bilateral partners are also playing a significant role in CAR's power-sector response. China's support for the Sakai photovoltaic plant represents an early landmark in the country's solar transition. As CAR's first solar power plant, Sakai is presented as both a generation project and a symbol of diversification away from hydropower and diesel dependency. By supplying a meaningful share of Bangui's electricity demand, the plant helps reduce blackouts, supports local economic activity and demonstrates the viability of utility-scale solar in CAR's fragile grid environment.

France, through the French Development Agency (AFD), has taken a different but complementary approach by focusing on grid stability, hydropower rehabilitation and institutional performance. AFD's work on Boali I and II targets the rehabilitation of turbines, electrical systems and transmission infrastructure, helping to recover capacity from the country's existing hydropower assets. This is particularly important because solar expansion alone cannot solve CAR's reliability problem unless legacy infrastructure is also stabilised. The rehabilitation of Boali therefore supports a more balanced system: hydropower remains a core source of electricity, while solar reduces pressure on diesel generation and diversifies supply.

Other bilateral interventions address narrower but still important energy-related needs. The Saudi Fund for Development's solar street-lighting project in Bangui, for example, focuses on public infrastructure rather than grid generation. By financing solar lighting along major roads, the project aims to improve road safety, public security and night-time economic activity. Although it does not resolve the structural electricity deficit, it shows how decentralised solar applications can deliver targeted urban benefits even where the wider grid remains unreliable.

Russia's donation of diesel fuel in early 2025 illustrates a different category of intervention: emergency energy support. Fuel donations can help ease short-term supply shortages, support diesel-based generation and reduce immediate import pressure. However, they do not address the structural weaknesses of CAR's power system. In a cohesive energy strategy, such support is best understood as a temporary stabilisation measure that buys time for deeper reforms and renewable investments, rather than as a long-term solution.

Regional and multilateral planning frameworks add another layer to CAR's energy response. The Economic Community of Central African States (ECCAS), the Central African Power Pool (CAPP), and related institutions such as the planned regional electricity regulator CORREAC and the regional renewable energy and energy efficiency centre CEREEAC are intended to integrate CAR into a wider Central African electricity market. For CAR, regional integration could eventually support cross-border power trade, harmonised standards and coordinated investment in transmission. The European Union-backed Master Plan for electricity production and transmission in Central Africa through 2035 reinforces this direction by positioning CAR's local generation projects within a broader regional infrastructure vision.

The African Development Bank-financed Boali interconnection initiative is especially important in this regional context. By rehabilitating Boali infrastructure, strengthening transmission links to Bangui and laying the

groundwork for eventual interconnection with communities across the border in the Democratic Republic of the Congo, the project connects domestic reliability goals with regional integration. It also supports ENERCA's viability by improving the infrastructure on which the utility depends and by creating the basis for a more interconnected electricity system.

Taken together, these schemes suggest that CAR's energy sector is moving from a narrow dependence on ageing hydropower and diesel generation toward a more diversified and decentralised model. National reforms provide the legal and institutional framework; SNER sets a rural access target; PARSE and Danzi expand clean generation and access; Sakai adds bilateral solar capacity; AFD and AfDB-backed projects strengthen Boali and transmission infrastructure; Saudi solar lighting delivers targeted urban benefits; emergency fuel support helps manage short-term shortages; and regional frameworks seek to connect CAR to a wider Central African power market.

Bilateral initiatives

China-Aided Sakai Photovoltaic Power Plant

The Sakai Photovoltaic Power Plant, often referred to locally as the "Solar Field", is a landmark renewable energy facility in the Central African Republic (CAR). It is the country's first photovoltaic power plant and represents a significant step in diversifying the nation's energy mix.

Project Origin and Stakeholders

The project was born out of a consensus reached between the heads of state of China and CAR during the 2018 Beijing Summit of the Forum on China-Africa Cooperation.

- Funding: The facility was financed through a bilateral grant from the Ministry of Commerce (MOFCOM) of the People's Republic of China, valued at approximately CFA 17 billion (roughly $30.3 million USD).
- Contractors: The project design was handled by the Changjiang Institute of Survey, Planning, Design and Research (CISPDR), while the primary implementation contractor was China Energy Engineering Group Tianjin Electric Power Construction Co., Ltd (TEPC).

Technical Specifications and Location

- Location: The plant is situated in the Bimbo 4 locality, approximately 9 kilometres west of the capital, Bangui.
- Capacity: It has an installed capacity of 15 megawatts (MW).
- Infrastructure: The facility covers a 16-hectare field and consists of 33,432 solar panels, each nearly two square metres in size.
- Future Expansion: Approximately 3,000 square metres of land has been reserved next to the booster station to allow for future expansion of the power grid if demand increases.

Implementation Timeline

- Agreement: Letters were formally exchanged and signed on 7 August 2019.
- Construction Start: Following site preparation and technical team arrivals, construction officially began on 8 April 2021.
- Commissioning: The plant was connected to the grid and put into trial operation on 15 June 2022.

Social and Economic Impact

The Sakai plant has had a transformative effect on the energy landscape of the capital:

- Power Supply: It successfully meets approximately 30 per cent of Bangui's electricity demand, providing power to schools, factories, and households.
- Blackout Reduction: By providing a stable daytime power source, it has helped reduce the frequency of rolling blackouts that previously lasted for weeks.
- Employment and Training: During construction, the project provided jobs for roughly 700 local workers and included vocational training for Central African technicians in skills such as electrical wiring.
- Urban Safety and Economy: The increased availability of light at night has improved community safety and supported the growth of a "night-time economy," allowing local businesses like restaurants to stay open later.

French Development Agency (AFD) Roadmap

The French Development Agency (AFD), known in French as the *Agence Française de Développement*, remains a critical bilateral partner for the Central African Republic (CAR), with its energy sector interventions guided by a bilateral roadmap endorsed in 2024.

The AFD's approach is characterised by the following key elements:

Strategic Objectives and Governance

The AFD roadmap focuses on a combination of infrastructure financing and technical assistance. Unlike the infrastructure models often employed by other bilateral partners, the French strategy prioritises improving the governance, macroeconomic stability, and operational performance of the state-owned utility, Énergie Centrafricaine (ENERCA). Core strategic pillars include:

- Public finance reform: Working to ensure the utility transitions toward financial viability.
- Grid stabilisation: Implementing measures to ensure the national network can handle existing and new generation loads.
- Institutional strengthening: Providing expertise to improve the long-term management of the energy sector.

Rehabilitation of the Boali Hydropower System

A central physical component of the AFD's intervention is the emergency rehabilitation of the Boali hydropower cascade, specifically the Boali I and II plants.

- Financial Allocation: The AFD allocated €4.2 million specifically for the emergency restoration of these assets.
- Technical Scope: The funding covered critical mechanical and electrical repairs, including alternator repairs, penstock reinforcements, and upgrades to the turbines to ensure the reliability of the nation's baseline power generation.
- Transmission Enhancements: The project also included partial transmission line enhancements to more reliably connect these 15 MW facilities to the capital, Bangui.

Portfolio and Financial Volume

As of 31 December 2025, the AFD Group maintained an active project portfolio in the Central African Republic valued at €102.7 million. While this portfolio covers various sectors, the energy strategy remains a cornerstone of French development aid, aiming to secure baseline electricity through hydro restoration while providing the technical framework necessary for the grid to absorb intermittent power from newer solar installations.

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Saudi Fund for Development (SFD) Solar Lighting Project

The Saudi Fund for Development (SFD) Solar Lighting Project is a bilateral initiative aimed at improving urban infrastructure and safety in the Central African Republic (CAR) through renewable energy.

Project Agreement and Funding

The project was formalised on 13 October 2022, when the CEO of the SFD, Sultan bin Abdulrahman Al-Marshad, signed a soft development loan agreement with the CAR Minister of the Economy, Planning, and Cooperation, Félix Moloua. The signing took place in Washington on the sidelines of the annual meetings of the International Monetary Fund (IMF) and the World Bank.

Scope and Technical Components

The initiative focuses specifically on the capital city, Bangui, with the following technical specifications:

- Coverage: The project finances the lighting of 70 kilometres of Bangui's main road network.
- Infrastructure: It involves the provision and installation of solar-powered lighting columns, high-efficiency LED bulbs, solar energy panels, storage batteries, and control devices.
- Sustainability: By using solar energy, the project avoids reliance on the nation’s fragile and overstretched national grid, utilising sustainable clean energy instead.

Objectives and Impact

The CAR government and the SFD have identified several key socio-economic goals for this project:

- Road Safety: A primary aim is to improve the quality of road safety and reduce fatalities resulting from night-time traffic accidents.
- Urban Security: Increased lighting is intended to improve safety in urban areas, where previous power outages often left neighbourhoods in complete darkness.
- Economic Support: The project seeks to bolster the local night-time economy by allowing businesses, such as restaurants, to remain open later in well-lit areas.

Context of SFD Involvement

This solar lighting project is part of a long-term development partnership between Saudi Arabia and the CAR. Since 1985, the SFD has provided five development loans to the country, totalling approximately US$94 million. These loans have supported various sectors, including transport, agriculture, health, education, and infrastructure, as part of a broader effort to contribute to the nation's economic growth.

Russian Federation Fuel Diplomacy

Russian Federation Fuel Diplomacy in the Central African Republic (CAR) is a tactical approach characterised by the provision of immediate, high-visibility material aid to address the nation's acute energy needs and secure geopolitical influence.

Key details of this initiative include:

- Emergency Diesel Donation: In early 2025, the Russian Federation donated 30,000 tons of diesel fuel to the CAR government. This volume is significant, as it is equivalent to approximately six months of the country's total domestic consumption.
- Economic Impact: The donation served to directly reduce the national import bill and ease systemic fuel shortages. Prior to this intervention, fuel scarcity had been a primary driver of rising inflation and increased energy tariffs.

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- Support for Thermal Power: Because CAR has no domestic production of petroleum or natural gas, it must meet all fossil fuel demand through refined imports. The state-owned utility, ENERCA, relies on diesel thermal plants to offset hydroelectric generation deficits during the dry season; however, these plants often suffer from systemic fuel shortages and high operational costs.
- Geopolitical Strategy: This "fuel diplomacy" highlights Russia's strategy of providing tangible, immediate relief to the CAR government. This approach is often viewed as a complement or contrast to the long-term, infrastructure-heavy development projects typically funded by Western partners and multilateral organisations.

European Union Master Plan

The European Union (EU) has been a primary financier and technical partner in developing a long-term strategic roadmap for the power sector in the Central African Republic (CAR) and the broader sub-region. This initiative is formally known as the Development of the energy policy and the master plan for the production and transport of electricity by 2035 in Central Africa.

Overview and Funding

The project, which ran from 2020 to 2024, was funded by the European Union and implemented through technical assistance provided to the Economic and Monetary Community of Central Africa (CEMAC) Commission. It was carried out in close coordination with other regional bodies, including the Economic Community of Central African States (ECCAS) and the Central African Power Pool (PEAC/CAPP).

The plan covers the six CEMAC member states—Cameroon, CAR, Congo, Gabon, Equatorial Guinea, and Chad—alongside the Democratic Republic of the Congo (DRC) and Sao Tome and Principe.

Core Objectives and Activities

The Master Plan was designed to provide a comprehensive diagnosis of the energy sector and a clear development path to overcome the region's extreme energy poverty, where access rates are among the lowest in the world. Key activities included:

- Sector Analysis and Diagnosis: Establishing a reliable inventory of current infrastructure and assessing long-term development prospects.
- Barrier Identification: Identifying specific obstacles to energy access and proposing strategies to align regional developments with the Regional Energy Policy.
- Production and Transmission Planning: Creating a detailed master plan for 2025 and 2035 that includes demand analysis and forecasting, identifying candidate power plants, and conducting studies on transmission networks and dispatching centres.
- Economic and Environmental Analysis: Performing financial evaluations and environmental impact assessments for proposed priority projects.

Strategic Significance for CAR

For the Central African Republic, the EU-funded Master Plan serves as a vital tool for coordinating bilateral and multilateral aid. By identifying the lowest-cost production plans, the strategy helps ensure that various international projects—such as China's solar installations, France's hydropower rehabilitations, and the World Bank's mini-grid programs—are aligned under a single national and regional vision, such as the CEMAC Vision 2025.

As of the conclusion of the technical assistance mandate, provisional versions of the Regional Policy document and the 2035 Master Plan were presented to national and regional authorities during validation workshops for

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final approval. The ultimate goal is to facilitate large-scale financing and cross-border power trading to ensure sustainable energy security across the region.

Multilateral initiatives

The Economic Community of Central African States (ECCAS)

The Economic Community of Central African States (ECCAS) serves as the supranational authority responsible for coordinating energy policies and promoting regional economic integration. ECCAS aims to leverage the vast, undeveloped natural resources of Central Africa—particularly its hydropower potential—to achieve regional energy security. Through initiatives like the Support Project for the Development of the Institutional and Regulatory Framework for Electricity in Central Africa (PADCRE), ECCAS works with international partners like the African Development Bank to harmonise national regulations and investment standards. By establishing a unified voice, ECCAS seeks to strengthen member states' collective bargaining power in international energy negotiations and attract large-scale financing that individual countries, such as the Central African Republic (CAR), cannot secure alone.

The Central African Power Pool (CAPP)

The Central African Power Pool (CAPP), also known by its French acronym PEAC (Pool Énergétique de l'Afrique Centrale), is the specialised technical arm of ECCAS dedicated to creating an integrated regional electricity market. Its mandate includes the standardisation of transmission pricing, grid-access codes, and quality-of-service requirements across borders. CAPP's strategic goal is to facilitate power trading between nations, allowing countries with energy surpluses to supply those with deficits. This integration is already showing practical results for the CAR; in 2023, the country recorded its first significant cross-border electricity flows, importing 4.260 GWh to help supplement its domestic generation.

The Boali Interconnection Project

A flagship physical initiative under the CAPP framework is the Project to Interconnect the Power Grids from the Boali Hydropower System. While the first phase focuses on rehabilitating CAR's internal generation and transmission assets, the planned second phase involves constructing high-voltage transmission lines across the Ubangi River. This will interconnect the CAR national grid with the communities of Libenge and Zongo in the Democratic Republic of the Congo (DRC), enabling a more reliable and efficient exchange of electric power between the two neighbours. Similar CAPP-led interconnection projects are also underway between the DRC and Angola, as well as between Cameroon and Chad.

The Regional Electricity Regulatory Authority (CORREAC)

To manage the legal complexities of a cross-border market, ECCAS is working to establish the Regional Electricity Regulatory Authority of Central Africa, known as CORREAC (Comité de Régulation de l'Électricité d'Afrique Centrale). Once fully operational, CORREAC will be responsible for standardising electricity tariffs and transmission pricing across the region. This body is intended to address the current "regulatory paralysis" seen in national agencies like CAR's Autonomous Electricity Sector Regulatory Agency (ARSEC) by providing an independent, regional framework that is less susceptible to domestic political interference. As of mid-2024, however, the formal establishment of CORREAC remains a work in progress.

The Centre for Renewable Energy and Energy Efficiency (CEREEAC)

Supported by organisations such as the World Bank and the United Nations, the Centre for Renewable Energy and Energy Efficiency for Central Africa (CEREEAC) is an ECCAS institution focused on the region's clean energy transition. CEREEAC provides technical assistance and promotes renewable energy resources to help member states diversify their power mixes. For national utilities like Énergie Centrafricaine (ENERCA), CEREEAC offers

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guidance on integrating variable renewable sources, such as solar power, into existing grids and adopting regional energy efficiency standards.

The 2035 Regional Master Plan

Under the coordination of CAPP, ECCAS, and the Economic and Monetary Community of Central Africa (CEMAC), the European Union has financed the development of a regional Energy Policy and Master Plan through to 2035. This initiative has involved a comprehensive diagnosis of the Central African energy sector to identify the lowest-cost production plans and priority cross-border transmission projects. The master plan serves as a roadmap for regional development, ensuring that new infrastructure projects—such as large-scale hydropower dams and regional pipelines—are aligned with the long-term goal of universal energy access across Central Africa.

World Bank - Electricity Sector Strengthening and Access Project (PARSE)

The Electricity Sector Strengthening and Access Project (PARSE) is a flagship World Bank initiative in the Central African Republic (CAR), approved on 3 June 2022, with a total financing package of 138 million dollars. This project represents the first phase of a 10-year Multiphase Programmatic Approach (MPA) aimed at increasing the supply of, and access to, clean electricity services across the nation.

Financing and Objectives

The project is funded through a combination of sources: an 83-million-dollar grant from the International Development Association (IDA), a 30-million-dollar grant from the Green Climate Fund (GCF), and 25 million dollars in private financing. The primary objective is to address the country's extreme energy poverty by expanding solar generation and upgrading the national grid.

Core Project Components

The project is structured into three main components:

- Component 1: Solar Generation and Grid Upgrades: This 97.5-million-dollar component supports the construction of five solar mini-grids (totaling 10 MW) in the provincial cities of Bangassou, Birao, Bossembélé, Bouar, and Nola. It also includes the expansion of the Danzi solar plant capacity from 25 MW to 40 MW and the construction of a new 110 kV transmission line to stabilise power distribution in Bangui.
- Component 2: Off-Grid Solar Systems: With a focus on remote areas, this component aims to provide off-grid solar systems for households and essential public infrastructure, including 300 educational facilities, 300 health centres, and 100 public buildings. It also involves retrofitting 100 community water points with solar power and installing 10,200 solar streetlights.
- Component 3: Institutional Strengthening: This 24.5-million-dollar component provides technical assistance and capacity building for the national utility ENERCA, the Ministry of Energy, and the Rural Electrification Agency (ACER). It specifically funds studies for revenue protection and has facilitated the procurement of 41,000 prepaid meters to improve billing accuracy.

Recent Restructuring and Reforms

In June 2025, the World Bank restructured PARSE to accelerate implementation following procurement delays and land rights issues. Key updates include:

- Resettlement Compensation: The Bank reallocated 2.6 million dollars to compensate 393 Project-Affected People (PAP) along the Danzi transmission corridor and near provincial mini-grid sites, allowing physical construction to proceed.

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- Connection Cost Subsidies: To meet the goal of connecting 80,000 households, the project introduced a Results-Based Financing (RBF) scheme. This initiative reduces upfront connection fees for low-income families by 67 to 87 per cent, bringing the cost down to approximately 10 dollars.
- Digital Monitoring: The project now utilises KoboToolbox, a geo-enabled digital platform, to provide remote monitoring and independent verification of meter installations, ensuring transparency and accountability in the rollout.
- Mini-Grid Progress: Implementation has advanced with contracts signed for all five provincial mini-grids; as of late 2025, site surveys are underway in Bangassou, with equipment deployment pending final resettlement payments.

World Bank - Danzi Solar Photovoltaic Plant

The Danzi Solar Photovoltaic Plant is a flagship renewable energy facility in the Central African Republic (CAR), located in Danzi village, approximately 18 kilometres north of Bangui. Developed through a partnership between the CAR government and the World Bank, the plant represents a fundamental shift in national energy policy toward solar diversification to combat extreme energy poverty.

Key Specifications and Capacity

- Initial Capacity: The plant was commissioned in November 2023 with an installed capacity of 25 MWp (Megawatt peak), providing approximately 20.4 MW of available capacity to the national grid.
- Energy Storage: It features a 30 MWh (Megawatt-hour) battery energy storage system (BESS), which is critical for enhancing grid stability and managing power supply during peak demand periods.
- Infrastructure: The facility includes its own 110 kV substation and is connected to the load centres in Bangui through high-voltage transmission lines.

Social and Economic Impact

The inauguration of the Danzi plant has significantly transformed the power landscape in the capital region:

- Enhanced Supply: The plant has doubled Bangui's daytime power supply, providing clean electricity to approximately 250,000 residents.
- Diesel Displacement: It has replaced more than 90 per cent of the energy previously generated by expensive diesel fuel during peak demand hours.
- Fiscal Savings: This transition to solar is estimated to save the state-owned utility, Énergie Centrafricaine (ENERCA), over US$4 million annually in avoided fuel costs.
- Environmental Benefits: Over its 20-year operating life, the plant is projected to reduce national carbon dioxide emissions by more than 670,000 metric tons.

Planned Expansion and Current Status

Under the World Bank's Electricity Sector Strengthening and Access Project (PARSE), the facility is currently undergoing a major expansion:

- Capacity Target: Plans are underway to increase the plant's generation capacity from 25 MWp to 40 MWp.
- Grid Stabilisation: The expansion includes the construction of a new 110 kV transmission line to Bangui to ensure smoother distribution and support the growth of small industries.
- Implementation Progress: As of late 2025, the expansion was in the engineering phase. Following a project restructuring in June 2025, US$2.6 million was reallocated to compensate 393 Project-Affected People (PAP) along the 4-kilometre transmission line corridor (the "Danzi T-line") to allow physical construction to proceed.

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- Operational Integration: Between November 2023 and October 2024, the plant contributed approximately 27.4 GWh to the national system, though its full potential is occasionally hampered by security-related vandalism of the fiber-optic cables required for remote monitoring and load balancing.

