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**MULTI-YEAR PROGRAMME BETWEEN ECA/SRO-CA AND
THE CENTRAL AFRICAN ECONOMIC COMMUNITIES
2007-2010**

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Abbreviations and acronyms

| | |
|------------|---|
| CA | Central Africa |
| ADF | African Development Forum |
| EPA | Economic Partnership Agreement |
| AfDB | African Development Bank |
| BEAC | Bank of Central African States |
| BDEAC | Development Bank of Central African States |
| IDB | Islamic Development Bank |
| ECA | United Nations Economic Commission for Africa |
| ECA/SRO-CA | United Nations Economic Commission for Africa-Subregional Office for Central Africa |
| ECCAS | Economic Community of Central African States |
| CEMAC | Central Africa Economic and Monetary Community |
| REC | Regional Economic Community |
| CICOS | Commission Internationale de Navigation du Bassin Congo-Oubangui-Sangha |
| FCD/ECCAS | ECCAS Development and Cooperation Fund |
| FODEC | CEMAC Community Development Fund |
| APRM | African Peer Review Mechanism |
| NEPAD | New Partnership for Africa's Development |
| OIF | Organisation internationale de la francophonie |
| IGO | Intergovernmental Organization |
| MDG | Millennium Development Goal |
| PDCT-AC | Central African Consensual Transport Master Plan |
| PEAC | Central Africa Power Pool |
| SME/SMI | Small and Medium-Size Enterprise/Industry |
| UNDP | United Nations Development Programme |
| CAR | Central African Republic |
| RFD | CEMAC Tax-Customs Reform |
| UNS | United Nations System |
| CET | Common External Tariff |
| ICT | Information and Communications Technology |
| GPT | General Preferential Tariff |
| AU | African Union |
| UDEAC | Customs Union of Central African States |
| UEMOA | West African Economic and Monetary Union |
| FTA | Free Trade Area |

I. ECONOMIC AND SOCIAL CONTEXT OF THE CENTRAL AFRICA SUBREGION

1. The macroeconomic context of Central Africa has been characterized by strong growth since 2002. The rate of increase of real GDP stood at 8.9 per cent in 2005 and 6.8 per cent in 2006, driven primarily by the oil sector. The projections for 2007 and 2008 suggest that this dynamic performance will be consolidated, thanks notably to the recovery of non-oil activities in several countries. The other macroeconomic indicators are also trending positively. The average rate of inflation in the ten countries of the ECCAS zone has fallen sharply since 2002, mainly due to stabilization in Angola and the Democratic Republic of the Congo. In 2006, the average rate of increase in consumer prices was 7.1 per cent (versus more than 30 per cent in 2002), and the forecasts call for this figure to drop to below 7 per cent for the period 2007-2008.

2. The inflow of oil revenues along with efforts to restrain spending have led to the consolidation of public finances. The average budget balance, based on commitments and excluding donations, turned positive once again in 2005. Finally, very favourable oil prices and stabilization of the international prices of certain commodities have led to positive terms-of-trade variations, and ultimately an upsurge in the value of exports. The trade balance shows an average surplus of about 26 per cent of GDP, with a balance-of-payments surplus representing more than 2 per cent of GDP. Although the terms of trade are expected to deteriorate in 2007-2008, the external sector of the subregion should by and large remain in a surplus position.

3. This generally rosy macroeconomic performance, however, masks certain structural weaknesses for which the countries and the RECs must find lasting solutions :

(a) Notable differences persist with regard to the macroeconomic performances of the States. The economic cycles do not seem to converge in a significant manner, something that could constrain the conduct of monetary policy in the CFA zone. More generally, the CEMAC zone is on average less dynamic than the rest of the subregion and the landlocked countries have a much lower rate of growth.;

(b) The performance of most of the countries is still highly dependent on commodity exports, which means that these countries are particularly vulnerable to international price shocks, especially since the commodities are exported in raw form or with very little local added value;

(c) Insufficient infrastructure and a less favourable business environment reduce the international competitiveness of the domestic private sector and discourage foreign investments in non-oil sectors;

(d) The financial system is underdeveloped, making it incapable of mobilizing resources to finance development. It also provides limited access to credit for both individuals and SMEs/SMIs; and

(e) Intercommunity trade remains limited, rendering the process of integration into the world economy difficult, particularly for the landlocked countries. Being landlocked, creates

challenges that should be addressed by scaling up subregional integration and cooperation projects and initiatives.

4. The significant increase in development aid, thanks notably to the cancellation of the debt of certain countries that have agreed to implement economic and social programmes based on their Poverty Reduction Strategy Papers, will undoubtedly help to strengthen macroeconomic stability.

5. Apart from the task of strengthening macroeconomic stability, four principal challenges must be taken into consideration:

(a) Promoting diversification of production structures as well as markets and outlets. For the diversification strategy to be beneficial for growth and economic development, it must facilitate the emergence of complementary sectors that are integrated with those arising from the natural comparative advantage of the countries;

(b) Developing financial systems by strengthening the mechanisms for controlling and monitoring the activities of financial operators; establishing rules of transparency in banking; adopting new technologies for selecting and monitoring financing projects; respecting the rights of creditors; and diversifying instruments for the financing of SMEs, including the opportunity of establishing a subregional guarantee fund;

(c) Developing infrastructure and improving physical connectivity within the communities and with the rest of the world. The absence or insufficiency of transport infrastructure is one of the most visible causes of the weak international competitiveness of Central African countries. This weakness is also at the root of the delay in establishing a real regional market and of the low level of intra-community trade; and

(d) Strengthening subregional integration and cooperation institutions, whose success must be based on the existence of an efficient institutional framework.

6. From the social point of view, the performance of