African Development Bank (AfDB) - Boali Interconnection Project

The Project to Interconnect the Power Grids from the Boali Hydropower System is a major multinational initiative financed primarily by the African Development Bank (AfDB) through the African Development Fund (ADF). Its central objective is to rehabilitate the existing Boali hydroelectric complex, strengthen the transmission infrastructure to Bangui, and establish a physical interconnection between the national grids of the Central African Republic (CAR) and the Democratic Republic of the Congo (DRC).

Phase I: Internal Rehabilitation and Capacity Upgrades

Currently in the active implementation stage, Phase I focuses on restoring and upgrading CAR's internal generation and distribution capabilities.

- Hydropower Rehabilitation: The project involves the physical rehabilitation of the generating units at Boali I, II, and III. This includes increasing the capacity of the Boali III plant from 10 MW to 15 MW, which will raise the cascade's theoretical total output from 38.75 MW to 43.75 MW.
- Grid Strengthening: The existing transmission line between Boali and Bangui is being upgraded and reinforced to 110 kV to reduce high technical losses and stabilize the supply to the capital.
- Thermal Backup: This phase also includes the rehabilitation of dilapidated diesel thermal backup plants in Bangui as well as in the DRC border communities of Zongo and Libenge to provide emergency cover during the dry season.
- Primary Contractor: The infrastructure work for this phase is contracted to the China Gezhouba Group Company (CGGC).

Phase II: Cross-Border Interconnection

The planned second phase of the project is designed to facilitate regional energy trading and expand access to rural border communities.

- High-Voltage Link: This phase involves constructing high-voltage transmission lines across the Ubangi River, physically linking Bangui with the communities of Libenge and Zongo in the DRC.
- Rural Electrification: A critical component of Phase II is the electrification of all communities traversed by the new transmission corridor in both countries, bringing power to remote areas for the first time.

Financial Package and Supplementary Support

The project was originally approved in September 2012 with a grant of approximately UA 29.73 million (roughly $40 million). However, the project has required financial adjustments due to implementation hurdles:

- Supplementary Grant: In November 2020, the AfDB approved a supplementary grant of UA 2.51 million. This was necessary to cover a budgetary gap caused by monetary inflation and high bid prices from international contractors who perceived a high "country risk" due to CAR's political instability.
- Total Commitment: The total revised cost for the CAR component of the project is estimated at UA 32.23 million.

Beneficiaries and Strategic Importance

The project is a cornerstone of CAR's participation in the Central African Power Pool (CAPP).

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- Utility Viability: The primary institutional beneficiaries are the state-owned utilities ENERCA (CAR) and SNEL (DRC), which expect to see decreased production costs and increased revenue through improved grid reliability and a larger customer base.
- Socio-Economic Impact: Beyond improving the quality of service for existing customers in Bangui, the project aims to stimulate the local economy by providing jobs at construction sites and increasing administrative productivity through reliable power.
- Integration Goal: By creating a cross-border market, the project helps CAR mitigate the limitations of its domestic grid, allowing it to import power from neighbours with energy surpluses and export its own during periods of high hydroelectric output.

National programmes

CAR Electricity Code of 2005

The Central African Republic (CAR) Electricity Code was established on 1 January 2005 as a major legislative effort to modernise and liberalise the nation's power sector.

Primary Objectives and Liberalisation

The Code was designed to transition the country away from the absolute centralised monopoly held by the state-owned utility, Énergie Centrafricaine (ENERCA), which had been in place since 1968. Its goals were to:

- Restructure ENERCA to ensure its long-term financial viability.
- Liberalise the sector by allowing for private power generation and the establishment of Public-Private Partnerships (PPPs).
- Attract private investment to address chronic supply-demand gaps and low electrification rates.

Institutional Framework

The 2005 Code provided the legal foundation for two critical new oversight bodies intended to manage a more competitive market:

- Autonomous Electricity Sector Regulatory Agency (ARSEC): Created as an independent body responsible for regulating the sector, including licensing, approving tariffs, and enforcing performance standards.
- Rural Electrification Agency (ACER): Established to focus specifically on expanding energy access to rural areas, where electrification remains nearly non-existent.

Implementation Challenges

Despite its ambitious design, the full impact of the 2005 Electricity Code has been significantly limited by several factors:

- Regulatory Paralysis: The Code was never fully implemented because the necessary application decrees were not developed, leaving the sector without a clear and enforceable legal framework.
- Institutional Weakness: Both ARSEC and ACER have historically lacked the budget and technical capacity to perform their duties effectively. ARSEC remains dependent on the executive branch, which has hindered its ability to implement cost-reflective tariffs.
- Deterrence of Private Producers: The lack of regulatory clarity has deterred Independent Power Producers (IPPs) from entering the market, with most individual companies still relying on their own gasoline units or solar kits rather than a formal grid.
- Regional Alignment: More recently, efforts have been made to align the principles of the 2005 Code with regional standards through the Economic Community of Central African States (ECCAS) to harmonise tariffs and transmission pricing across borders

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Autonomous Electricity Sector Regulatory Agency (ARSEC)

The Autonomous Electricity Sector Regulatory Agency (ARSEC) was established as an independent body under the Central African Republic (CAR) Electricity Code of 2005. Its primary purpose is to regulate the national power sector, transition it away from a state-owned monopoly, and attract private investment through a clear legal framework.

Mandate and Responsibilities

ARSEC is theoretically empowered with a broad range of oversight functions, including:

- Licensing and Standards: It is responsible for issuing licenses to operators and enforcing performance and quality-of-service standards.
- Tariff Regulation: The agency has the legal authority to approve electricity tariffs, aiming to balance utility financial viability with consumer affordability.
- Stakeholder Engagement: Under ideal governance standards, ARSEC is mandated to consult with relevant stakeholders before making major decisions and must facilitate public access to information through channels like a regulatory journal or website.
- Market Liberalisation: It was designed to manage a more competitive market by establishing grid-access codes and facilitating Public-Private Partnerships (PPPs).

Institutional and Operational Challenges

Despite its established legal mandate, ARSEC faces significant regulatory paralysis that hinders its effectiveness.

- Lack of Independence: Although designed to be autonomous, ARSEC remains heavily dependent on the executive branch. This lack of separation prevents the agency from implementing necessary but politically sensitive reforms, such as cost-reflective tariffs.
- Resource Constraints: The agency suffers from a chronic lack of budget and technical capacity. This has resulted in a failure to develop the necessary application decrees for the 2005 Code, leaving the energy sector without an enforceable legal framework.
- Low Regulatory Performance: These weaknesses are reflected in CAR's score on the African Development Bank's Electricity Regulatory Index (ERI), where the country scored 0.400 in 2022, placing it in the lowest tier of regulatory development globally.

Role in Tariff Setting

Tariff-setting for the state utility, Énergie Centrafricaine (ENERCA), is managed by ARSEC in consultation with the Ministry of Development of Energy and Water Resources (MDEWR). However, because ARSEC has been unable to bridge the gap between production costs and consumer rates, ENERCA currently operates at a loss, with tariffs averaging US$0.14 per kWh against a supply cost of US$0.20 per kWh.

Future Outlook and Reforms

Strengthening ARSEC is a core component of recent international development strategies:

- World Bank Support: The Electricity Sector Strengthening and Access Project (PARSE) includes a $21 million institutional strengthening component specifically focused on building the capacity of ARSEC, ENERCA, and the Rural Electrification Agency (ACER).
- Regional Integration: ARSEC is intended to play a key role in regional efforts through the Economic Community of Central African States (ECCAS) to establish the Committee for Regulation of Electricity of Central Africa (CORREAC). This initiative aims to harmonise regional standards and facilitate cross-border power trading.

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- Strategic Goal: Long-term sustainability for the sector depends on operationalising ARSEC's legal mandate, giving it the authority to manage private concessions and approve tariffs without executive interference.

Rural Electrification Agency (ACER)

The Rural Electrification Agency (ACER) is a critical institutional body in the Central African Republic (CAR) tasked with expanding electricity access to the nation's vast and underserved rural regions.

Establishment and Purpose

ACER was established as part of the Central African Republic Electricity Code on 1 January 2005. Its creation was intended to move the sector away from the absolute monopoly held by the state utility, Énergie Centrafricaine (ENERCA), by creating a dedicated agency focused specifically on the unique challenges of rural electrification. The agency's primary mandate is to facilitate decentralised energy solutions, such as solar mini-grids and off-grid kits, for provincial and district cities that are not connected to the national grid.

Institutional and Operational Challenges

Despite its established legal mandate, ACER has faced significant hurdles that have hindered its effectiveness:

- Resource Constraints: The agency suffers from a chronic lack of budget and technical capacity, which limits its ability to perform its duties without extensive international donor support.
- Management of Concessions: Because of these constraints, ACER has historically lacked the necessary resources to effectively manage and oversee rural mini-grid concessions.
- Extreme Energy Poverty: The agency operates in a context where rural electrification is virtually non-existent, hovering around 2 per cent nationally.

Role in National Strategy

ACER is central to the government's National Rural Electrification Strategy (SNER), adopted in 2021. This initiative sets an ambitious target of reaching 60 per cent rural electricity access by 2035. To achieve this, the agency is intended to coordinate the deployment of decentralised solar solutions to reach remote communities that the aging and limited national grid cannot currently serve.

Capacity Building and International Support

Strengthening ACER is a core component of recent multilateral interventions:

- World Bank PARSE Project: The Electricity Sector Strengthening and Access Project (PARSE) includes a $21 million institutional strengthening component specifically designed to build the capacity of ACER, along with ENERCA and the regulatory agency ARSEC.
- Technical Assistance: International partners like NRECA International have provided ACER and the CAR government with Geospatial Information Systems (GIS) technology to identify 30 provincial cities with the highest potential for mini-grid development.
- Institutional Reform: Ongoing efforts aim to operationalise ACER's legal mandate, giving it the authority to manage private concessions and attract Independent Power Producers (IPPs) to the rural energy market.

National Rural Electrification Strategy (SNER)

The National Rural Electrification Strategy (SNER), adopted by the government of the Central African Republic (CAR) in 2021, is a comprehensive strategic framework designed to address the country's extreme rural energy poverty.

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Core Objectives and Targets

The primary goal of SNER is to significantly expand electricity access outside of the capital, Bangui, where electrification rates are historically as low as 2%. Key targets include:

- Access Goals: Reaching 60 per cent rural electricity access by 2035.
- Infrastructure Focus: The strategy prioritises the deployment of decentralised energy solutions, such as solar mini-grids and off-grid solar kits. This approach is designed to reach provincial and district cities that are unlikely to be connected to the national grid in the near term.

Institutional Implementation

The Rural Electrification Agency (ACER) is the lead national body responsible for coordinating and overseeing the implementation of SNER. ACER's mandate under the strategy includes managing private concessions and attracting Independent Power Producers (IPPs) to the rural energy market.

Support from International Partners

Due to CAR's limited fiscal capacity, SNER is heavily supported by multilateral organisations through funding and technical assistance:

- World Bank - PARSE Project: The Electricity Sector Strengthening and Access Project (PARSE) is a primary vehicle for SNER's goals. It includes the construction of five solar mini-grids (totalling 10 MW) in provincial cities like Nola, Bouar, Bossembélé, and Bangassou to serve approximately 20,000 households.
- Technical Data: Partners such as NRECA International have provided Geospatial Information Systems (GIS) technology to identify 30 provincial and district cities with the highest potential for mini-grid development based on population density and existing public facilities.
- Capacity Building: International projects also focus on institutional strengthening for ACER and other regulatory bodies to ensure they have the technical capacity to manage the expansion of the rural network.

2015-2030 Investment Project

The 2015-2030 Investment Project is a strategic framework established by the government of the Central African Republic (CAR) to modernise the nation's failing energy infrastructure and address acute energy poverty. The initiative marks a fundamental shift in national energy policy, moving away from a total reliance on aging hydroelectric assets and expensive thermal backups toward solar diversification.

Strategic Objectives

The primary goals of this project include:

- Diversifying the energy mix: Reducing the country's over-reliance on the Boali hydroelectric cascade, which is highly vulnerable to seasonal water fluctuations.
- Reducing diesel dependence: Because CAR has no domestic production of petroleum or natural gas, it must meet all fossil fuel demand through refined imports. The 2015-2030 plan seeks to replace high-cost diesel generation with stable, utility-scale solar power.
- Expanding energy access: The project supports the broader national goal of increasing electricity access from the current 16–17.6 per cent to 50 per cent by 2030.

Flagship Implementations

Two major solar installations serve as the centrepieces of this strategic shift:

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- Danzi Solar Photovoltaic Plant: A 25 MW facility (with a 30 MWh battery storage system) inaugurated in 2023. It has doubled the daytime power supply in Bangui and replaced over 90 per cent of peak-hour diesel generation.
- Sakai Solar Photovoltaic Plant: A 15 MW plant commissioned in June 2022 that meets approximately 30 per cent of the capital's peak demand.

Economic and Fiscal Impact

The 2015-2030 Investment Project is designed to be fiscally transformative for the state-owned utility, Énergie Centrafricaine (ENERCA). By transitioning to solar energy, the government estimates that ENERCA will save over US$4 million annually in avoided fuel costs. Additionally, the shift is projected to reduce national carbon dioxide emissions by over 670,000 metric tons over a 20-year operating life.

Recommendations

1. Institutional and Regulatory Reforms

- Operationalise the Electricity Code of 2005: The government must fully implement this code by developing the necessary application decrees to provide a clear legal framework, which is essential for attracting Independent Power Producers (IPPs).
- Strengthen Regulatory Independence: There is a critical need to grant the Autonomous Electricity Sector Regulatory Agency (ARSEC) greater independence from the executive branch and a dedicated budget to allow it to approve tariffs and enforce standards effectively.
- Capacity Building for ACER: The Rural Electrification Agency (ACER) requires increased technical and financial resources to manage private mini-grid concessions and oversee the National Rural Electrification Strategy (SNER).

2. Financial Sustainability and Utility Reform

- Implement Cost-Reflective Tariffs: Transitioning the state utility, ENERCA, toward financial solvency depends on aligning tariffs with the true cost of production while maintaining social safety nets for low-income consumers.
- Expand Prepaid and Smart Metering: To reduce commercial losses and improve revenue collection, the government should accelerate the rollout of prepaid meters, such as the 41,000 meters procured under the PARSE project.
- Reduce System Losses: Targeted investment is needed to upgrade the aging 40-year-old copper distribution lines in Bangui to lower technical losses, which currently exceed 28 per cent.

3. Infrastructure Diversification and Maintenance

- Prioritise Renewable Energy: Continuing the shift toward solar diversification (e.g., expanding the Danzi and Sakai plants) is vital to reduce the extreme costs and logistical difficulties of importing diesel fuel.
- Rehabilitate Hydroelectric Assets: The most cost-effective way to secure baseline power is the emergency rehabilitation and upgrading of the Boali hydroelectric cascade to restore its full theoretical capacity.
- Explore Small Hydropower: The government should leverage its dense river network by developing run-of-river small hydropower sites in provincial cities like Bambari, Bouar, and Carnot.

4. Expanding Energy Access

- Deploy Decentralised Solutions: Given the low rural electrification rate (roughly 2 per cent), the strategy should prioritise solar mini-grids and off-grid kits for provincial centres that are unlikely to be connected to the national grid in the near term.

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- Subsidise Connection Fees: To stimulate demand, the government and partners should use results-based financing to reduce the prohibitive upfront costs of household connections.

5. Regional Integration and Security

- Complete Cross-Border Interconnections: Finalising the interconnection with the Democratic Republic of the Congo (DRC) will allow CAR to import energy surpluses and participate in the Central African Power Pool (CAPP).
- Enhance Infrastructure Security: Protecting critical transmission lines and fiber-optic segments from vandalism is essential for maintaining the SCADA systems required to balance solar and hydroelectric generation.
- Invest in Human Capital: Building a skilled local workforce through vocational training in electrical wiring and maintenance will ensure the long-term sustainability of new infrastructure.

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SECTOR 6 OF 8

Transport and Logistics

The Central African Republic's transport and logistics sector is central to the country's economic recovery, territorial cohesion and regional integration. As a landlocked state with limited domestic infrastructure and heavy dependence on cross-border trade routes, CAR's ability to move goods, people and public services depends on the reliability of roads, river transport, aviation links and logistics systems. Yet the sector remains constrained by a combination of geography, historical underinvestment, insecurity, weak maintenance systems and administrative barriers that raise costs and limit access to markets.

The road network is the backbone of national transport but remains critically underdeveloped. Of roughly 24,000 kilometres of national roads, only around 3 per cent are paved, leaving most routes vulnerable to seasonal deterioration. During the long rainy season, large parts of the network become difficult or impossible to use, particularly in northern and eastern areas. This weakens the connection between agricultural production zones, regional towns and Bangui, while also obstructing humanitarian access and the movement of security and administrative services.

CAR's external trade is especially dependent on the Douala–Bangui corridor, a route of about 1,400 kilometres linking Bangui to Cameroon's Port of Douala. The corridor carries more than 80 per cent of CAR's external trade, but its performance is weakened by deteriorated road sections, high freight costs, long transit times, checkpoints, informal payments and limited logistics facilities. These conditions increase consumer prices, reduce the competitiveness of domestic producers, and make supply chains vulnerable to disruption.

River transport offers an important complementary route through the Ubangi River, connecting Bangui with Brazzaville and Kinshasa through the wider Congo River basin. However, navigation is constrained by seasonal water-level fluctuations, insufficient dredging, inadequate channel marking and limited port infrastructure. In theory, inland waterways could reduce road dependence and support multimodal logistics; in practice, poor maintenance and weak waterway management have limited their commercial reliability.

Aviation is also strategically important because it provides faster access for passengers, high-value cargo, humanitarian operations and diplomatic links. Bangui M'Poko International Airport is the country's principal aviation gateway, but its ageing infrastructure, safety limitations and capacity constraints have undermined its ability to meet modern international standards. Upgrading airport facilities is therefore not only a transport issue but also a matter of national resilience, emergency response and international connectivity.

Within this context, current policy and investment efforts increasingly treat transport as a strategic platform for recovery rather than as a set of isolated infrastructure works. The Government of CAR's National Development Plan 2024–2028 marks a shift from emergency response and post-crisis stabilisation toward longer-term structural development. It builds on the earlier National Recovery and Peacebuilding Plan by presenting infrastructure as a means to restore state authority, unlock productive sectors, connect isolated communities and consolidate peace.

The National Development Plan places particular emphasis on durable infrastructure, economic diversification and regional integration. In the transport sector, this means rehabilitating and paving strategic roads, strengthening corridor management, improving border and customs systems, integrating road and river transport, and building institutional capacity for planning, procurement, maintenance and monitoring. The

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plan's relevance lies in the way it connects transport investments to wider objectives: market access, food security, public service delivery, private-sector growth and national cohesion.

The most prominent corridor initiative is the modernisation of the Douala–Bangui Economic Corridor. Supported by the World Bank, Cameroon, CAR and regional CEMAC institutions, the programme seeks to rehabilitate priority road sections, improve road safety, create more reliable maintenance systems, introduce axle-load control, develop logistics hubs and feeder roads, and reduce administrative barriers to trade. Its importance stems from the fact that it targets both the physical and institutional causes of high transport costs: poor infrastructure, weak maintenance, excessive checkpoints, informal payments and limited trade facilitation.

Alongside this western trade route, the Pointe-Noire–Brazzaville–Bangui–N'Djamena Multimodal Transport Corridor, often referred to as CD13, is intended to give CAR stronger access to the Republic of the Congo, Chad and the Atlantic. Its strategic value is that it combines road, river, rail, maritime and logistics infrastructure rather than relying on a single transport mode. By linking Bangui more effectively to river ports, road corridors and coastal gateways, the corridor could diversify CAR's external access, reduce overdependence on one route and strengthen regional integration across Central Africa.

African Development Bank-supported initiatives reinforce this multimodal approach. Projects such as the Gouga–Mbaïki–Bangui Highway Paving Project and the Mongoumba River Port Construction Project are designed to strengthen the connection between road and river systems, improve cargo movement, support passenger mobility and facilitate cross-border trade. The Portfolio Performance Improvement Plan adds an institutional dimension by focusing on procurement, financial management, monitoring, coordination and delivery discipline. This is significant because CAR's infrastructure challenge is not only a financing gap; it is also a capacity and implementation challenge.

The Central Africa Regional Waterways Project complements road corridor investments by seeking to restore the reliability of inland navigation. Improvements to river ports, landing facilities, navigation aids, safety systems and waterway management would make the Ubangi and connected waterways more viable for freight and passengers. If implemented effectively, waterway rehabilitation could lower logistics costs, provide alternative routes during road disruption and strengthen connections between CAR, the Republic of the Congo and the Democratic Republic of the Congo.

Airport modernisation forms another part of reforms. The Bangui M'Poko Airport Modernisation Support Programme aims to improve airside infrastructure, passenger and cargo facilities, airport safety and security systems, and aviation-sector management capacity. For a country where road access can be slow, insecure or seasonal, aviation upgrades are important for emergency logistics, high-value freight, passenger mobility and compliance with international aviation standards.

The European Union's Global Gateway Strategy also fits into this wider transport-development agenda. In CAR, the Global Gateway approach emphasises sustainable connectivity, climate-resilient infrastructure, regional corridor development, governance support, trade facilitation and multimodal integration. Its contribution is not limited to road rehabilitation; it also supports the systems needed to make infrastructure work, including customs modernisation, digital documentation, feasibility studies, regulatory improvements and cross-border coordination.

Taken together, these government, bilateral and multilateral initiatives respond to the main weaknesses of the transport and logistics sector in a mutually reinforcing way. Road rehabilitation and paving seek to reduce isolation and improve year-round access. Corridor programmes target the high cost and unreliability of external trade. River and port projects provide alternatives to road dependence and create the basis for multimodal freight systems. Airport modernisation strengthens international access and emergency mobility. Institutional reforms address the governance problems that often prevent infrastructure investments from producing lasting benefits.

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The expected impact of this agenda is therefore broader than improved transport performance alone. Better roads, ports, waterways, airports, border systems and logistics platforms are intended to reduce freight costs and delays, improve trade reliability, strengthen links between rural production areas and urban markets, support humanitarian and security operations, and give the state a stronger presence beyond Bangui. They should also help CAR reduce the economic vulnerability associated with landlocked status by diversifying routes and deepening integration with Central African transport networks.

Overall, the transport and logistics reform agenda in the Central African Republic is best understood as a coordinated effort to turn infrastructure into a foundation for recovery, trade and state-building. The country's transport deficits remain severe, but the current mix of national planning, corridor investment, waterway rehabilitation, port construction, airport modernisation and institutional support provides a coherent framework for addressing them. If implemented effectively, these schemes could reduce isolation, improve competitiveness, strengthen regional connectivity and support a more resilient path of economic development.

Bilateral initiatives

European Union Global Gateway Strategy – Transport Sector Development in the Central African Republic

The European Union (EU) Global Gateway Strategy is a global infrastructure investment initiative designed to support sustainable connectivity, regional integration, and economic development through investments in transport, energy, digital infrastructure, health, education, and private-sector development. Within the Central African Republic (CAR), the strategy supports transport sector development by contributing to the improvement of regional connectivity, rehabilitation of strategic infrastructure, and strengthening of transport systems that facilitate trade, mobility, and access to essential services.

The EU's engagement in CAR's transport sector is implemented through the Global Gateway Africa–Europe Investment Package, which seeks to develop resilient and sustainable infrastructure networks across Africa. In CAR, the strategy aligns with national development priorities and regional transport initiatives, particularly those focused on improving links with neighbouring countries and strengthening integration within Central Africa.

Within the transport sector, the Global Gateway approach focuses on supporting sustainable, climate-resilient, and regionally integrated transport infrastructure, combining physical infrastructure investment with institutional strengthening, governance improvements, and technical assistance.

Programme Components

The EU Global Gateway Strategy's transport-related interventions in CAR comprise several integrated components, including:

- support for rehabilitation and upgrading of strategic transport infrastructure;
- improvement of regional transport corridors;
- strengthening of sustainable and climate-resilient transport systems;
- support for transport governance and institutional capacity;
- improvement of trade facilitation and cross-border connectivity;
- promotion of multimodal transport integration.

The strategy is designed to complement existing transport programmes supported by other development partners, including the African Development Bank (AfDB) and the World Bank, by supporting coordinated infrastructure development across Central Africa.

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Infrastructure Investments

The Global Gateway Strategy extends beyond individual infrastructure projects and supports broader improvements in the transport systems that connect CAR to regional and international markets.

Road Infrastructure Development

A key focus of EU transport support is the improvement of road connectivity through:

- rehabilitation of priority road corridors;
- upgrading of transport links connecting economic centres;
- support for climate-resilient road construction;
- improvement of road maintenance systems;
- strengthening of road safety infrastructure.

These investments are intended to improve the reliability of road transport networks and support the movement of people, goods, and services.

The EU's approach places particular emphasis on sustainable infrastructure standards, ensuring that transport investments are designed to withstand climate pressures and provide long-term economic value.

Regional Transport Corridor Support

The Global Gateway Strategy supports regional connectivity by strengthening transport corridors that facilitate trade and integration between Central African countries.

Transport corridor objectives include:

- improving cross-border infrastructure;
- strengthening connections between national transport networks;
- supporting regional trade routes;
- reducing logistical barriers;
- improving interoperability between transport modes.

Within CAR, this approach complements major regional initiatives such as:

- the Pointe-Noire–Brazzaville–Bangui–N'Djamena Multimodal Transport Corridor (CD13);
- the Douala–Bangui Economic Corridor;
- wider ECCAS regional transport integration programmes.

By supporting regional connectivity, Global Gateway contributes to reducing isolation and improving CAR's participation in regional markets.

Multimodal Transport Integration

The EU Global Gateway Strategy promotes transport systems that combine multiple modes of transport, including:

- road transport;
- inland waterways;
- aviation;
- logistics infrastructure;
- digital transport management systems.

This multimodal approach supports the development of more efficient supply chains by improving connections between transport networks rather than focusing solely on individual infrastructure projects. In CAR, this

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approach aligns with efforts to strengthen links between road corridors, river transport systems, and international logistics gateways.

Sustainable and Climate-Resilient Transport Infrastructure

A central principle of Global Gateway is the development of infrastructure that meets environmental and sustainability objectives.

Transport-related interventions emphasise:

- climate-resilient engineering standards;
- improved energy efficiency;
- environmentally sustainable construction practices;
- reduced vulnerability to extreme weather events;
- improved lifecycle management of infrastructure assets.

These measures aim to ensure that transport investments remain operational and economically valuable over the long term.

Institutional Investments

Alongside physical infrastructure, the Global Gateway Strategy supports improvements in transport governance, planning, and institutional capacity.

Transport Sector Governance

The EU supports stronger transport institutions through:

- technical assistance to government agencies;
- improved transport planning frameworks;
- strengthened regulatory systems;
- enhanced coordination between transport stakeholders;
- improved infrastructure management practices.

These measures aim to increase the effectiveness of transport investments and improve long-term sector performance.

Project Preparation and Implementation Capacity

The strategy supports the ability of national institutions to deliver infrastructure projects through:

- feasibility studies;
- engineering support;
- project preparation assistance;
- procurement support;
- monitoring and evaluation systems.

These interventions help ensure that transport projects are technically sound, financially sustainable, and effectively implemented.

Trade Facilitation and Border Management

The Global Gateway Strategy also supports measures aimed at improving cross-border transport efficiency through:

- customs modernisation;

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- improved border procedures;
- digitalisation of transport documentation;
- coordination between neighbouring countries;
- reduction of administrative barriers.

These interventions are designed to improve the efficiency of regional transport corridors and reduce delays affecting freight movement.

Expected Outcomes for the Transport Sector

The European Union Global Gateway Strategy is expected to strengthen transport sector development in CAR by:

- improving regional and international connectivity;
- supporting rehabilitation of strategic transport infrastructure;
- reducing transport barriers affecting trade and mobility;
- strengthening integration between transport modes;
- improving climate resilience of infrastructure assets;
- enhancing institutional capacity for transport planning and management;
- supporting safer and more efficient transport operations; and
- strengthening CAR's integration into wider Central African transport networks.

Together, these outcomes contribute to the development of a more connected, resilient, and sustainable transport system capable of supporting economic growth and regional integration.

Institutional Framework

The European Union Global Gateway Strategy is implemented through cooperation between the European Union, the Government of the Central African Republic, regional organisations such as ECCAS, and international development partners.

EU transport support in CAR is delivered through a combination of:

- grants and blended finance mechanisms;
- technical assistance;
- infrastructure investment programmes;
- partnerships with international financial institutions.

The strategy forms part of the EU's broader objective of strengthening Africa–Europe connectivity through sustainable infrastructure investment. In CAR, it complements major transport initiatives supported by partners such as the African Development Bank, the World Bank, and other bilateral donors by contributing to the development of integrated transport corridors, improved logistics systems, and stronger regional connectivity across Central Africa.

Multilateral inititatives

World Bank Douala–Bangui Economic Corridor Project

The World Bank Douala–Bangui Economic Corridor Project is a regional transport and trade facilitation programme implemented under a Multiphase Programmatic Approach (MPA) by the World Bank, in partnership with the Governments of Cameroon, the Central African Republic (CAR), and the Economic and Monetary Community of Central Africa (CEMAC). The programme is designed to modernise the approximately

1,400 km Douala–Bangui corridor, improving transport efficiency, road safety, logistics performance, and regional trade between the Port of Douala and Bangui. The first phase of the programme was approved by the World Bank in June 2026, with US$90 million allocated to the Central African Republic.

Within the transport sector, the project seeks to strengthen the performance of the corridor through coordinated investments in road infrastructure, logistics facilities, corridor management, and institutional reforms that improve the movement of freight and passengers between Cameroon and the Central African Republic.

Project Components

The Douala–Bangui Economic Corridor Project comprises several integrated transport components, including:

- rehabilitation of priority road sections along the corridor;
- climate-resilient road engineering and maintenance intenventions;
- development of logistics hubs and supporting transport infrastructure;
- establishment of axle-load control facilities;
- implementation of road safety improvements;
- strengthening of corridor management systems and trade facilitation measures.

The programme has been designed to improve the efficiency, safety, and resilience of one of Central Africa's principal international transport corridors while supporting long-term regional integration.

Infrastructure Investments

The programme extends beyond road rehabilitation and includes complementary investments that improve the operational performance of the transport corridor.

Road Infrastructure

The project strengthens the road transport network through:

- rehabilitation of priority highway sections;
- climate-resilient pavement construction and upgrading;
- improvements to road drainage and associated structures;
- implementation of sustainable road maintenance systems;
- engineering measures designed to improve long-term infrastructure resilience.

These investments are intended to improve corridor reliability while reducing transport disruptions caused by infrastructure deterioration and climate-related events.

Logistics Infrastructure

The project includes investments to strengthen freight transport through:

- development of logistics hubs;
- improved freight handling facilities;
- supporting infrastructure for corridor operations;
- enhanced connections between the corridor and local transport networks.

These measures are intended to improve freight distribution efficiency and support more effective movement of goods along the corridor.

Trade Facilitation and Corridor Management

The programme also incorporates reforms designed to improve corridor operations, including:

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- strengthened corridor management systems;
- improved trade facilitation procedures;
- institutional coordination between participating countries;
- measures to reduce transport bottlenecks;
- improved regulatory oversight of freight transport.

These complementary interventions are intended to improve the efficiency and predictability of cross-border transport operations throughout the corridor.

Road Safety and Asset Management

A key component of the project is the improvement of transport safety and infrastructure preservation through:

- construction of axle-load control stations;
- implementation of road safety infrastructure;
- strengthening of road asset management systems;
- improvements to maintenance planning and monitoring.

These investments are intended to improve highway safety while extending the operational life of corridor infrastructure.

Expected Outcomes for the Transport Sector

The Douala–Bangui Economic Corridor Project is expected to strengthen transport performance within the Central African Republic by:

- improving transport conditions along the Douala–Bangui corridor;
- reducing freight transit times between Douala and Bangui;
- lowering transport and logistics costs;
- improving road safety along priority corridor sections;
- strengthening the resilience and maintenance of transport infrastructure;
- improving logistics efficiency and market access;
- enhancing regional transport integration through coordinated corridor management and trade facilitation measures.

Institutional Framework

The Douala–Bangui Economic Corridor Project is implemented jointly by the Governments of Cameroon and the Central African Republic, with regional coordination provided through CEMAC and financial support from the World Bank under a Multiphase Programmatic Approach (MPA). The programme combines investments in infrastructure, logistics, road safety, maintenance systems, and institutional reforms to improve the long-term performance of the Douala–Bangui corridor and strengthen regional transport connectivity across Central Africa.

Central Africa Regional Waterways Project (PRACAC)

The Central Africa Regional Waterways Project (PRACAC – Projet Régional d'Amélioration des Corridors Fluviaux en Afrique Centrale) is a regional transport infrastructure programme designed to improve the performance, safety, and reliability of inland waterway transport systems in Central Africa. Supported by the World Bank, the project focuses on strengthening navigability, river transport infrastructure, and institutional

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capacity along key regional waterways, including those connecting the Central African Republic (CAR) with neighbouring countries through the Congo Basin river network.

Within the transport sector, PRACAC aims to enhance the role of inland waterways as a strategic component of regional multimodal transport corridors by improving river navigation conditions, upgrading river transport facilities, and strengthening the institutions responsible for managing waterway infrastructure and operations.

Project Components

The Central Africa Regional Waterways Project comprises several integrated transport components, including:

- rehabilitation and improvement of priority inland waterways;
- strengthening of river navigation infrastructure;
- upgrading of river ports and landing facilities;
- installation and improvement of navigation aids;
- development of river transport safety systems;
- institutional strengthening of waterway management authorities.

The project has been designed to improve the efficiency and reliability of inland water transport networks across Central Africa, supporting their integration with road and maritime transport systems.

Infrastructure Investments

The PRACAC programme extends beyond individual river infrastructure works and includes complementary investments aimed at improving the operational performance of inland waterways.

River Navigation Infrastructure

The project strengthens inland water transport through:

- improvement of navigable river sections;
- removal of constraints affecting vessel movement;
- installation of navigation markers and signalling systems;
- development of hydrographic information systems;
- improved monitoring of river conditions.

These investments are intended to increase the reliability of river transport services and support safer navigation along strategic waterways in the Congo Basin.

River Port Infrastructure

A major component of PRACAC involves improving river transport facilities through:

- rehabilitation and upgrading of river ports;
- construction or improvement of landing areas;
- development of cargo handling facilities;
- improvement of passenger embarkation infrastructure;
- installation of operational equipment.

These measures aim to improve the efficiency of cargo transfer between inland waterways and other transport modes, reinforcing the role of river ports as multimodal logistics nodes.

Multimodal Transport Integration

The project supports integration between:

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- inland waterways;
- road transport corridors;
- regional logistics networks;
- maritime gateways.

Within the Central African Republic, PRACAC complements wider corridor initiatives by strengthening the river transport component of regional routes such as the Pointe-Noire–Brazzaville–Bangui–N'Djamena Multimodal Transport Corridor (CD13).

By improving connections between river ports and land transport infrastructure, the project contributes to a more integrated regional transport system.

Transport Safety and Operations

The programme includes measures to improve the safety and efficiency of river transport operations through:

- improved navigation regulations;
- strengthened vessel safety systems;
- better operational standards;
- enhanced monitoring and management capacity.

These interventions are intended to improve reliability and reduce operational risks affecting inland water transport.

Institutional Investments

PRACAC places significant emphasis on strengthening the institutional systems required to manage regional waterways effectively.

Waterway Management Capacity

The project strengthens transport institutions through:

- technical assistance for river authorities;
- improved planning and management systems;
- development of operational procedures;
- strengthening of maintenance capabilities.

These measures are designed to ensure that investments in river infrastructure remain functional and sustainable over the long term.

Regional Coordination

Because Central African waterways cross national borders, PRACAC supports:

- cooperation between participating countries;
- harmonisation of navigation standards;
- coordination of waterway management practices;
- improved information sharing between transport authorities.

These measures aim to improve the consistency and efficiency of regional river transport operations.

Data and Planning Systems

The project also supports improved transport planning through:

- river mapping;

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- navigation data collection;
- infrastructure inventories;
- improved monitoring of waterway conditions.

These systems provide the technical foundation required for effective management of inland waterway infrastructure.

Expected Outcomes for the Transport Sector

The Central Africa Regional Waterways Project is expected to strengthen transport performance within the Central African Republic by:

- improving the reliability of inland waterway transport services;
- increasing the capacity and efficiency of river-based freight movement;
- strengthening links between river transport and multimodal corridors;
- improving safety standards for vessels and river operations;
- reducing logistical delays associated with inland water transport;
- improving regional connectivity through coordinated waterway management;
- supporting greater integration of river transport into Central Africa's regional transport network.

These outcomes are intended to reinforce inland waterways as an efficient and sustainable component of the transport system supporting regional trade and connectivity.

Institutional Framework

The Central Africa Regional Waterways Project is implemented through cooperation between participating Central African governments, regional transport institutions, and the World Bank. In the Central African Republic, implementation is coordinated through the government institutions responsible for transport infrastructure and inland waterways management.

The project forms part of the wider regional strategy to modernise Central Africa's transport corridors by combining improvements in river navigation, port infrastructure, logistics systems, and institutional capacity. Through strengthening inland waterways, PRACAC complements major corridor programmes such as the Pointe-Noire–Brazzaville–Bangui–N'Djamena Multimodal Transport Corridor (CD13) and contributes to the development of a more integrated regional transport network.

African Development Bank (AfDB) Transport Sector Initiatives in the Central African Republic

The African Development Bank (AfDB) is one of the principal development partners supporting the modernisation of the transport sector in the Central African Republic (CAR). Through a combination of infrastructure financing, institutional support, regional integration programmes, and project implementation assistance, the AfDB seeks to improve transport connectivity, strengthen logistics systems, and support the development of resilient transport corridors linking CAR with neighbouring countries.

Within the transport sector, the AfDB's interventions focus on developing strategic road corridors, improving multimodal transport infrastructure, strengthening project implementation capacity, and supporting regional trade integration. The Bank's transport portfolio in CAR is closely aligned with wider regional initiatives under the Economic Community of Central African States (ECCAS) transport strategy and includes major programmes such as the Pointe-Noire–Brazzaville–Bangui–N'Djamena Multimodal Transport Corridor (CD13).

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AfDB Transport Sector Initiative Components

The African Development Bank's transport interventions in CAR comprise several integrated infrastructure and institutional components, including:

- rehabilitation and construction of strategic road corridors;
- development of multimodal transport infrastructure;
- improvement of river transport facilities;
- strengthening of transport project management capacity;
- support for regional transport integration;
- improvement of road safety and infrastructure resilience.

These interventions are designed to improve the efficiency, reliability, and sustainability of transport systems while supporting economic integration across Central Africa.

Infrastructure Investments

The AfDB's transport sector programme extends beyond individual infrastructure projects and incorporates complementary investments aimed at improving the overall performance of transport networks.

Road Infrastructure Development

A central element of AfDB support in CAR is the rehabilitation and construction of priority road corridors through projects such as the Pointe-Noire–Brazzaville–Bangui–N'Djamena Multimodal Transport Corridor (CD13).

Key road infrastructure investments include:

- construction and paving of strategic road sections;
- rehabilitation of existing highways;
- construction and upgrading of bridges;
- improvement of drainage systems;
- installation of road safety infrastructure;
- climate-resilient engineering measures.

A major example is the Gouga–Mbaïki–Bangui Highway Paving Project, which forms part of CD13 and involves upgrading approximately 221 kilometres of road infrastructure connecting Gouga, Mbaïki, and Bangui.

These investments aim to improve road reliability, reduce transport delays, and strengthen links between CAR and regional trade routes.

Multimodal Transport Infrastructure

The AfDB supports the development of integrated transport systems that combine multiple modes of transport, including:

- road networks;
- inland waterways;
- river ports;
- logistics facilities;
- regional transport corridors.

A key example is the Mongoumba River Port Construction Project, financed under CD13, which aims to strengthen inland waterway transport by developing a modern river port capable of supporting cargo transfers

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between river and road transport systems. These investments are intended to improve the efficiency of freight movement and strengthen connections between Central Africa's inland economies and external markets.

Regional Transport Corridor Development

The AfDB places strong emphasis on regional corridor development as a means of improving economic integration.

Major corridor-related investments supported by the Bank include:

- the Pointe-Noire–Brazzaville–Bangui–N'Djamena Multimodal Transport Corridor (CD13);
- associated road rehabilitation and river transport improvements;
- logistics and border infrastructure upgrades;
- regional transport facilitation measures.

These corridor investments are intended to improve connectivity between CAR, the Republic of Congo, and Chad while supporting broader Central African regional integration.

Institutional Investments

Alongside physical infrastructure, the AfDB supports institutional reforms designed to improve transport sector governance, implementation capacity, and long-term sustainability.

Project Implementation Capacity

The AfDB supports improvements in transport project delivery through:

- strengthening project implementation units;
- improving infrastructure planning;
- enhancing contract management;
- supporting technical supervision of construction works;
- improving monitoring and evaluation systems.

These measures are designed to ensure that transport investments are delivered efficiently and achieve their intended development outcomes.

Portfolio Performance Improvement Plan (PPIP)

The AfDB supports the Portfolio Performance Improvement Plan (PPIP) as a mechanism to strengthen the implementation of development projects, including transport investments.

The PPIP focuses on:

- improving procurement performance;
- accelerating project execution;
- strengthening financial management;
- improving coordination between government agencies and development partners;
- addressing implementation bottlenecks.

Within the transport sector, the PPIP supports more effective delivery of infrastructure programmes by improving institutional performance and project governance.

Road Safety and Infrastructure Sustainability

The AfDB incorporates road safety and infrastructure sustainability measures into transport investments through:

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- safer road design standards;
- improved traffic management;
- protection of road assets;
- maintenance planning;
- climate adaptation measures.

These interventions aim to ensure that transport infrastructure remains operational and delivers long-term economic benefits.

Expected Outcomes for the Transport Sector

The African Development Bank's transport initiatives are expected to strengthen CAR's transport sector by:

- improving connectivity between major transport corridors;
- increasing reliability of road and river transport systems;
- reducing freight transport costs and delays;
- strengthening regional trade links;
- improving integration between road and inland water transport;
- increasing institutional capacity for transport project delivery;
- improving infrastructure resilience against environmental pressures; and
- supporting sustainable development of regional transport networks.

Together, these initiatives aim to transform transport infrastructure from isolated projects into an integrated regional system supporting trade, mobility, and economic development.

Institutional Framework

The African Development Bank's transport sector activities in CAR are implemented in partnership with the Government of the Central African Republic, national transport authorities, regional organisations such as ECCAS, and other international development partners.

The AfDB provides financing, technical assistance, and implementation support through a portfolio of transport programmes focused on infrastructure development, regional connectivity, and institutional strengthening.

Through initiatives such as the CD13 Multimodal Transport Corridor, the Mongoumba River Port Construction, the Gouga–Mbaïki–Bangui Highway Paving Project, and the Portfolio Performance Improvement Plan (PPIP), the AfDB is supporting the creation of a more integrated, resilient, and efficient transport system within the Central African Republic and across the wider Central African region.

Bangui M'Poko Airport Modernisation Support Programme (PAMAB)

The Bangui M'Poko Airport Modernisation Support Programme (PAMAB – Programme d'Appui à la Modernisation de l'Aéroport de Bangui M'Poko) is an aviation infrastructure development initiative aimed at improving the capacity, safety, and operational performance of Bangui M'Poko International Airport, the principal air transport hub of the Central African Republic. The programme is supported by the African Development Bank (AfDB) as part of its wider efforts to strengthen transport infrastructure, regional connectivity, and economic integration in CAR.

Within the transport sector, PAMAB focuses on modernising airport infrastructure, improving compliance with international aviation standards, strengthening airport management capacity, and enhancing the role of air transport as part of CAR's wider multimodal transport network.

Programme Components

The Bangui M'Poko Airport Modernisation Support Programme comprises several integrated aviation infrastructure components, including:

- rehabilitation and upgrading of airport facilities;
- improvement of passenger and cargo handling infrastructure;
- strengthening of aviation safety and security systems;
- upgrading of airport operational equipment;
- improvement of airport management capacity;
- technical assistance for compliance with international civil aviation standards.

The programme is designed to transform Bangui M'Poko Airport into a more efficient and reliable international gateway capable of supporting increased passenger movements, freight operations, and regional connectivity.

Infrastructure Investments

The PAMAB programme extends beyond airport rehabilitation and includes complementary investments aimed at improving the overall performance of the aviation transport system.

Airside Infrastructure Development

A key component of PAMAB involves improvements to airside facilities, including:

- rehabilitation and strengthening of aircraft movement areas;
- upgrading of runways, taxiways, and aprons;
- improvement of aircraft parking capacity;
- installation of aviation safety equipment;
- enhancement of airfield lighting and navigation systems.

These investments are intended to improve operational safety, increase airport reliability, and enable the airport to accommodate a wider range of aircraft operations.

Passenger Terminal Infrastructure

The programme supports improvements to passenger facilities through:

- upgrading of terminal buildings;
- improvement of passenger circulation areas;
- modernisation of check-in and processing facilities;
- enhancement of passenger comfort and service standards;
- improvement of accessibility and operational efficiency.

These measures aim to improve the quality of airport services while strengthening Bangui M'Poko Airport's role as an international transport hub.

Cargo and Logistics Infrastructure

PAMAB also supports improvements to aviation logistics through:

- upgrading cargo handling facilities;
- improving freight processing systems;
- strengthening airport logistics operations;
- improving links between air freight and wider transport networks.

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These investments are intended to increase the airport's capacity to support commercial freight movements, humanitarian logistics, and regional trade.

Airport Safety and Security Systems

A major focus of the programme is improving aviation safety and compliance through:

- modern security screening systems;
- improved emergency response capabilities;
- upgraded airport surveillance systems;
- enhanced air navigation support;
- alignment with International Civil Aviation Organization (ICAO) standards.

These interventions aim to strengthen the operational safety and international certification of Bangui M'Poko Airport.

Institutional Investments

Alongside physical infrastructure improvements, PAMAB includes measures to strengthen aviation governance, operational management, and long-term sustainability.

Airport Management Capacity

The programme supports improvements in airport administration through:

- technical assistance for airport operators;
- strengthened operational procedures;
- improved financial and commercial management;
- development of maintenance systems;
- institutional capacity-building.

These measures are intended to improve the effectiveness and sustainability of airport operations.

Civil Aviation Sector Strengthening

PAMAB contributes to wider aviation sector development through:

- strengthening national aviation authorities;
- improving regulatory oversight;
- supporting compliance with international aviation requirements;
- improving coordination between airport operators, government institutions, and aviation stakeholders.

These reforms are designed to create a stronger institutional framework for managing air transport infrastructure.

Regional Air Connectivity

The programme supports regional integration by improving Bangui M'Poko Airport's ability to serve as a regional aviation node through:

- improved international flight operations;
- strengthened links with neighbouring Central African countries;
- improved passenger and cargo connectivity;
- enhanced integration with wider regional transport networks.

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These improvements complement land and river transport initiatives by strengthening aviation as another component of CAR's multimodal transport system.

Expected Outcomes for the Transport Sector

The Bangui M'Poko Airport Modernisation Support Programme is expected to strengthen the transport sector in CAR by:

- improving the safety and reliability of air transport operations;
- increasing airport capacity for passengers and freight;
- improving compliance with international aviation standards;
- strengthening regional and international connectivity;
- improving the efficiency of airport logistics operations;
- supporting economic activity through improved access to external markets
- enhancing the resilience of national transport infrastructure; and
- strengthening the role of aviation within CAR's wider multimodal transport framework.

Together, these outcomes aim to improve the performance of CAR's aviation sector and reinforce Bangui's position as a regional transport gateway.

Institutional Framework

The Bangui M'Poko Airport Modernisation Support Programme is implemented by the Government of the Central African Republic through the institutions responsible for transport and civil aviation, with financial and technical support from the African Development Bank.

The programme forms part of broader AfDB efforts to improve transport infrastructure across Central Africa through investments in roads, inland waterways, logistics systems, and aviation infrastructure. By modernising Bangui M'Poko Airport, PAMAB complements major regional transport initiatives such as the Pointe-Noire–Brazzaville–Bangui–N'Djamena Multimodal Transport Corridor (CD13) by strengthening the air transport component of CAR's regional connectivity strategy.

Government programmes

National Development Plan (PND) 2024–2028

The National Development Plan (Plan National de Développement, or PND) 2024–2028 represents a strategic shift by the government of the Central African Republic (CAR) from short-term emergency responses to long-term structural reconfiguration and economic emergence. Launched in August 2024, the plan outlines 543 concrete projects across five strategic pillars—security and governance, human capital, infrastructure, productive sectors, and environmental sustainability—to unlock the nation's potential by 2028.

Core Transport Infrastructure Targets

The PND 2024–2028 places a heavy emphasis on opening up the country and integrating it into regional markets through ambitious infrastructure goals:

- Paved Road Expansion: The government aims to build and rehabilitate 2,300 kilometres of paved national roads by 2028. This is a significant increase from the current baseline of fewer than 900 kilometres of paved roads.
- International Corridors: The plan intends to establish three new international transport corridors to reduce the country's heavy reliance on the Douala-Bangui route.

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- Regional Connectivity: The infrastructure aims to connect all major economic centres within CAR to facilitate trade and the movement of goods.

Key Strategic Projects

Several major initiatives under the PND are already underway or scheduled to provide alternative trade routes and improve national connectivity:

- Pointe-Noire–Brazzaville–Bangui–N'Djamena Multimodal Transport Corridor (CD13): This is a central component of the PND strategy, designed to link CAR to the Atlantic Ocean via the Republic of Congo.
- Gouga-Mbaïki-Bangui Highway: Launched in April 2025, this project involves paving a 221-kilometre highway that serves as a critical terrestrial link for the CD13 corridor. It is supported by a $282 million grant from the African Development Bank (AfDB).
- Mongoumba River Port: Construction began in December 2025 on this strategic fluvial gateway on the Ubangi River. The port will act as a major transshipment hub between river barges and road cargo, enhancing connectivity with the Republic of Congo.

Financing and Investment

To fund this ambitious roadmap, the CAR government has engaged in extensive economic diplomacy:

- Secured Funding: At an investment forum in Casablanca, Morocco, in September 2025, the government secured approximately $9 billion in financial commitments from public and private partners.
- Investment Partnerships: The government has established partnerships with international groups such as the Institutional Investor Network (IIN) and IBI Ventures to attract the necessary capital for its infrastructure programmes.
- Economic Goals: The PND seeks to boost the national investment rate from 13.5% to 20% of GDP and achieve an average annual real GDP growth of 4.2%, aiming for 6.8% by 2028.

Strategic Impact

By targeting these transport goals, the PND 2024–2028 aims to reduce the high costs and long transit times associated with being landlocked. Improved road and river networks are viewed as prerequisites for both national reconciliation and economic sovereignty, as they enable the deployment of state authority and security forces to remote areas while providing farmers and timber producers with reliable access to international markets.

National Peace Building and Consolidation Plan (RCPCA)

The National Peace Building and Consolidation Plan (Plan National de Relèvement et de Consolidation de la Paix, or RCPCA) for 2017–2021 served as a foundational strategic framework for development activities in the Central African Republic (CAR). While its scope focussed broadly on the restoration of state authority and national reconciliation, it identified the transport sector as a critical enabler for these goals.

RCPCA Pillar 3 and Productive Sectors

The transport sector is most directly addressed under Pillar 3 of the plan, which aimed to ensure economic recovery and boost productive sectors such as agriculture, mining, and timber. The RCPCA posits that these sectors cannot reach their full potential without:

- Appropriate Infrastructure Services: Modernising transport networks to provide reliable access to markets for farmers and producers.
- Improved Business Environment: Reducing the logistical costs and risks that currently hinder trade and investment.

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Strategic Links Between Transport and Security

Within the RCPCA framework, transport infrastructure is seen not not solely as an economic tool but a prerequisite for peace and stability:

- Restoration of State Authority: Improved road networks are essential for the deployment of security forces (FACA) and administrative personnel to remote border areas where state presence has historically been weak.
- Civilian Protection: Better roads and bridges facilitate patrols by peacekeepers (such as MINUSCA) and allow for the safe movement of humanitarian aid to vulnerable populations.

Key Projects Linked to the RCPCA

One of the primary transport-related projects explicitly aligned with Pillar 3 of the RCPCA is the Support Project for the Modernisation of Bangui/M'Poko Airport (PAMAB). The project supports the plan's goals by:

- Gradually reinforcing airport security and safety to meet international standards.
- Upgrading facilities to facilitate the movement of people and goods, thereby supporting economic recovery.
- Launching air freight export activities, which are vital for CAR's productive sectors given its landlocked geography.

Transition to the National Development Plan (PND)

While the RCPCA (2017–2021) laid the groundwork for integrating transport into peacebuilding efforts, its objectives have been expanded and carried forward into the newer National Development Plan (PND) 2024–2028. The PND continues the RCPCA's focus on infrastructure as a pillar for both security and economic emergence, aiming for the rehabilitation of 2,300 kilometres of paved roads by 2028.

Pointe-Noire–Brazzaville–Bangui–N'Djamena Multimodal Transport Corridor (CD13)

The Pointe-Noire–Brazzaville–Bangui–N'Djamena Multimodal Transport Corridor (CD13) is a regional transport infrastructure programme forming part of the Central Africa Regional Transport Master Plan under the Economic Community of Central African States (ECCAS). It is intended to establish a continuous multimodal trade corridor linking the Atlantic port of Pointe-Noire in the Republic of the Congo with Brazzaville, Bangui, and N'Djamena, thereby strengthening regional connectivity and facilitating the movement of goods and passengers across Central Africa.

Within the Central African Republic, the corridor centres on improving the country's connection to the Republic of the Congo through integrated investments in transport infrastructure, logistics systems, and border management.

Corridor Components

The CD13 corridor combines several complementary transport modes into a single logistics network:

- Maritime transport through the Port of Pointe-Noire, which serves as the principal maritime gateway for cargo entering the corridor.
- Rail transport between Pointe-Noire and Brazzaville via the Congo–Ocean Railway.
- Inland waterway transport along the Congo and Ubangi River system connecting Brazzaville and Bangui.
- Road transport linking Bangui with both the Republic of the Congo and Chad, allowing freight to continue beyond the navigable river network.

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- Logistics and intermodal facilities that enable cargo transfers between rail, river, and road transport while reducing handling times and improving operational efficiency.

The multimodal structure is intended to optimise freight movement by using the most appropriate transport mode along each section of the corridor.

Infrastructure Investments in the Central African Republic

Within the Central African Republic, CD13 includes several categories of investment designed to improve the performance of the corridor.

Road Infrastructure

The programme finances the rehabilitation and upgrading of strategic road sections that form part of the international corridor, including:

- pavement reconstruction and strengthening;
- bridge and culvert rehabilitation;
- improved drainage systems;
- climate-resilient engineering measures to reduce disruption from seasonal weather events.

These improvements are intended to provide more reliable year-round movement of freight and passenger traffic along the corridor.

River Transport Infrastructure

As a multimodal corridor, CD13 also includes investment in inland water transport through improvements to:

- river port infrastructure;
- cargo handling equipment;
- navigation aids;
- river transport operations and management systems.

These measures are designed to improve the efficiency and reliability of freight movements between Brazzaville and Bangui using the Congo–Ubangi waterway system.

Border and Trade Facilitation

A major component of CD13 is the modernisation of cross-border procedures through investments in:

- integrated border posts;
- customs modernisation;
- digital processing systems;
- harmonised inspection procedures;
- coordinated border management between participating countries.

These institutional improvements aim to reduce administrative delays and improve the predictability of cross-border freight movements.

Logistics Infrastructure

The project also supports the development of infrastructure and systems that improve corridor operations, including:

- freight logistics platforms;
- storage and warehousing facilities;
- truck parking and service areas;

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- corridor management and monitoring systems;
- road safety infrastructure.

Together, these investments are intended to improve operational efficiency across the entire transport chain rather than focusing solely on physical infrastructure.

Expected Outcomes for the Transport Sector

The CD13 programme is expected to strengthen transport performance within the Central African Republic by:

- reducing freight transit times along the corridor;
- lowering transport and logistics costs;
- improving the reliability of multimodal freight services;
- increasing interoperability between road, rail, river, and maritime transport;
- enhancing cross-border transport efficiency through streamlined customs procedures;
- improving resilience of corridor infrastructure through climate-adapted engineering standards; and
- strengthening regional transport integration with neighbouring corridor countries.

Institutional Framework

The corridor is implemented through cooperation between participating governments, regional organisations, and international development partners. The African Development Bank (AfDB) is financing the first phase of the programme alongside partner institutions, with implementation coordinated across the Republic of the Congo, the Central African Republic, and Chad. The project forms part of the broader ECCAS strategy to establish an integrated regional transport network that supports trade, economic integration, and sustainable infrastructure development.

Mongoumba River Port Construction

The Mongoumba River Port Construction is a flagship infrastructure project under Phase I of the Pointe-Noire–Brazzaville–Bangui–N'Djamena Multimodal Transport Corridor (CD13). The project involves the construction of a modern inland river port at Mongoumba, in the Lobaye Prefecture of the Central African Republic, with the objective of strengthening multimodal transport along the Congo–Ubangi waterway and improving regional connectivity between the Central African Republic and the Republic of the Congo. The project is financed by the African Development Bank (AfDB) in partnership with the Government of the Central African Republic.

Within the transport sector, the port is intended to become a strategic logistics hub, supporting the efficient transfer of cargo between river and road transport while reinforcing the river component of the CD13 corridor.

Project Components

The Mongoumba River Port project comprises several integrated infrastructure components, including:

- construction of a modern river port with dedicated berthing facilities;
- cargo loading and unloading infrastructure;
- storage and warehousing facilities;
- administrative and operational buildings;
- internal access roads and service infrastructure;
- supporting utilities and equipment necessary for port operations.

The project has been designed to create a modern inland port capable of handling increased freight volumes and supporting multimodal transport operations along the corridor.

Infrastructure Investments

The construction programme extends beyond the port itself and includes complementary investments that improve its operational effectiveness.

River Transport Infrastructure

The project strengthens inland water transport through:

- construction of modern docking facilities;
- installation of cargo handling equipment;
- improved vessel access and manoeuvring areas;
- infrastructure supporting safer and more efficient river navigation.

These investments are intended to increase the efficiency of freight movements along the Congo–Ubangi river system while supporting integration with the wider CD13 transport corridor.

Intermodal Connectivity

The Mongoumba River Port has been designed as an intermodal facility that connects:

- inland waterway transport;
- national and regional road networks;
- logistics and freight distribution systems associated with the CD13 corridor.

By facilitating the transfer of cargo between transport modes, the port is expected to reduce handling times and improve the continuity of freight movements throughout the corridor.

Urban Access Infrastructure

The project also incorporates improvements to transport infrastructure serving the port, including:

- urban road upgrades within Mongoumba;
- access roads connecting the port to the surrounding transport network;
- supporting traffic infrastructure required for freight movements.

These complementary works are intended to ensure efficient access between the port and the broader corridor network.

Navigation Support

The port forms part of wider investments in river navigation along the Brazzaville–Bangui waterway, including:

- improvements to navigation safety;
- enhanced river transport management;
- measures supporting more reliable vessel operations along the corridor.

These interventions complement the construction of the port by improving the operational performance of the river transport system as a whole.

Expected Outcomes for the Transport Sector

The Mongoumba River Port project is expected to strengthen transport performance within the Central African Republic by:

- increasing freight handling capacity along the Congo–Ubangi river corridor;
- improving the efficiency of cargo transfers between river and road transport;
- reducing cargo handling and logistics delays;

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- strengthening multimodal integration within the CD13 corridor;
- improving the reliability of inland waterway transport services;
- supporting greater freight movement between the Central African Republic and neighbouring corridor countries; and
- enhancing the operational capacity of the country's inland port infrastructure.

The Mongoumba River Port Construction project is implemented by the Government of the Central African Republic through the Ministry responsible for transport infrastructure, with financial support from the African Development Bank under Phase I of the Pointe-Noire–Brazzaville–Bangui–N'Djamena Multimodal Transport Corridor (CD13). The project forms part of the wider regional strategy to improve multimodal transport connectivity, facilitate regional trade, and strengthen integrated transport infrastructure across Central Africa. Construction officially entered its implementation phase with the foundation stone ceremony held in December 2025.

Gouga–Mbaïki–Bangui Highway Paving

The Gouga–Mbaïki–Bangui Highway Paving project is the principal road infrastructure component of Phase I of the Pointe-Noire–Brazzaville–Bangui–N'Djamena Multimodal Transport Corridor (CD13). The project involves the construction, paving, and rehabilitation of approximately 221 kilometres of highway connecting the border town of Gouga with Mbaïki and Bangui. It is intended to establish a modern international road link between the Central African Republic and the Republic of the Congo while strengthening regional transport connectivity along Corridor 13. The project is financed by the African Development Bank (AfDB) in partnership with the Government of the Central African Republic.

Project Components

The Gouga–Mbaïki–Bangui Highway project comprises several integrated infrastructure components, including:

- construction and paving of the 108.7 km Gouga–Mbaïki road section;
- rehabilitation of approximately 112 km of the Mbaïki–Bangui road section;
- construction of a 380-metre bridge over the Lobaye River;
- construction of urban road sections within Mongoumba and Mbaïki;
- upgrading of sections of the Bangui urban road network, including the Bangui bypass and David Dacko Avenue;
- installation of road safety features, drainage infrastructure, signage, and solar-powered street lighting in selected urban areas.

The project has been designed to establish a continuous, all-weather highway capable of supporting regional freight transport while improving operational reliability along the CD13 corridor.

Infrastructure Investments

The construction programme extends beyond highway paving and includes complementary investments that improve the operational performance of the transport corridor.

Road Infrastructure

The project strengthens the road transport network through:

- full pavement construction using bituminous surfacing;
- rehabilitation of existing carriageways;

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- construction of bridges, culverts, and drainage structures;
- geometric improvements to improve road safety and traffic flow;
- climate-resilient engineering measures designed to improve long-term infrastructure durability.

These investments are intended to provide a reliable year-round transport corridor capable of accommodating regional freight and passenger traffic.

Cross-Border Connectivity

The highway has been designed to provide a continuous road connection between:

- the Central African Republic and the Republic of the Congo;
- the road component of the CD13 corridor;
- inland river transport facilities associated with the Brazzaville–Bangui waterway.

By improving continuity between national transport networks, the project strengthens international freight movements along the multimodal corridor.

Urban Transport Infrastructure

The project also incorporates improvements to urban transport infrastructure, including:

- construction of urban roads within Mbaïki and Mongoumba;
- rehabilitation of sections of Bangui's urban road network;
- installation of solar-powered street lighting;
- improvements to intersections and local traffic circulation.

These complementary works are intended to improve the integration of the international corridor with urban transport systems and facilitate efficient access to logistics facilities.

Bridge Infrastructure

A key component of the project is the construction of the 380-metre Lobaye River Bridge, together with associated bridge works and hydraulic structures.

These investments improve route continuity, strengthen corridor resilience, and remove a significant infrastructure constraint along the highway alignment.

Expected Outcomes for the Transport Sector

The Gouga–Mbaïki–Bangui Highway project is expected to strengthen transport performance within the Central African Republic by:

- improving road connectivity along the CD13 international transport corridor;
- reducing freight and passenger travel times between Bangui and the Republic of the Congo;
- increasing the reliability of year-round road transport services;
- strengthening integration between road and inland waterway transport;
- improving access to logistics and freight facilities along the corridor;
- enhancing road safety through modern highway engineering standards;
- supporting more efficient regional movement of goods and passengers across participating corridor countries.

Institutional Framework

The Gouga–Mbaïki–Bangui Highway Paving project is implemented by the Government of the Central African Republic through the Ministry of Equipment and Public Works, with financial support from the African

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Development Bank under Phase I of the Pointe-Noire–Brazzaville–Bangui–N'Djamena Multimodal Transport Corridor (CD13). The project forms part of the wider ECCAS regional transport strategy, which seeks to establish an integrated multimodal transport network linking the Republic of the Congo, the Central African Republic, and Chad. Construction officially commenced in April 2025, following the launch ceremony presided over by President Faustin-Archange Touadéra.

Portfolio Performance Improvement Plan (PPIP)

The Portfolio Performance Improvement Plan (PPIP) is a government-led programme developed jointly by the Government of the Central African Republic and the African Development Bank (AfDB) to strengthen the implementation and performance of externally financed development projects, including those within the transport sector. Rather than financing new transport infrastructure, the PPIP focuses on improving project delivery by addressing institutional, financial, procurement, and implementation challenges that affect the execution of transport investments. It serves as a management framework to improve the effectiveness, timeliness, and sustainability of transport sector projects supported by development partners.

Within the transport sector, the PPIP is intended to enhance the delivery of strategic infrastructure programmes by strengthening project governance, implementation capacity, and inter-agency coordination.

Programme Components

The PPIP comprises several institutional and operational measures, including:

- strengthening project planning and implementation capacity within executing agencies;
- improving procurement planning and contract management;
- accelerating financial management and disbursement procedures;
- enhancing monitoring, evaluation, and reporting systems;
- strengthening coordination between government ministries, implementing agencies, and development partners;
- identifying and resolving implementation bottlenecks affecting transport infrastructure projects.

The programme has been designed to improve the overall performance of the transport project portfolio by ensuring that infrastructure investments are delivered more efficiently and in accordance with agreed schedules and budgets.

Institutional Investments

The PPIP focuses on strengthening the institutional systems that support transport sector delivery rather than constructing physical infrastructure.

Project Management Capacity

The programme strengthens transport project implementation through:

- improved project preparation and planning;
- enhanced contract administration;
- strengthened supervision of infrastructure works;
- capacity-building for project implementation units;
- improved monitoring of project performance indicators.

These measures are intended to increase implementation efficiency and reduce delays in the delivery of transport infrastructure projects.

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Procurement and Financial Management

The PPIP includes reforms designed to improve project execution through:

- streamlined procurement processes;
- strengthened procurement planning;
- improved financial reporting and accountability;
- more efficient disbursement procedures;
- enhanced compliance with development partner requirements.

These interventions aim to reduce procurement delays and improve the financial performance of transport sector investments.

Portfolio Monitoring

The programme also introduces strengthened portfolio oversight through:

- regular portfolio performance reviews;
- implementation monitoring missions;
- risk identification and mitigation measures;
- performance reporting against agreed indicators;
- structured follow-up on corrective actions.

These complementary measures are intended to improve decision-making and ensure that transport projects remain on schedule and achieve their intended outcomes.

Inter-Agency Coordination

The PPIP promotes improved collaboration between institutions responsible for transport sector delivery through:

- coordination between line ministries and implementing agencies;
- strengthened engagement with development partners;
- improved communication between project stakeholders;
- clearer institutional responsibilities for project implementation.

These measures are designed to improve governance and facilitate the efficient execution of complex transport infrastructure programmes.

Expected Outcomes for the Transport Sector

The PPIP is expected to strengthen transport sector performance within the Central African Republic by:

- improving the implementation performance of transport infrastructure projects;
- reducing procurement and contract management delays;
- accelerating project disbursement and financial execution;
- strengthening institutional capacity within transport sector implementing agencies;
- improving monitoring and evaluation of transport investments;
- enhancing coordination between government institutions and development partners;
- increasing the overall effectiveness and sustainability of externally financed transport programmes.

The Portfolio Performance Improvement Plan is jointly implemented by the Government of the Central African Republic and the African Development Bank, with participation from the ministries and agencies responsible for executing AfDB-financed projects, including those in the transport sector. The PPIP is reviewed and

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updated through the Country Portfolio Performance Review (CPPR) process, which assesses portfolio performance, identifies implementation constraints, and agrees on corrective actions to improve the delivery of ongoing and future transport investments.

Recommendations

1. Prioritise the Development of Multimodal Transport Corridors

Rather than expanding transport infrastructure uniformly across the country, CAR should prioritise investment in multimodal transport corridors that connect production centres, population centres, and international gateways.

Priority corridors should include:

- Pointe-Noire–Brazzaville–Bangui–N'Djamena (CD13);
- Douala–Bangui Economic Corridor;
- Bangui–Kaga Bandoro–Ndélé corridor;
- Bangui–Berbérati corridor;
- Bangui–Bambari corridor.

Developing complete corridors—including roads, bridges, river ports, logistics facilities, and border infrastructure—will generate greater economic returns than isolated road construction projects.

2. Develop Bangui as a National Logistics Hub

Bangui should be developed into the country's principal multimodal logistics centre.

Strategic investments should include:

- expansion of freight logistics facilities;
- modern inland container depots;
- dry port development;
- improved river-port connectivity;
- integration with Bangui M'Poko International Airport;
- digital freight management systems.

A central logistics hub would improve cargo consolidation and distribution while strengthening connections between road, river, and air transport.

3. Strengthen Inland Waterway Transport

The Congo–Ubangi river system remains one of CAR's greatest transport assets.

Strategic priorities include:

- completing the Mongoumba River Port;
- modernising Bangui River Port;
- improving secondary river landing facilities;
- expanding navigation aids;
- strengthening river maintenance programmes;

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- integrating PRACAC investments with national transport planning.

Improved inland waterways provide a cost-effective means of transporting bulk commodities and complement the national road network.

4. Complete Strategic Road Corridors

Future investment should focus on completing continuous, all-weather road corridors rather than constructing isolated road segments.

Priority investments include:

- completion of the Gouga–Mbaïki–Bangui Highway;
- rehabilitation of feeder roads connecting to regional corridors;
- construction of resilient bridges and drainage infrastructure;
- climate-resilient pavement design;
- routine road maintenance programmes.

Completing missing links often yields greater transport benefits than initiating new disconnected projects.

5. Improve Cross-Border Connectivity

Infrastructure improvements should be matched by measures that facilitate cross-border movement.

Key priorities include:

- modern one-stop border posts;
- harmonised customs procedures;
- electronic cargo tracking;
- digital trade documentation;
- coordinated border inspections.

Reducing administrative delays can significantly improve corridor performance without requiring major additional infrastructure investment.

6. Modernise Air Transport Infrastructure

Bangui M'Poko International Airport should continue to serve as the country's primary aviation gateway.

Strategic investments should include:

- implementation of PAMAB;
- improved cargo handling facilities;
- enhanced airport safety systems;
- stronger integration between air cargo and surface transport;
- compliance with ICAO operational standards.

A modern airport strengthens international connectivity and supports both commercial and humanitarian logistics.

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7. Establish a National Logistics Strategy

Transport investments should be supported by a comprehensive logistics strategy that coordinates freight movement across all transport modes.

The strategy should include:

- national freight planning;
- logistics hub development;
- warehouse infrastructure;
- freight data systems;
- multimodal transport planning;
- private-sector logistics development.

Transport infrastructure alone will not maximise economic benefits without efficient logistics systems.

8. Improve Transport Asset Management

Long-term sustainability depends on protecting existing infrastructure.

Key priorities include:

- establishment of sustainable road maintenance financing;
- bridge inspection programmes;
- axle-load enforcement;
- pavement condition monitoring;
- river infrastructure maintenance;
- airport asset management systems.

Preserving infrastructure often delivers greater long-term value than repeatedly rebuilding deteriorated assets.

9. Strengthen Institutional Capacity

Institutional performance should improve alongside physical infrastructure development.

Building on the Portfolio Performance Improvement Plan (PPIP), priorities should include:

- strengthening project implementation units;
- improving procurement systems;
- enhancing contract management;
- expanding technical training;
- improving monitoring and evaluation;
- strengthening coordination between ministries and development partners.

Effective institutions are essential for delivering transport projects on time and maintaining infrastructure after construction.

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10. Improve Transport Governance

Transport governance should shift from project management towards strategic network management.

This could include:

- a National Transport Master Plan;
- corridor performance monitoring;
- integrated transport data systems;
- regular infrastructure condition assessments;
- coordinated investment planning;
- stronger public-private partnerships.

Improved governance would ensure that future investments contribute to a coherent national transport network.

11. Strengthen Regional Integration

Because CAR's transport system is inherently regional, future investments should continue to align with neighbouring countries.

Priorities include:

- continued participation in ECCAS transport initiatives;
- coordination with CEMAC transport policies;
- harmonised technical standards;
- regional corridor management;
- joint border infrastructure development.

Regional integration reduces transport costs and improves access to international markets.

12. Align Development Partner Investments

Multiple partners—including the African Development Bank, World Bank, European Union, and bilateral donors—are investing in CAR's transport sector.

Government should ensure that:

- investments complement rather than duplicate one another;
- projects follow common technical standards;
- financing addresses strategic gaps;
- implementation schedules are coordinated;
- monitoring frameworks are harmonised.

A coordinated investment portfolio will maximise development impact and improve resource efficiency.

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SECTOR 7 OF 8

Transport Corridors

Western Corridor (Cameroon)

Overview

The Western Bangui-Douala-Bangui corridor is the principal logistical spine of regional trade for CAR. Accounting for approximately 80% of CAR's imports and exports, it serves as the country's access for imported fuel, food, medicines, industrial goods, and humanitarian supplies, while also serving as the primary outlet for timber, minerals, and cross-border agricultural trade. The majority of formal imports and exports traverse the port of Douala.

Severe logistical bottlenecks, administrative inefficiencies, and widespread informal taxation however drive transport costs far above regional and global benchmarks. These constraints reduce efficiency, raise consumer prices, weaken state revenue capture, and increase the vulnerability of both commercial supply chains and household livelihoods.

In practical terms therefore it functions as the economic lifeline of CAR, sustaining national fuel supply, food availability, customs revenue generation, humanitarian logistics, and private-sector commercial activity. The corridor is therefore both strategic and a governance challenge. Improvements in infrastructure, border management, customs, and transit security would strengthen trade formalisation and economic resilience.

Fiscal framework and Industrial Protection Measures

Formal trade along the corridor is governed by the 18% CEMAC CET. Under recent regional reforms, tariffs on selected consumer goods have increased to between 30% and 40%. In the forestry sector, export duties on raw logs have risen progressively to between 60% and 75% of Free On Board (FOB) value as part of efforts to encourage domestic timber processing and value addition.

Despite these measures, customs inefficiencies continue to add costs. Administrative delays and clearance procedures account for more than half of overall logistics costs, while handling charges at the port of Douala are significantly above global averages at approximately USD 6.5 per ton.

Informal Payments and Roadside Taxation

Official transit tolls are relatively limited, with five legal checkpoints charging 2,000 CFAF each. In practice, however, informal payments represent the largest operational burden for transporters.

- Checkpoint Payments: Truck drivers spend an estimated CFAF 64,000 per trip in unofficial payments, with some journeys exceeding CFAF 255,000.
- Concentration of Roadblocks: The Bangui-Béloko axis and areas around Garoua-Boulaï remain the most heavily controlled sections of the route, with checkpoints appearing roughly every 22 kilometres.

Security Charges: Transport operators routinely pay around CFAF 50,000 in escort and facilitation fees to security forces to move through high-risk areas.

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Imports

Fuel Imports

Refined petroleum is the corridor's most significant commodity. In 2024, Cameroon exported approximately USD 105 million in refined petroleum products to CAR, representing an increase of USD 78.6 million (302%) compared to 2023. Fuel imported through Douala supports the delivery of road freight, mining operations, the running of generators, humanitarian logistics, and urban commercial activity. Because Bangui and most major urban centres rely overwhelmingly on fuel transported through this western axis, any disruption along the route has immediate national consequences for fuel availability, electricity generation, food prices, transport costs, and humanitarian operations.

However, formal fuel imports are paralleled by extensive informal trade networks. Smuggled fuel – locally known as *"Zoulo"* – moves along the corridor through siphoning and diversion by transport operators and informal traders.

Food Imports and Consumer Goods

The corridor is equally critical for food security, with key formal imports from Cameroon into the CAR in 2024 including:

Commodity	Value / Volume
Rice	USD 1.16 million / 8,039,820 kg (~8,040 tons)
Milk products	USD 40.4 million
Soups and broths	USD 4.63 million
Pasta exports to regional market incl. CAR (2024)	944 tons / ~USD 540,000
Pasta exports to regional market incl. CAR (2025)	3,115 tons / ~USD 2.46 million

The rapid growth in processed food imports is particularly important. Regional exports of Cameroonian pasta products increased by 230% between 2024 and 2025, reflecting not only a rise in urban demand, but an overall trend of increased dependence on imported processed foods.

The corridor therefore functions as a significant route for food supplies, processed consumer goods, and humanitarian provisions – reflecting Cameroon's growing role as a key supplier of foodstuffs to CAR.

Exports

The corridor handles CAR's most valuable export commodities, including timber, diamonds, gold, coffee, cotton, sesame, and other agricultural products moving westward toward Douala. In 2024, Cameroon's recorded exports to CAR reached USD 206 million, representing a growth of 24.2% over the previous five years.

Timber

Timber remains CAR's largest formal export sector and accounts for over 60% of total export earnings. Annual export volumes prior to recent restrictions reached 294,776 m^3 of logs and 26,000 m^3 of sawn timber. The corridor is therefore essential for forestry concessions, sawmill exports, and access to Asian and European timber markets. It is especially important for linking forestry zones around Berbérati, Boda, Mbaïki, and Nola westward toward Douala.

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However, the sector also suffers major value leakage. Source material identifies a USD 1.1 billion discrepancy between declared timber exports and imports recorded in destination markets such as China and Vietnam, indicating extensive under-declaration and illicit trade activity.

Minerals

The western corridor is also central to the CAR's diamond trade. Formal diamond exports recovered significantly after 2016, reaching 118,044 carats in formal exports by 2022.

Illicit trade remains substantially larger than the formal sector, with estimated smuggled diamond exports valued at USD 183-240 million annually. Around 90% of smuggled diamonds transit through Cameroon, particularly via Garoua-Boulaï (Cameroon). Numbers are near identical with regards to illicit gold channels – again with around 90% of smuggled gold transiting through Cameroon.

This makes the corridor not only the CAR's largest formal trade route, but its largest illicit mineral export channel.

Informal Cross-Border Agricultural Trade

The corridor supports substantial informal agricultural trade between western CAR and Cameroon. In 2024, unrecorded agricultural exports from the CAR to Cameroon reached 2.9 billion CFA francs (around USD 5.1 million), representing a year-on-year growth of 12.1%.Informal exports included flour and vegetables – which made up 32.9% of informal agricultural trade; alongside fresh meat, tubers, palm oil, and fruits; which together made up 1.8%.

Existing Infrastructure

This western corridor extending between the port of Douala and Bangui spans approximately 1,435 km. The corridor route runs eastwards through:

- Douala;
- Yaoundé;
- Bertoua;
- Garoua-Boulaï;

Then passing towards Bangui through:

- Béloko;
- Bouar;
- Bossemptélé;

Core Infrastructure

Infrastructure	Function
Port of Douala	Main maritime gateway
CAMRAIL network	Freight rail alternative to Ngaoundéré
Douala–Yaoundé highway	Main paved freight route
Garoua-Boulaï crossing	Main Cameroon border gateway
Béloko customs post	Primary CAR customs node
Bouar–Bangui road	Main domestic freight artery
Bangui depots	National logistics hub

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Bottlenecks & Challenges

Checkpoints and Informal Taxation

The Douala-Bangui route experiences exceptionally high checkpoint density.

Key indicators include:

- approximately 66 checkpoints along the wider Douala-N'Djamena axis;
- 37 checkpoints located within Cameroon alone;
- one roadblock approximately every 22 km along the Bangui-Béloko section.

Drivers report average checkpoint payments of approximately CFAF 64,000 (USD 115), with maximum reported payments of up to CFAF 255,000 (USD 455) per trip. Additional escort charges can reach approximately CFAF 50,000 (USD 89) in insecure areas.

These costs substantially inflate freight prices. Source material estimates that legal and illegal taxation can represent 50-60% of total transport costs, whilst illegal taxation alone may account for 40-70% of final market prices.

Port and Customs Delays

The corridor also suffers from common and severe logistical delays. Vessel delays at Douala can reach up to 28 days, cargo release periods range from 1 day to 5 weeks, and border waiting times can last 4-7 days before customs processing begins.

Administrative inefficiency is also particularly costly, with customs and clearance procedures accounting for over 50% of total logistics costs along the corridor. Port handling costs at Douala are estimated at USD 6.5 per tonne.

Seasonal Accessibility

Heavy rains between July and October regularly disrupts freight movement. Unpaved sections become impassable. Here, freight movement can become paralysed for weeks. Road quality remains along the route remain uneven, as only only 20% of Cameroon's national road network is paved overall. Networks become significantly worse inside the western CAR, particularly during the rainy season.

South-Western Corridor (Congo-Brazzaville)

Overview

The south-western corridor has become increasingly important as CAR seeks to reduce its dependence on Cameroon and diversify external trade access through the port of Pointe-Noire. As a broader network, the Congo-Ubangi axis provides significant relief when the Cameroon corridor faces security or administrative disruption. Yet its full potential is constrained by seasonal navigability, weak infrastructure, high formal transaction costs, and deeply entrenched informal trade networks.

Centred around the Congo-Ubangui river system, the corridor is the principle alternative to the western corridor. The corridor serves to facilitate 80 to 85 per cent of CAR's total fuel imports from Congo-Brazzaville and acting as a hub for other commodity flows, with timber being the prime. While the region is transitioning toward a total raw-log export ban by 2028, formal sawn wood exports downriver to Congo-Brazzaville reached record highs in 2024 and 2025 as CAR's locally processing capacity increased.

The corridor has become also a channel for high-value minerals, handling formal diamond exports with recorded volumes reaching 112,807.10 carats valued at USD 12,849,905.50 in 2024. Gold trade is also

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substantial, with formal volumes reaching 1.5 tons valued at approximately USD 42.5 million, though informal flows are estimated to be significantly higher.

Strengthening this corridor will therefore serve a dual approach: sustained investment in multimodal infrastructure and river logistics, combined with regulatory and fiscal reforms that reduce incentives for informality. If addressed effectively, the corridor could evolve from an essential lifeline into a more efficient, transparent, and revenue-generating channel of regional integration and national development.

Harassment and Transit Costs

Administrative obstruction and informal taxation remain major operational constraints.

- Cost Impact: Roadside harassment and informal payments account for approximately 31% of total transit costs.
- Transit Speed: Freight movements average only 6.1 km/h due to repeated delays at checkpoints and administrative barriers.

Informal Charges: A 25-ton truck can incur up to USD 3,000 in unofficial payments per return trip, compared with roughly USD 60 in formal fees.

Imports

Fuel

CAR depends heavily on imports from Congo-Brazzaville to sustain energy security. Formal fuel supplies are increasingly managed through a dedicated energy corridor linking the port of Pointe-Noire to Bangui. When formal river campaigns are delayed by seasonal low water levels, however, a robust informal black market serves as a vital relief channel, though at the cost of sustaining high inflationary pressure on local households.

Fuel imports moving through this corridor form part of a wider USD 720 million merchandise trade basket. During periods of low river navigability, informal fuel markets become essential to maintaining domestic supply. At the same time, the corridor is increasingly used by politically connected commercial actors to move heavy industrial equipment into the CAR and export timber through informal channels.

Manufactured Goods

For pharmaceuticals and other manufactured goods, the corridor supports a mixture of regulated and informal trade. Formal pharmaceuticals are governed by the OCEAC framework and regional supply protocols through bodies like CAMEPS in Brazzaville, but high costs and antiquated legislation have allowed informal parallel markets to flourish. These informal sources frequently provide medications of substandard quality, posing significant risks to public health.

Small-scale informal river trade remains a mainstay for riverine communities. Beneficiaries of this grey market are incentivised by gains offered from imposing high transit costs; informal fees for a single 25-ton truck can exceed USD3,000, whereas official fees are technically under USD 60.

Commodity Category	Formal Value (USD)	Informal Status	Drivers of Informality
Petroleum (Fuel)	~ USD 100 million (Est. Share)	High; supports black market	River campaign delays
Pharmaceuticals	Part of ~USD 72 million Total	Active parallel markets	High costs/Systemic gaps

Exports

The export landscape of the south-western corridor is dominated by high-value natural capital, primarily timber and precious minerals, which flow from CAR's western production blocks toward Congo-Brazzaville.

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Timber

Timber remains the cornerstone of formal trade along this corridor, representing approximately 47.4 per cent of CAR's total exports. While the region is navigating a transition toward a total raw log export ban by 2028, formal volumes in recent cycles recorded 225,000 cubic metres of industrial logs and 49,000 cubic metres of sawnwood with a total monetary value of CFAF 26.5 billion (USD 44.1 million USD).

However, there is a significant informal production gap estimated at 30 to 40 per cent. This lack of reporting is largely driven by local transformation or processing rates failing to meet the legal requirement, which rose to 90 per cent in 2024; prompting operators to move unrecorded logs through regional informal channels along the Congo-Ubangi basin to avoid a 19 per cent VAT and substantial export duties.

Minerals

In the extractives sector, the formalisation of trade has seen a boost following CAR's reinstatement to the Kimberley Process in November 2024, which allows for rough diamond exports from all regions. In 2024, formal diamond exports via this south-western corridor reached 112,807.10 carats, valued at $12,849,905.50 USD.

Despite this progress, informal production is estimated to be as high as 187,000 carats, suggesting that millions of dollars in value still bypass the state through regressive tax systems and porous river borders. Gold exports follow a similar trend; while formal records show 1.5 tons valued at approximately $42.5 million USD, actual production including smuggling is estimated to reach between 2.0 and 5.7 tonnes, representing an untapped fiscal potential for the state of up to CFAF 180 billion.

Commodity	Formal Volume	Formal Value (USD)	Informal/Unreported Gap
Diamonds	112,807 Carats	USD 12,849,905	~187,000 Carats (Total Production Est.)
Gold	1.5 Tonnes	~USD 42.5 Million	2.0 to 5.7 Tons (Est. Smuggling)

Closing the informal gap along this axis is a strategic priority for CAR. Sources suggest that through regional cooperation and border-town infrastructure investment such as the Mongoumba river port and the CD13 multimodal corridor (a major regional infrastructure initiative designed to connect Central African nations through road and river transport), CAR could multiply its formal revenues by up to 3.2 times current levels, transforming these humanitarian lifelines into transparent and sustainable trade corridors.

Existing Infrastructure

The backbone of this corridor is the 1,200 km Congo-Ubangi waterway, which connects Bangui to Brazzaville and the deep-water port of Pointe-Noire. The system is divided into two 600 km sections: from the Malebo Pool (Kinshasa/Brazzaville) to the Ubangi confluence, and from this confluence to Bangui. In Bangui, key facilities include the Kolongo and Rock Club Beach terminals, which manage bulk cargo and passenger transit to Zongo. A landmark project is the Mongoumba river port, launched in December 2025, which serves as a multimodal hub designed to bridge river transport with road networks.

Road connectivity is being modernised with infrastructure developments passing through Gouga (Congo-Brazzaville), Mbaïki and Bangui project; a 221-kilometre paved highway that includes strategic bridges over the Lobaye and Mpoko rivers. This road is seen as a vital route linking landlocked production zones directly to the river basin. CAR is also committed to modernising secondary ports in Congo-Brazzaville localities such as Bétou, Impfondo, Mossaka, and Liranga to support year-round and undisrupted commerce.

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Bottlenecks and Challenges

The corridor faces severe physical and administrative constraints. The most critical physical bottleneck is the seasonal navigability of the Ubangui river, which is often restricted to just four months per year, resulting in a 220-day navigability break. This is caused by declining water levels and a lack of consistent dredging, which forces a reliance on expensive road alternatives during the dry season. Logistics are further hampered by informal "*tracasseries*" (petty harassment) placed on drivers; a return trip for a 25-ton truck between the border and Bangui incurs informal fees exceeding $3,000, even though official fees are under $60.

The cumulative tax burden is equally prohibitive. Taxes on formal imports, including a 19% VAT and various community levies, can reach 90 per cent of the goods' value. These high costs, combined with an average of 3.2 checkpoints per 100 km, reduce effective freight speeds to a mere 6.1 kilometres per hour. These frictions incentivise a massive informal "beach" trade, where small-scale entrepreneurs bypass customs to move consumer goods, pharmaceuticals, and fuel, depriving the state of critical revenue and exposing the population to substandard products.

Southern Corridor (Democratic Republic of the Congo)

Overview

The southern corridor is central to the CAR's fuel supply chain and regional river transport system, linking Bangui with Brazzaville and Kinshasa through riverine networks.

The corridor is defined by the combined Congo-Ubangui / Sangha river basins, and serves as the primary economic artery connecting CAR to the Democratic Republic of Congo (DRC) and broader regional markets. This waterway is a critical lifeline, facilitating around 70 per cent of all intra-regional trade and providing essential access to markets across eleven different DRC provinces.

Centred on the twin-river hubs of Bangui and Zongo, the corridor supports a high-volume exchange of fuel, food staples, and small-scale commercial cargo. The strategic value of this axis lies in its potential to serve as a gateway to Kisangani (DRC) and East African markets via the Lagos-Mombasa Trans-African Highway (Highway 8). The corridor is vital for national energy and food security, particularly as domestic production shortfalls require a heavy reliance on Congolese imports.

The southern corridor with the DRC underpins national access to fuel, food staples, and regional markets, while also serving as a major outlet for both formal and informal commodity flows. It remains constrained by seasonal river navigability, weak border and port infrastructure, administrative predation, and the persistence of illicit trade networks. As a result, the corridor functions less as a fully regulated trade artery than as a hybrid space in which essential commerce, survival-driven exchange, and criminal activity coexist. Strengthening this axis will therefore require not only physical investment in river, bridge, port, and road infrastructure, but also sustained efforts to improve customs oversight, reduce informal taxation, and formalise trade flows.

Informal Taxation and Revenue Leakage

The corridor is heavily affected by corruption and informal revenue extraction, particularly around river transport and mineral exports.

- Roadblock Payments: A 25-ton truck can face more than USD 3,000 in informal taxes per return journey, compared with approximately USD 1,200 in formal agency charges.
- Gold Smuggling: Official gold exports remain significantly below estimated production levels, with substantial quantities moved through informal river routes.

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Imports

CAR's trade with the DRC is underscored by its need for essential energy and food supplies. In 2017, the DRC exported goods valued at approximately USD 97 million to the CAR, and current projections suggest a sustained reliance on these inflows to bridge national deficits.

Fuel

Energy security is the most critical component of this relationship. CAR is structurally dependent on the riverine corridor from Kinshasa/Brazzaville for 80 to 85 per cent of its total fuel and mineral oil imports. Chronic fuel shortages frequently hinder industrial activity in Bangui, leading to the emergence of an active grey market where fuel is diverted away from formal supply lines to avoid high tariffs and illegal taxation. To stabilise this, a 30,000-ton diesel influx is projected for 2025 to support private sector activities.

Food

Food staples represent the second pillar of imports. CAR faces a domestic production shortfall of approximately 200,000 tons for the 2025 season, making imports of rice, maize, and cassava from the DRC essential for food security. Logistics frictions and lower river navigability have already impacted prices; for instance, imported rice in December 2025 was recorded at 10 per cent above levels seen the previous year.

Informal Dynamics

The informal import market also facilitates a high volume of excisable goods, such as alcohol and tobacco. Smugglers leverage poor customs capacity at border crossings to bypass controls through bribery, moving these goods into rural areas of CAR where state oversight is absent. Additionally, this southern corridor is a documented route for narcotics, with a consistent influx of cannabis moving from northern DRC into Bangui. Finally, despite the 2024 lifting of certain embargoes, the informal trafficking of arms and security equipment persists, often funded by the barter of gold and diamonds from The CAR's eastern regions.

Commodity	Formal Status / Growth	Informal Dynamics	Value/Volume Data
Fuel & Oils	80–85% of total supply	Constant diversion from formal markets	30,000-ton diesel influx
Food Staples	Prices +10% in late 2025	Local exchanges	200,000-ton deficit in CAR
Excisable Goods	Alcohol/Tobacco	High volume; bribery	Significant revenue loss
Machinery	9.9% growth in 2024; expected to slow to 4%	TBD	$5.07M (Electrical machinery)
Pharma	Part of $97M (Total)	Substandard sources	$4.51M (Formal pharma)
Narcotics	None (Illegal)	Consistent inflow	Cannabis from northern DRC

Exports

The export landscape from CAR to the DRC is defined by a profound imbalance between formal records and actual commodity movement. Historically, official statistics have recorded a negligible export volume (for instance, 2017 data showed just USD 0.1 million in formal exports), yet the shadow economy manages high-value assets worth hundreds of millions of dollars. This governance gap ensures that high-value extractives, primarily gold, diamonds, and industrial timber, dominate this southern corridor output through illicit channels.

Gold

Gold remains the most strategic informal export due to its portability and high value-to-weight ratio. While CAR's official annual production is recorded at approximately 1 tonne (valued at roughly USD 65 million to USD

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70 million based on 2024/2025 market averages), actual output is estimated to be between 2 and 6 tonnes. Consequently, over 90 per cent of gold production is smuggled, with the Wagner-linked Ndassima mine alone estimated to generate USD 100 million in annual revenue. Much of this gold is moved via covert flights or land routes across the porous borders into the DRC, where it is often laundered into the global supply chain.

Timber

In the forestry sector, CAR faces a similar reporting discrepancy along this corridor. Illegal timber trade is identified as the most lucrative illicit activity in western regions, specifically targeting species like Sapele wood and African Rosewood. Analysis of regional trade shows that import records in destination markets (primarily China) were 56 per cent higher than official export declarations from Central African states, representing a USD 1.9 billion discrepancy. The Wagner-linked entity Bois Rouge is a primary actor in this sector, estimated to have managed up to USD 890 million worth of timber extracted from CAR and moved via regional corridors passing through the DRC.

Furthermore, CAR serves as a primary source for illegal wildlife products transiting through the DRC. Enforcement actions in Lubumbashi (DRC) have uncovered holding areas containing up to 2 tonnes of ivory valued at USD 6 million, alongside pangolin scales and exotic birds such as African grey parrots.

In the agricultural sector, as seen with trade dynamics between CAR and Congo-Brazzaville, exports are needs-based; CAR exports food crops like cassava to the DRC's Western Equatoria region to meet seasonal demand.

Commodity	Formal Value (Est.)	Informal Value (Est.)	Primary Localities/Dynamics
Gold	~USD 65M - USD 70M	USD 100M+ (Ndassima site)	90% smuggled; diverted from state
Timber	Under-reported	Up to USD 890M (Illicit)	Sapele/Rosewood; Wagner-linked
Diamonds	Negligible (Pre-2025)	USD 1 million + (Est.)	Barter currency for weapons
Wildlife	0 (Illegal)	~USD 6M+ (Seizures)	Transit via Lubumbashi hubs
Cassava	Part of Regional GDP	Seasonal Multi-Million	Traded via ethnic Zandé networks

Existing Infrastructure

The backbone of this corridor is the 1,200 km Brazzaville/Kinshasa-Bangui waterway, divided into two 600 km sections. Current operations are anchored by the Rock Club Beach terminal in Bangui, which handles passenger and freight transit to Zongo. Most commercial crossing currently relies on a ferry service, which acts as a significant bottleneck for vehicle-based trade.

Under the National Development Plan for 2024-2028, CAR is prioritising several flagship infrastructure projects to modernise this link. A 645-metre strategic bridge is proposed between Bangui and Zongo to replace the ferry, which is projected to increase daily vehicle crossings from 150 to 500. With regards to energy, the Mobayi Interconnection project aims to link nine Central African localities to the DRC's Mobayi hydropower plant to stabilise industrial power supply. Digital connectivity is also being integrated via the Central African Backbone (CAB), though the physical road links of Highway 8 remain partially unpaved in both CAR and the DRC, limiting its use for heavy inter-state freight.

Bottlenecks and Challenges

Again, the primary physical constraint is the seasonal navigability of the Ubangui River. Due to a lack of maintenance and dredging, the river is only reliable for five to six months per year, resulting in a 220-day

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navigability break. Seasonal collapse forces trade toward other trade corridors, such as the western Bangui-Douala axis.

Administrative hurdles are equally severe. The existing informal checkpoint economy is a systematic drain on commercial margins, with drivers facing small fees of 500 CFAF (less than USD 1) to enormous sums of up to USD 3000 per trip for large-scale operators.

Furthermore, the lack of modern equipment at river ports prevents the handling of containerised shipping, and ferry delays of one to three days at the Bangui-Zongo crossing further inflate the movement of goods and security premiums attached to them.

Northern Corridor (Chad)

Overview

The northern corridor operates within one of the CAR's most challenging trade environments. Weak state control, insecurity, and entrenched informal taxation have created extremely high cumulative costs.

The corridor represents a vivid and mobile economy. While official records suggest a low volume of trade, Chad remains one of CAR's top five African trade partners, providing a critical lifeline for food and energy security in the northern prefectures. This corridor is the primary artery for cross-border pastoral activity, supporting a massive livestock trade that serves as both a food source and a form of savings and asset for rural households.

The axis also facilitates the flow of essential cereals, fuel, and manufactured household goods into isolated prefectures like Vakaga and Haute-Kotto. For CAR, maintaining this corridor is essential for regional stability, as it supports large-scale informal economic exchanges that underpin the livelihoods of over 80 per cent of the population in border regions.

The trade landscape is defined by a stark disparity between formal statistics and a multi-billion dollar shadow economy. In 2021, formal data recorded a balanced but low-volume exchange, with CAR exporting USD 1.8 million to Chad and importing USD 2.0 million. However, the reality on the ground is a vast informal sector driven by high regulatory burdens and insecurity.

This northern corridor illustrates the importance that lies in sustaining food, fuel, and livestock flows to some of CAR's most isolated areas, with insecurity, informal taxation, and weak infrastructure keep commerce largely outside state oversight. Any effort to strengthen this corridor will therefore need to address not only physical connectivity, but also the governance deficits and coercive market structures that currently shape cross-border trade.

Formal Tax Burden

Combined import tariffs, VAT, and additional surcharges can raise the total tax burden on formal imports to close to 90% of cargo value. VAT rates have also increased to 19%, further increasing import costs for traders operating through Chad.

Informal Clearance Systems

To avoid long delays at official border crossings such as Ngueli and Moundou (Chad), traders widely rely on a parallel "short track" payment system that accelerates customs clearance in exchange for unofficial fees.

- Fast-Track Payments: Timber traders typically pay between XAF (West African CFAF) 5,700 and 6,600 per cubic metre to secure clearance within 24 hours.
- Armed Actor Revenue Capture: The Africa Corps network has consolidated influence over fuel and gold supply chains, benefiting from preferential tax arrangements and fuel price manipulation estimated to generate between USD 17.5 million and USD 30 million in excess revenues.

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- Collapse of Formal Banking: The near-total breakdown of formal banking systems has pushed traders toward Hawala-based cash transfer systems, where commissions can reach

20-30%.

Locations such as Bembéré and Sido have evolved into major centres for informal cross-border commerce, while the Sam Ouandja route remains a key channel for illicit mineral flows into Sudan.

Imports

CAR is structurally dependent on Chad for key imports, particularly livestock, fuel, and essential food staples.

Livestock

Livestock constitutes the single largest component of informal cross-border trade, with cattle and small ruminants accounting for nearly 50 per cent of all informal activity within the wider Chad-Cameroon-CAR trade dynamic. Trade flows are overwhelmingly informal and shaped by seasonal pastoral mobility rather than customs procedures, making livestock the primary economic driver in border prefectures such as Vakaga and Ouham-Pendé. In 2024, Chadian livestock exports increased by 20.3 per cent, a trend also reflected in the CAR as herders redirected trade routes away from conflict-affected areas. The CAR therefore functions both as a major consumer market for meat and as a destination where livestock serves as a store of value for rural households.

Fuel

CAR also faces chronic dependence on imported fuel, with approximately 80–85 per cent of domestic supply sourced externally. Informal fuel imports from Chad remain essential in mitigating recurrent shortages in northern centres such as Birao and Ndélé. These Wagner-linked networks are estimated to have generated between USD 17.5 million and USD 30 million in excess revenue during 2024 through price inflation and preferential tax treatment.

Staples

Alongside fuel, northern CAR markets rely heavily on Chadian corridors for staples including sugar, rice, vegetable oil, and pasta, particularly following disruptions to Sudanese trade routes caused by conflict. The collapse of the Sudanese pound further accelerated this shift by forcing traders to prioritise CFA franc-denominated imports via Chad. These supply chains are heavily affected by insecurity and checkpoint taxation; in mid-2024, for example, a 50kg bag of sugar reached approximately USD 257 in northern CAR markets.

Commodity	Formal Value/Volume (Annual)	Informal Value/Volume (Annual)	Strategic Context
Livestock	Negligible specific to the CAR	USD 45-55 million (estimated)	Accounts for roughly 50% of informal trade.
Fuel	Regulated supply	USD 17.5-30 milion in “excess revenue”	Managed by Wagner-linked price-inflation networks.
Staples (Sugar/Rice)	High volatility	USD 199–257 per 50kg bag	Vital lifeline for northern hubs such as Birao.

Exports

CAR’s exports to Chad are dominated by high-value natural resources and informal agricultural trade, reflecting both the weakness of formal customs infrastructure and the cross-border interdependence of northern border regions.

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Timber

Timber and wood products, particularly logs and charcoal, remain important export commodities. Although the CAR's forestry sector generated approximately USD 69 million in 2024, officially recorded timber exports to Chad were negligible, sitting at less than USD 10,000; highlighting the extent to which cross-border flows bypass formal customs channels. Similar dynamics characterise the extractives sector, where smuggling networks remain the principal route through which diamonds and other mineral products move toward Chad.

Staples

Agricultural and forest-based staples form a substantial component of informal exports. Agriculture supports more than 80 per cent of the population in both countries, and cross-border trade is overwhelmingly informal and highly responsive to seasonal market shocks. In 2025, a harvest surplus in CAR reduced cassava prices to approximately USD 0.41 per kilogram, creating strong incentives for exports into flood-affected southern Chad. CAR also serves as an important raw material supplier for Chadian peanut oil processors, who frequently re-export refined products as "Premium Chadian Groundnuts".

In addition, non-timber forest products such as gum Arabic are routinely harvested in the CAR's northern forests and sold to Chadian traders, who subsequently export them as Chadian produce to secure preferential international market access, including duty-free benefits under the African Growth and Opportunity Act (AGOA). These dynamics effectively allow the laundering of product origin while obscuring CAR's true export contribution.

Commodity	Formal Value/Volume (Annual)	Informal Value/Volume (Annual)	Strategic Context
Timber	<USD 10,000 (customs record)	Part of USD 69M total sector value	High volume of unrecorded logs and charcoal exports.
Diamonds	<25% of pre-2013 levels	Majority of output	Smuggling persists despite lifting of embargo.
Gum Arabic	Unrecorded	High (harvested in the CAR)	Routinely re-exported as Chadian produce.

Existing Infrastructure

Infrastructure along this northern corridor remains extremely fragile and largely consists of unpaved roads and traditional pastoral routes. A significant development is the inauguration of the first mixed border post in Bembéré, located in the north-west, which aims to secure a 1,556-kilometre border previously affected by insecurity. Another vital node is the Sido checkpoint in northern CAR, which recently reopened after a decade-long closure to protect the transit of cattle and commercial trucks. Despite these advancements, most trade continues to move through unmanaged pathways and informal crossings through Adikong and Bembéré, which have become vital for accessing food and fuel. Connectivity between northern market centres like Sam-Ouandja and the capital, Bangui, remains poor, often requiring expensive air transport for specialised goods when road corridors are washed out or cut off by insecurity.

Bottlenecks and Challenges

The corridor is hindered by severe physical and administrative constraints. Border regions are characterised by dangerous roads where trucks are frequently targeted by rebel groups and bandits. This checkpoint economy is a systematic burden; a single truck may encounter up to 20 roadblocks between major hubs, with total informal fees reaching approximately USD 32 per trip - more than six times the regional minimum monthly wage.

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These "abnormal practices" and illegal fees stifle fair competition and isolate markets. Seasonal inaccessibility is also a major factor, as heavy rains render large sections of the unpaved network impassable, causing significant supply delays and price volatility. Furthermore, the lack of formal banking in these zones has forced a shift toward the informal *hawala* system, which charges exorbitant commissions of 20 to 30 per cent for financial transfers.

North-Eastern Corridor (Sudan)

Overview

The north-eastern corridor functions primarily within a conflict-driven trade economy shaped by armed group control and cross-border smuggling networks. The corridor connecting CAR to Sudan has fundamentally transitioned into a complex war economy defined by the collapse of formal state authority. This axis serves as a primary gateway for high-value extractives and essential commodities, with the CAR town of Birao and the Am Dafok border crossing acting as strategic hubs.

The significance of this corridor lies in its role as a logistics chain between the Sudanese Rapid Support Forces (RSF) and the the Russian Africa Corps. Together, these actors have reconfigured traditional trade routes into arteries for conflict financing and bartering, bypassing international financial systems. Despite the ongoing conflict in Sudan, this corridor remains a vital lifeline for the Vakaga and Haute-Kotto prefectures, supporting the livelihoods of border communities through a militarised shadow economy that manages everything from artisanal gold to humanitarian-grade foodstuffs.

Overall, the north-eastern corridor between CAR and Sudan is a conflict-governed exchange system in which strategic commodities, armed actors, and survival economies are tightly intertwined. Its commercial importance lies not in formal customs statistics, but in the scale of informal flows that sustain local populations while simultaneously financing violence through gold, livestock, gum Arabic, fuel, and arms trafficking. The corridor's weak infrastructure, seasonal inaccessibility, predatory taxation, and monetary instability reinforce its dependence on coercive intermediaries and illicit market structures. As long as state authority remains absent and armed groups continue to control mobility and taxation, this corridor will remain both an economic lifeline for border communities and a critical engine of regional insecurity.

War Economy and Currency Instability

Trade routes linking Birao and Am Dafok to South Darfur are largely controlled by the RSF. The collapse of the Sudanese banking sector and severe currency depreciation have effectively shifted commercial activity toward transactions in CFA and US dollars.

Armed Group Taxation

The RSF has established structured informal taxation systems along the corridor.

- 20-ton Truck Charge: Approximately 1,000,000 SDG per truck.
- "Zakat" Tax: Around 100,000 SDG per vehicle.
- Exit Charges: Approximately 200,000 SDG at urban exit points.

Gum Arabic Levy: Around 5,000 SDG per quintal transported.

Imports

Energy and Petroleum Products

CAR is structurally dependent on Sudanese supply lines for energy in its northern prefectures. Historically, traders procured diesel via these routes; however, recent insecurity has forced a shift toward alternative hubs.

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The RSF now manages a dedicated fuel supply line through the borderlands, imposing “security taxes” and levies on all petroleum entering CAR. This unregulated monopoly results in high prices and frequent supply shortages, with fuel often used as a direct barter currency for gold.

Agricultural Staples

In the agricultural sector, the discrepancy between formal data and ground reality is extreme. While Sudan recorded a national cereal surplus of 979,330 tonnes of sorghum for the 2024/2025 season, formal exports to CAR were valued at a USD 6,030. In reality, massive informal volumes of grain move across the border to sustain nearly 30,000 Sudanese refugees and local populations in northern CAR. This trade carries a heavy security premium; for example, sorghum prices in Al-Fashir, a primary gateway for trade into CAR, rose eight-fold between March 2023 and April 2025.

Gum Arabic Transit and Laundering

Gum Arabic represents a critical informal import and transit commodity. While Sudan historically supplied 80 per cent of the global market, 50 to 80 per cent of its production is now smuggled annually through CAR and Chad to be re-registered as local production to bypass state authority and sanctions. In the first half of 2024, at least USD 14.6 million in looted gum Arabic (approximately 3,700 tonnes) was identified transiting this corridor. The RSF extracts significant revenue from this flow, earning up to USD 20.5 million per month by imposing fees of 1 million Sudanese pounds per 20-tonne truck load.

Livestock

Livestock constitutes the largest tangible informal import, driven by recent trends of militarised of pastoralism. Over 173,000 cross-border livestock movements were recorded in 2024. These transnational migrations are the primary source of funding for rebel groups in the Vakaga and Haute-Kotto regions, who levy "protection fees" on herders. Finally, the corridor facilitates a seamless flow of small arms, light weapons (SALW), and ammunition sourced from Sudanese stockpiles, often funded directly by conflict-gold revenue.

Imports	Formal Value (Annual)	Informal Value (Annual)	Primary Drivers
Gum Arabic	Negligible (formal)	USD 20.5M/month (levies)	Transit/laundering of Sudanese origin.
Sorghum	USD 6.03k (total Sudan)	Sustains 30k+ people	800% price increase at border.
Livestock	USD 165M (H1 total Sudan)	173k+ head (informal)	Protection fees fund regional rebels.
Fuel/Arms	USD 0	Biweekly shipments	RSF-taxed dedicated supply lines.

Exports

Gold

Gold is the undisputed engine of this trans-frontier economy, though it operates almost entirely outside formal banking systems. While formal Sudanese gold exports were valued at USD 1.57 billion in 2024 and projected at USD 1.54 billion for 2025, official records for CAR-specific exports are nearly invisible as the sector is diverted into illicit channels. Investigative estimates suggest that gold smuggled from RSF-affiliated sites and eastern CAR mining zones reached approximately USD 860 million in 2024. This gold is frequently moved via makeshift desert airstrips to bypass formal air control and serves as liquid capital for the acquisition of weapons and military systems.

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Diamonds

Diamonds follow a similar pattern of state avoidance. Despite the Kimberley Process lifting the 11-year embargo in November 2024 and facilitating a formal export of approximately 100,000 carats valued at USD 20 million a significant portion of production remains unrecorded. In the east, where banking infrastructure is non-existent, diamonds function as a primary barter currency for fuel and weapons. Estimates suggest actual production including smuggling may exceed 187,000 carats, with the Sudanese Darfur region serving as a "back door" for laundering these stones into international hubs.

Forestry and High-Value Hardwoods

The forestry sector remains a lucrative revenue stream. Formal sawnwood revenue for exports to Sudan from early 2025 was recorded at USD 54 million, with an additional €2.72 million ($2.9 million) for billets. Notably, billet exports - particularly of teak and sapele - saw a 107 per cent increase in early 2025. Much of this is managed through front companies like Wood International Group, which has the potential to generate up to USD 890 million by moving logs across porous borders to receive fraudulent certificates of origin in neighbouring countries before final export.

Exports	Formal Value (Annual)	Informal Value (Annual)	Primary Drivers
Gold	~1.0 tonne (official CAR)	USD 860M+ (smuggled)	Used as liquid capital for weapons.
Diamonds	USD 20M (100k carats)	High (unrecorded)	Barter currency for fuel and arms.
Teak/Sapele	USD 56.9M (total wood)	Up to USD 890M (Wagner)	Fraudulent certificates of origin.

Existing Infrastructure

Infrastructure along the north-eastern corridor is described as extremely weak and largely state-absent. The primary crossing is the Um Dafuq (Sudan) to Am Dafock (CAR) axis, which consists of unpaved desert routes typically used by smugglers. In CAR, infrastructure is so fragile that the Vakaga prefecture becomes inaccessible by road for nine months of the year during the rainy season. This has necessitated the creation of humanitarian air bridges from Bangui to Birao, where essential supplies are delivered at high cost because the ground roads are either washed out or under rebel control. Local commercial activity is restricted to small-scale market centres and clandestine hubs in localities such as Terfele (CAR), where commanders negotiate passage with local leaders like the Sultan of Kara.

Bottlenecks and Challenges

The corridor is plagued by militarised taxation and a systematic absence of formal customs systems. The RSF and other armed groups control the road from Nyala to the border, imposing a "security premium" that has decoupled local prices from national averages; for example, sorghum prices in the gateway of Al-Fashir rose eight-fold between March 2023 and April 2025. Transporters face prohibitive informal costs, including a standard truck toll of 1 million Sudanese pounds (SDG), an additional 100,000 SDG "Zakat" tax, and city exit fees of 200,000 SDG.

Furthermore, the total collapse of the Sudanese financial system has created a liquidity crisis, forcing border traders to abandon the Sudanese pound in favour of the CFA Franc (XAF) or US Dollars. This shift has transferred significant value to those holding CFA, while households earning in Sudanese pounds face a seven-fold decrease in purchasing power. The existing checkpoint economy ensures that transit costs are roughly four times higher than actual transport costs, with illegal harassment accounting for 31 per cent of total transit expenditure.

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Eastern Corridor (South Sudan)

Overview

This corridor remains dominated by informal commerce networks and low levels of state oversight.The corridor is CAR's most significant long-term strategic growth opportunity, functioning as a land bridge to the East African Community (EAC).

This axis could diversify CAR's regional trade and reduce its 80 per cent dependency on the Atlantic-facing route. By linking CAR to South Sudan, Uganda, and Kenya, this corridor offers a streamlined route for cargo to reach the Indian Ocean, bypassing the traditional bottlenecks of the western corridors.

A significant development is the proposed Kampala-Juba-Bangui highway (1,800 km) and the Bangui-Sosiubu road (1,249 km) represent a structural shift that could integrate CAR's eastern production basins directly into the high-growth East African commercial network. This corridor's importance lies in the contrast between its current fragility and its long-term strategic potential.

Today, it functions less as a formal trade route than as a survival corridor sustained by informal flows of food, fuel, livestock, timber, and gold across a weakly governed borderland. This offers CAR an opportunity to reduce overdependence on western routes and connect more directly to East African markets. Realising that potential will depend on whether planned road investments can convert a costly, insecure, and largely unrecorded trading space into a more reliable, all-weather corridor that supports regional integration, improving market access for eastern prefectures and capturing a greater share of trade value within formal systems.

Natural Resource Leakage

The timber sector highlights the scale of revenue loss linked to informal trade.

- Revenue Gap: Formal teak sector revenues are estimated at approximately USD 2 million annually, while smuggling losses may reach USD 148 million.
- Border Charges: Informal crossing fees generally range between USD 10 and USD 20 per individual.

Imports

CAR sees imports from South Sudan regarding energy, livestock, and staple grains in its eastern prefectures. While South Sudan's global formal agricultural exports were only $2.30 million in 2024, zero volume was officially recorded for the CAR. In reality, massive informal volumes of maize flour and sorghum are imported to bridge consumption gaps. Regional parity prices for maize in Juba reached $1,200 per metric ton in early 2024, highlighting the high cost of this informal lifeline.

South Sudan also serves as a transit hub for small-scale manufactured goods, including soap, salt, and second-hand clothing, originally sourced from Uganda or Kenya. These items are moved in small volumes via bicycles and small trucks across nodes like Bambouti and Obo. Fuel and livestock such as cattle and goats are also primary informal imports; however, formal animal product exports from South Sudan to CAR were recorded as negligible in 2024

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Commodity	Formal Value (USD)	Informal Value (USD)	Strategic Context
Maize (Grain/Flour)	USD 0 (Not recorded)	Multi-Million	Parity price >USD 1,200/metric ton
Sorghum	USD 0	High	Essential for eastern sub-prefectures
Fuel	USD 0	High (Unquantified)	Primary good at Bambouti node
Cattle and Goats	USD 0	High	Seasonal pastoralist movement
Manufactured Goods	USD 0	"Lifeblood" status	Soap, salt, second-hand clothing

Exports

The export landscape is dominated by high-value natural capital and seasonal agricultural surpluses. Timber is the most lucrative component; again with much of the wood moving toward South Sudan is unrecorded. High-grade lumber, including rosewood, mahogany, and teak, is frequently trafficked under the cover of conflict. To illustrate the scale of uncaptured value, the regional teak sector has a potential annual revenue of USD 150 million, yet it officially recorded only USD 2 million in 2024, representing a USD 148 million loss to smuggling.

In the agricultural sector, the corridor facilitates the informal flow of cassava (the CAR's primary staple) and forest products like edible caterpillars, which serve as a protein source for 85 per cent of Central Africans. Furthermore, artisanal gold from the CAR's eastern mining zones and the contested Kafia Kingi enclave in South Sudan is moved informally through the territory, often with the reported collusion of security forces.

Commodity	Formal Value (USD)	Informal Value (USD)	Strategic Context
Timber (Teak/Rosewood)	USD 2 Million (South Sudanese Teak)	USD 148 Million (Loss)	71% of formal costs are tax/logistics related
Gold	Negligible	High (Conflict-linked)	Collusion with security forces
Food Crops (Cassava)	Negligible	Multi-Million	Primary staple; traded year-round
Caterpillars/Forestry	Negligible	Significant	Vital protein source for 85% of CAR

Existing Infrastructure

Infrastructure along this corridor is currently extremely weak, consisting of unpaved road systems that leave Vakaga and Haut-Mbomou prefectures isolated for long periods. Commercial activity centers on informal trade hubs like Source Yubu in South Sudan and Bambouti in CAR. To address this, the two nations signed a landmark agreement in early 2026 for a 1,249-kilometre road linking Bangui to Source Yubu, notably using a gold-backed financing arrangement. This project aims to formalise trade flows and provide all-weather access, complementing the proposed 1,800 km highway that would link Kampala to Bangui via Juba and Obo.

Bottlenecks and Challenges

The corridor is plagued by a systematic checkpoint economy and near-total infrastructure deficits. Armed non-state actors, such as the AAKG Zandé militia in Bambouti, have established illegal taxation systems targeting Muslim traders and herders, with informal fees typically reaching USD 10–USD 20 per person per crossing. These logistical inefficiencies can inflate transport and handling costs to as much as 70 per cent of the total

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value of goods. Furthermore, roads are frequently made impassable by seasonal river flooding during August and September, which isolates eastern settlements and causes significant spikes in food prices.

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SECTOR 8 OF 8

Free Trade Zones

The Central African Republic's free-trade ambitions are shaped by a difficult starting point: the country is landlocked, heavily dependent on a single external trade corridor, constrained by weak transport infrastructure, and affected by insecurity, informal payments, and uneven regional customs implementation. Yet the policy landscape is not defined only by these obstacles. A growing set of national reforms, regional frameworks, and bilateral and multilateral initiatives is seeking to reduce the practical costs of trade, improve border governance, attract investment, and connect CAR more effectively to regional and global markets.

Free Trade Constraints and the Douala–Bangui Corridor

CAR's most immediate trade constraint is its dependence on the Douala–Bangui corridor, the 1,400-kilometre route linking Bangui to the Port of Douala in Cameroon. More than 80 per cent of the country's external trade moves through this corridor, making it both an economic lifeline and a major vulnerability. High transport costs, long and unpredictable journey times, road deterioration, and repeated administrative controls all raise the cost of imports and exports, weakening the competitiveness of domestic producers and reducing the gains that free trade is meant to deliver.

These logistical weaknesses are compounded by non-tariff barriers. Checkpoints, informal payments, axle-load controls, poor maintenance systems, and seasonal vulnerability on unpaved roads all slow the movement of goods and increase prices for consumers. The same problems also limit the ability of firms in CAR to participate in regional value chains, since producers cannot reliably move inputs into the country or finished goods out to neighbouring markets. Free trade therefore remains less a question of tariff reduction alone than of whether trade routes can become predictable, secure, and affordable.

Regional Integration, Customs Reform, and Institutional Weakness

At the regional level, CAR is formally embedded in the Central African Economic and Monetary Community (CEMAC), whose customs union is intended to simplify trade through a Common External Tariff and more harmonised procedures. In practice, however, the benefits of this framework have been diluted by overlapping levies, inconsistent implementation, domestic exemptions, and opaque administrative practices. These weaknesses create uncertainty for traders and investors, particularly where official tariffs are supplemented by secondary charges and informal costs.

The same institutional fragility is visible in the governance of natural resources. CAR's temporary suspension from the Extractive Industries Transparency Initiative in November 2024 highlighted persistent concerns over transparency, beneficial ownership, and stakeholder engagement in a sector that remains central to export potential. Because mining and forestry sit close to the country's comparative advantages, weak oversight in these sectors limits the credibility of broader free-trade and industrialisation strategies.

Against this backdrop, the schemes now being advanced in and around CAR should be understood as attempts to make free trade operational. They target the physical corridor that carries trade, the border systems that regulate it, the investment rules that attract firms, and the social barriers that prevent smaller and informal traders from benefiting from market opening.

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A significant multilateral response has been the World Bank's Douala–Bangui Economic Corridor programme, a US$1.12 billion multi-phase initiative designed to modernise the route on which CAR depends for most of its external trade. Rather than treating the corridor as a simple road project, the programme links road rehabilitation with logistics platforms, feeder roads, axle-load control, road safety, maintenance reforms, value-chain support, and trade-facilitation measures at both national and CEMAC levels. Its importance lies in directly addressing the bottlenecks that make free trade costly in practice: long transit times, high freight costs, deteriorating infrastructure, excessive checkpoints, and informal payments.

This corridor agenda is reinforced by other development-finance and regional initiatives. African Development Bank trade-finance facilities, including guarantees for local banks, seek to ease the financing constraints faced by SMEs and industrial firms, while infrastructure investments such as river-port and logistics improvements aim to strengthen CAR's access to regional value chains. At the same time, the African Continental Free Trade Area provides a wider continental framework within which CAR can use better transport links and customs systems to reach larger markets. These initiatives are mutually reinforcing: infrastructure lowers the cost of movement, trade finance helps firms use that infrastructure, and regional commitments create the market access that makes investment worthwhile.

CAR's domestic reform agenda also seeks to make the country more attractive to investors and better able to capture value from trade. The 2018 Investment Charter provides tax incentives, investor protections, and a clearer legal framework for productive investment, including support for industrial activity and the Bangui Industrial Free Zone. Its aim is to encourage firms to process goods locally, create employment, and move beyond a narrow dependence on raw-material exports. However, its impact is constrained by insecurity, energy shortages, poor infrastructure, and the exclusion of some key sectors from its coverage.

Those gaps are partly addressed by the 2024 Mining Code, which creates a separate framework for a sector central to CAR's export base. By introducing transparency obligations, beneficial ownership requirements, community development provisions, local processing expectations, and sector-specific incentives, the code attempts to convert mineral wealth into formal investment, public revenue, and domestic value addition. If effectively enforced, it could complement free-trade policy by ensuring that export growth is not limited to unprocessed extraction but supports industrial development and stronger state capacity.

Border modernisation is another crucial part of this policy mix. The Béloko Customs Platform is designed to improve the functioning of CAR's main western gateway by modernising procedures, reducing delays, strengthening revenue collection, and improving oversight on the Douala–Bangui route. In practical terms, this type of customs platform is essential because tariff preferences and regional trade agreements cannot deliver their intended benefits if traders still face unpredictable clearance times, weak information systems, and rent-seeking at the border.

Bilateral and external partnerships further extend this agenda. The European Union's Global Gateway strategy supports strategic transport corridors and combines infrastructure investment with governance, security, and institutional coordination. For CAR, this is especially relevant along routes such as Bangui–Bouar–Béloko, where customs performance depends not only on facilities but also on state presence, policing, and secure movement. China's engagement, by contrast, is more infrastructure- and market-access oriented, linking CAR to wider logistics networks through regional ports and offering opportunities for export access, processing, and value-chain development. Together, these models show how external partners can support free trade through different channels: the EU by pairing connectivity with governance and security, and China by emphasising infrastructure, market access, and industrial transformation.

Finally, efforts to improve free trade in CAR must address who is able to participate in it. UNECA's gender-responsive trade work, including the DA18 project on women-owned informal cross-border businesses, recognises that women traders are central to daily regional exchange but often face limited knowledge of customs procedures, harassment, informal payments, mobility restrictions, and poor access to finance. By

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supporting formalisation, data collection, procedural awareness, and integration into AfCFTA opportunities and future industrial zones, this initiative expands the free-trade agenda beyond infrastructure and tariffs to include inclusion, livelihoods, and food security.

Taken together, these schemes suggest that CAR's free-trade challenge is being approached as a systems problem. The World Bank and other development-finance institutions are targeting the corridor and logistics costs; CEMAC and AfCFTA provide regional and continental frameworks; the Investment Charter and Mining Code seek to attract productive investment and improve value addition; the Béloko Customs Platform addresses border administration; EU and Chinese initiatives strengthen connectivity and market access; and UNECA's work brings informal and women-led traders into the policy frame. The central test will be coordination and enforcement. If these initiatives remain fragmented, CAR may continue to face high costs, weak investor confidence, and limited industrial gains. If they are aligned, however, they could transform free trade from a formal commitment into a practical route toward lower prices, stronger exports, more inclusive enterprise, and gradual industrial development.

Bilateral initiatives

The European Union's Global Gateway and Security Coordination

The European Union (EU) supports the development and viability of Free Trade Zones (FTZs) in the Central African Republic (CAR) through its Global Gateway strategy and targeted security coordination missions designed to secure trade corridors.

The Global Gateway Strategy

The Global Gateway is the European Union's comprehensive strategy to promote sustainable infrastructure projects globally by mobilising public and private sector financing. In the context of Central African trade, this initiative prioritises the modernisation of strategic corridors that connect landlocked markets like CAR to international maritime ports.

- Guarantees and Financing: Under the Global Gateway, the EU has invested €40 million in a guarantee mechanism developed jointly with the International Finance Corporation (IFC). This mechanism is specifically designed to reduce investment risks for the private sector and encourage infrastructure upgrades along regional trade routes.
- Strategic Corridors: The EU has identified specific axes under the Global Gateway Africa-Europe Investment Package that are critical for CAR's economic integration. These include Corridor 6 (Douala/Kribi–Kampala), which links Cameroon, CAR, the Democratic Republic of the Congo, and Uganda, and Corridor 5 (Libreville/Kribi/Douala–N'Djamena).
- Economic Objectives: These investments aim to lower trade costs, increase transit efficiency, and foster stable partnerships that support economic sovereignty and employment generation.

Security Coordination and EUAM RCA

Because the viability of industrial enclaves like the Bangui Industrial Free Zone is undermined by security fragmentation and the presence of transnational mercenary networks, the EU integrates security coordination into its trade facilitation efforts.

- EU Advisory Mission (EUAM RCA): The European Union Advisory Mission in the Central African Republic (EUAM RCA) plays a vital role in securing the Bangui–Bouar–Béloko corridor, which is the CAR's primary trade link to the Port of Douala.
- Inter-Agency Coordination: The EUAM RCA conducts field missions to improve coordination between the gendarmerie, customs, and police forces.

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- Securing Revenue and Flows: By strengthening customs border management and restoring state authority along this key axis, the EU aims to secure legitimate trade flows and improve national revenue collection, which is essential for the long-term success of formal trade zones.

Impact on Free Trade Zones

The EU's dual approach of infrastructure financing and security coordination addresses the structural bottlenecks that have historically stifled CAR's trade initiatives.

- Corridor Reliability: Secure and modernised corridors ensure that high-value products intended for processing within the Bangui Industrial Free Zone, such as forestry and agricultural resources, can reliably reach international markets.
- Mitigating the "Gray Zone": EU efforts to strengthen formal customs procedures at border points like the Béloko Customs Platform help mitigate the influence of the "conflict economy" and mercenary groups that co-opt resource flows in areas where the state is absent.
- Institutional Alignment: These efforts align with broader regional goals under the Central African Economic and Monetary Community (CEMAC) and the African Continental Free Trade Area (AfCFTA) to harmonise cross-border transport and trade procedures.

China

China's bilateral engagement with the Central African Republic (CAR) is characterised by long-term, infrastructure-led statecraft facilitated through frameworks such as the Forum on China-Africa Cooperation (FOCAC) and the Belt and Road Initiative (BRI). This approach is central to the viability of Free Trade Zones (FTZs) in CAR because it addresses the physical and regulatory barriers that have historically isolated the country's domestic markets.

Market Access and Trade Incentives

A primary element of recent bilateral aid is the expansion of market access for Central African goods. In 2024, the Chinese government granted zero-tariff market access for 100% of tariff lines to least-developed countries with which it has diplomatic ties, including CAR. This policy is highly relevant to the Bangui Industrial Free Zone, as it lowers the barriers for Central African processed exports—such as timber and agricultural products—to enter the Chinese market.

Strategic Infrastructure and Regional Connectivity

China's philosophy has led to significant investments in regional logistics hubs that CAR's export corridors are now beginning to utilise.

- Kribi Deep Sea Port: Constructed by the China Harbour Engineering Company (CHEC) in Cameroon, this port has become a vital regional hub for the African Atlantic coast. It adds value to industrial projects in CAR by providing a modernised entry and exit point for goods, reducing the nation's total reliance on the congested Port of Douala.
- Energy and Industrial Enclaves: Chinese enterprises have established and operated various industrial and free trade zones across the continent, sharing skills and technology to drive local industrialisation. The Touadéra administration has explicitly sought to privilege partnerships with Asian investors who are willing to commit to the long-term local transformation of resources.

Relevance to Local Content and Transformation

The Chinese model of aid often focuses on import substitution and the development of local production chains. This aligns with CAR's own domestic strategies, such as the 2018 Investment Charter and the 2024 Mining Code, which mandate the local transformation of raw materials by 2025. By providing the capital and technical

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expertise necessary for domestic processing facilities, Chinese partnerships aid CAR in transitioning from a raw resource exporter to a producer of higher-value goods.

Geopolitical Contrast

In the broader context of bilateral aid, China's approach is often contrasted with Russia's transactional, security-driven presence. This Chinese model emphasises sustainable economic infrastructure and regional integration. Furthermore, China has collaborated with multilateral organisations like the United Nations Economic Commission for Africa (UNECA) to build partnerships focused specifically on the development of agricultural value chains in Central Africa.

Multilateral initiatives

The World Bank's Douala-Bangui Economic Corridor Project

The World Bank's Douala–Bangui Economic Corridor Project (P513683) is a US$1.12 billion infrastructure initiative approved on 12 June 2026 to transform the critical trade route between Cameroon and the Central African Republic (CAR). This program is central to the viability of Free Trade Zones (FTZs) in CAR because it aims to move beyond simple transport infrastructure to create a fully integrated economic corridor that features dedicated logistics hubs and special economic zones.

Transformation into an Economic Corridor

The project is structured under a Multiphase Programmatic Approach (MPA), with the first phase directing US$525 million toward priority rehabilitation and maintenance. A key element for trade zones is Component 3, which specifically targets inclusive economic development by financing the following:

- Logistics Platforms: The project funds the construction of platforms designed to manage cargo transfers more efficiently.
- Feeder Road Connectivity: It finances the rehabilitation of roads that connect agricultural production areas and industrial sectors directly to the main corridor, facilitating the flow of raw materials to processing enclaves.
- Support for SMEs: By improving market access, the initiative seeks to enhance opportunities for Small and Medium-sized Enterprises (SMEs) and traders, who are the intended occupants of regional economic zones.

Addressing Structural Barriers to Trade Zones

The success of CAR's domestic trade initiatives, such as the Bangui Industrial Free Zone, is currently stifled by extreme logistical bottlenecks along the 1,400-km corridor to the Port of Douala. The World Bank project directly addresses these issues by:

- Lowering Transport Costs: Current costs are as high as US$270 per ton, which is more than twice the Southern African average; the project aims to reduce these to make CAR-produced exports more competitive.
- Reducing Delays: Journey times currently range from 9 to 12 days under normal conditions, plagued by 38 checkpoints (17 of which involve informal payments). The program implements institutional reforms and digitalisation to eliminate these "chokepoints".
- Climate Resilience: It rehabilitates sections like the Baoro–Bossemptélé road in CAR to climate-resilient standards, ensuring that trade zones can maintain reliable, year-round access to international maritime ports.

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Institutional and Regulatory Alignment

Component 4 of the project provides technical assistance to support the harmonisation of cross-border transport and trade procedures. This is critical for the functioning of FTZs as it seeks to align national practices with Central African Economic and Monetary Community (CEMAC) transit regulations and the African Continental Free Trade Area (AfCFTA).

Furthermore, the project supports the digitalisation of monitoring systems and the modernisation of axle-load control stations to prevent the rapid deterioration of road assets, which has historically undermined long-term investments in industrial enclaves. By combining physical infrastructure with deep policy reforms, the program aims to attract the private sector investment necessary to turn CAR's isolated trade zone projects into drivers of sustainable economic transformation.

The African Development Bank (AfDB) Trade Finance Facilities

The African Development Bank (AfDB) provides trade finance facilities in the Central African Republic (CAR) specifically designed to address the shortage of trade finance and support the nation's industrialisation goals, which are central to the success of initiatives like the Bangui Industrial Free Zone.

Transaction Guarantee Facility with Ecobank Centrafrique

A primary component of the AfDB's approach is a €5 million trade finance transaction guarantee facility signed with Ecobank Centrafrique on 18 May 2026. This facility is strategically aligned with the private-sector-led growth goals of CAR's National Development Plan (2024–2028) and directly supports the industrial sectors intended to occupy trade zones.

Key features of this facility include:

- Risk Coverage: It provides up to 100% risk coverage for international confirming banks, which mitigates the non-payment risks associated with Central African trade.
- Support for Industrial Inputs: The facility allows local private enterprises and Small and Medium-sized Enterprises (SMEs) to import essential industrial inputs, agricultural machinery, and telecommunications equipment.
- Targeted Sectors: It specifically focuses on the agro-industry, light manufacturing, and telecommunications sectors. These are the same high-value sectors targeted by the government for domestic value addition within the Bangui Industrial Free Zone.

Synergy with Regional Integration and Infrastructure

The AfDB's trade finance efforts work in tandem with its massive infrastructure portfolio in CAR, which totals $583 million across 20 active projects.

- Connectivity for FTZs: The AfDB is the primary funder for the Mongoumba River Port on the Oubangui River, providing a $282 million grant. This port is critical for the viability of free trade zones as it provides a strategic link to the Pointe-Noire–Brazzaville–Bangui–N'Djamena (CD13) multimodal corridor, diversifying CAR's export routes beyond the congested Douala-Bangui corridor.
- Intra-Regional Trade: By combining trade finance guarantees with physical infrastructure, the AfDB aims to lower the high costs of cross-border movement and integrate Central African producers into regional value chains, a core objective of the African Continental Free Trade Area (AfCFTA).

In summary, the AfDB's trade finance facilities serve as a vital financial bridge, enabling the SMEs and industrial firms located in CAR's emerging trade zones to access international markets and secure the technology necessary for domestic resource transformation.

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UNECA and the Gendered Dimensions of Trade

The United Nations Economic Commission for Africa (UNECA), often referred to as the ECA, plays a pivotal role in addressing the gendered dimensions of trade in the Central African Republic (CAR) by focusing on the formalisation of women-led informal businesses and their integration into regional value chains.

The Development Account 18 (DA18) Project

On 12 June 2026, UNECA launched the Development Account 18 (DA18) project, titled “Enhancing Cross-Border Trade Involving Women-Owned Informal Businesses in Africa”. This initiative, which runs until 2029, specifically includes CAR as a key beneficiary alongside Cameroon, Gabon, and Equatorial Guinea.

The primary objectives of the project are:

- Capacity Building: Strengthening the ability of women cross-border traders to navigate the opportunities offered by the African Continental Free Trade Area (AfCFTA).
- Data Collection: Establishing a georeferenced database of markets, trade routes, and border posts to better document the "economy of violence" and informal flows that women navigate.
- Formalisation: Supporting the gradual integration of women-owned informal businesses into formal regional trade structures.

Gendered Statistics in the Central African Trade Sector

According to the sources, women are the primary drivers of trade in the region, yet they face a significant disparity in professional qualifications:

- Economic Drivers: In Central Africa, women account for 67% of informal cross-border trade operators and are responsible for 61% of export activities.
- Leadership in CAR: Remarkably, more than 40% of export companies in CAR are led by women, and 86% of CAR's exporting companies have women shareholders.
- The Qualification Gap: Despite this leadership, qualified women represent only 8.6% of workers in the trade sector in CAR, highlighting a critical need for the professional training programs proposed under initiatives like the 2018 Investment Charter.

Barriers Facing Women Traders at Border Zones

The viability of Free Trade Zones (FTZs) for women is currently hindered by specific gender-based obstacles at border points like the Béloko Customs Platform:

- Lack of Procedural Knowledge: Approximately 71% of operators report a limited understanding of the trade and customs procedures governing their activities.
- Safety and Harassment: UN Women has documented that women traders frequently face harassment and violence at border posts, a reality that remains insufficiently documented in formal trade policy.
- Financial and Mobility Constraints: High costs of border formalities, systemic informal payments, and limited access to finance further marginalise women from formal trade corridors.

Strategic Integration with FTZs and Master Plans

UNECA links these gendered efforts to broader industrial strategies, such as the Industrialisation and Economic Diversification Master Plan (PDIDE).

- SME-Focused Zones: UNECA advocates for the establishment of "New-Generation" Special Economic Zones (SEZs) that are specifically conscious of the needs of Small and Medium-sized Enterprises (SMEs), which comprise 80% to 85% of businesses in the sub-region and are where women's businesses are most concentrated.

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- Value Retention: By providing women-led SMEs with guaranteed energy access and streamlined administrative procedures (Single Windows) within these zones, the ECA aims to move CAR from raw resource exports to domestic value retention.
- Policy Alignment: The project seeks to transform data into concrete reforms, creating national roadmaps for gender-responsive trade that align with both CEMAC regulations and the AfCFTA.

Government programmes

The 2018 Investment Charter (Law No. 18-006)

The 2018 Investment Charter (Law No. 18-006) was adopted on 11 June 2018, replacing the country's outdated 2001 code. This legislation is a cornerstone of the Central African Republic's strategy to attract Foreign Direct Investment (FDI) and promote domestic industrialisation.

Key Objectives and Scope

The primary goal of the Charter is to encourage productive investments that utilise local raw materials, create sustainable employment, and foster professional training. It introduces clearer definitions of investments and investors while establishing a monitoring mechanism to ensure that approved companies do not remain idle.

The Charter applies broadly to industrial and small-scale companies across various sectors, but it excludes eight strategic areas, most notably forestry, mining, and tourism, which are regulated under separate, more restrictive sector-specific codes.

Fiscal Incentives

To make CAR a more attractive destination for capital, Law No. 18-006 provides several significant fiscal advantages:

- Tax Exemptions: A three-year exemption from corporate income tax for approved firms.
- VAT Simplification: Access to a simplified Value-Added Tax (VAT) framework.
- Deductions and Credits: Tax reductions for documented expenses related to research and professional training.
- Asset Management: Provisions for accelerated depreciation of assets and the right to carry forward operational losses.

Investor Protections and Rights

The Charter aims to bolster investor confidence by offering specific legal guarantees:

- Freedom of Transfer: Investors are guaranteed the right to transfer capital and earned income abroad, provided they have met national tax obligations.
- Protection from Expropriation: The law protects both domestic and foreign operators from unilateral state expropriation without fair and prior compensation.

Relationship to Free Trade Zones

The CAR government has directly leveraged the incentives provided by the 2018 Charter to establish the Bangui Industrial Free Zone (Zone Franche Industrielle de Bangui). This 500-hectare enclave is designed to capitalise on Law No. 18-006 by offering:

- A Single Window (Guichet Unique) for streamlined administrative and clearance procedures.
- Guaranteed energy access to mitigate the chronic power shortages that affect the rest of the capital.
- A focus on local transformation, particularly in processing agricultural and forestry resources (such as premium parquets) into higher-value exports for international markets.

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Challenges and Limitations

While the Charter offers clear legal incentives, its effectiveness is often undermined by CAR's profound structural deficits. These include security fragmentation—particularly the influence of the Wagner Group in resource-rich eastern regions—deteriorated infrastructure along the Douala-Bangui corridor, and a high reliance on external technical assistance to meet international trade standards. Furthermore, because the Charter excludes the lucrative mining and forestry sectors, its impact on the nation's most valuable exports is indirect at best.

The 2024 Mining Code (Law No. 24-008)

The 2024 Mining Code (Law No. 24-008) represents a significant update to the Central African Republic's regulatory framework for its mineral wealth, enacted to address governance gaps that have historically undermined the sector. While the 2018 Investment Charter—which governs the establishment of free trade zones like the Bangui Industrial Free Zone—specifically excludes mining, the 2024 Code works in parallel to drive similar goals of local value addition and industrialisation.

Key features of the 2024 Mining Code and its relationship to trade and economic zones include:

1. Governance and Transparency Reforms

The 2024 Code was introduced as part of an effort to restore national credibility following the country's temporary suspension from the Extractive Industries Transparency Initiative (EITI) in late 2024.

- Beneficial Ownership: The law introduced specific provisions requiring the identification of beneficial owners of mining concessions, a move designed to curb tax evasion and prevent the co-optation of mineral flows by transnational networks.
- Community Development: It mandates that mining operators engage in local community development, ensuring that a portion of the wealth generated by the country's 470 mining sites directly benefits the surrounding populations.

2. Integration with "Local Content" Strategies

The government utilizes the Mining Code as a primary tool for its local content strategy, which mirrors the objectives of its free trade zones by focusing on domestic transformation.

- Compulsory Transformation: Building on targets set in earlier legislation, the code reinforces a mandate that local transformation of extracted minerals becomes compulsory by 2025. This is intended to transition the economy from exporting raw minerals toward high-value domestic processing.
- Fiscal Incentives: To support this transition, the framework offers significant incentives, including a 10-year corporate income tax holiday for firms that establish compliant mineral processing facilities.

3. Relationship to Free Trade Zones (FTZs)

Although the mining sector is regulated separately from the general 500-hectare Bangui Industrial Free Zone, the two frameworks are strategically linked:

- Sectoral Exclusion: The 2018 Investment Charter (Law No. 18-006) excludes mining to ensure it is governed by more restrictive, sector-specific rules under Law No. 24-008.
- Industrial Enclaves: The government's broader vision involves using these mineral transformation mandates to encourage the growth of industrial enclaves that benefit from the same "Single Window" administrative benefits and guaranteed energy access typically found in FTZs.

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4. Structural Challenges to Enforcement

Despite the progressive legal language of Law No. 24-008, its impact on trade and investment is limited by profound structural deficits:

- Weak Oversight: The Ministry of Mines continues to rely on non-digitised, paper-based ledgers in Bangui, making it difficult to enforce beneficial ownership rules or track active concessions effectively.
- Conflict Economy: In many resource-rich eastern and central regions, the state has limited authority.
- Infrastructure Shortages: The lack of processing technology and chronic power shortages remain the primary obstacles to achieving the code's 2025 local transformation goals.

The Béloko Customs Platform

The Béloko Customs Platform is a strategic facility located at the border with Cameroon, serving as the primary entry point for goods traveling from the Port of Douala to Bangui.

- Objectives and Purpose: The platform was constructed under the CEMAC Transport and Transit Facilitation Project to secure trade flows and improve national revenue collection. By consolidating customs houses, police outposts, and administrative services in one location, the government aims to reduce transaction costs and significant delays along the western transit corridor.
- Funding and Cost: The project had a total cost of XAF 10 billion. It was primarily funded by the World Bank (IDA) and the French Development Agency (AFD).
- Physical Specifications: The platform covers 1.5 hectares and includes 8,395 square metres of developed floor area. Key structures feature an R+3 administrative building with a 1,716-square-metre footprint, a police station, and housing quarters for customs officers.
- Operational Modernisation: The facility includes an in-bond area capable of holding 500 lorries. It is equipped with ASYCUDA software to automate the registration, settlement, and payment of duties and taxes, replacing manual procedures that had been in place since original offices were destroyed in 2012. Furthermore, the platform allows "reliable" operators the option to complete full customs clearance in Bangui rather than at the border.
- Future Integration: This platform is intended to be linked with broader regional plans, including the proposed construction of a dry port at Béloko to further facilitate trade across the CEMAC zone.

Recommendations

1. Prioritise "Corridor-Based" Infrastructure Development

FTZs cannot succeed in isolation without reliable connectivity to international ports.

- Transform Transport Routes into Economic Corridors: Rather than focusing solely on road rehabilitation, the government and partners like the World Bank should implement "Component 3" of the Douala–Bangui project, which funds logistics platforms and feeder roads connecting agricultural and industrial production areas directly to the main corridor.
- Diversify Export Routes: To reduce the 80% dependency on the congested Douala-Bangui corridor, the state must accelerate the construction of the Mongoumba River Port to leverage the Oubangui River and connect to the Pointe-Noire–Brazzaville–Bangui–N'Djamena (CD13) multimodal corridor.
- Mitigate Energy Shortages: Given the national electrification rate is only 15.6%, FTZs must follow the model of the Bangui Industrial Free Zone by providing guaranteed, off-grid energy access (such as solar mini-grids) to ensure uninterrupted industrial processing.

2. Align FTZ Policy with Local Content Mandates

CAR's strategy should move from raw resource exports to domestic value retention.

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- Incentivise Local Transformation: The government should harmonise the 2018 Investment Charter with the 2024 Mining Code, which mandates the local transformation of extracted minerals by 2025.
- Target High-Value Clusters: Strategic focus should be placed on processing domestic forestry resources into certified premium parquets and agricultural products like coffee, which can yield up to three times the margin of raw commodity trading.
- Leverage Zero-Tariff Market Access: CAR should specifically design FTZ production to meet international standards (like FLEGT or FSC) to take advantage of China's 100% zero-tariff market access for least-developed countries.

3. Deepen Institutional and Customs Reforms

Administrative "red tape" and informal payments currently act as a hidden tax on trade.

- Digitise Customs and Regulatory Systems: To restore investor confidence, the government must move beyond paper-based ledgers and implement digitised mining cadastre management and public beneficial ownership registries.
- Operationalise the Single Window: The "Guichet Unique" promised in the 2018 Charter must be fully operationalised to centralise all administrative, police, and customs clearances, thereby reducing the journey times that currently range from 9 to 12 days.
- Reform the Common External Tariff (CET): CAR should advocate within CEMAC to reduce high CET rates and eliminate the proliferation of additional national fees (like automation and statistical taxes) that often raise the de facto tariff rate to 22%.

4. Foster Gender-Responsive and SME-Centric Zones

Inclusive growth requires integrating the dominant actors in Central African trade.

- Support "New-Generation" SEZs: As recommended by UNECA, the government should develop zones specifically conscious of the needs of SMEs, which comprise 80% to 85% of businesses in the sub-region.
- Formalise Women-Led Trade: Given that women lead more than 40% of export companies in CAR, FTZs should include capacity-building centres to help women traders navigate AfCFTA procedures and move from the informal to the formal sector.
- Improve Border Safety: Modernised border points like the Béloko Customs Platform must include specific protections and gender-responsive training for officials to prevent the harassment and violence frequently faced by women cross-border traders.

5. Mitigate Security Fragmentation

The "economy of violence" in resource-rich areas remains the primary deterrent to legitimate foreign direct investment (FDI).

- Restore State Authority along Corridors: Legitimate trade zones require secure corridors; the government should continue collaborating with the EU Advisory Mission (EUAM RCA) to improve coordination between gendarmerie and customs forces along the Bangui–Béloko axis.
- Differentiate Partnerships: The state should prioritise long-term, infrastructure-led statecraft (the Chinese model) over transactional, security-driven presence (the Wagner model) to ensure that resource flows are not co-opted by transnational networks that bypass formal state institutions.
- Utilise Trade Finance Guarantees: Firms operating within FTZs should be encouraged to use AfDB-backed transaction guarantees with local banks to mitigate the high non-payment risks associated with Central African trade.

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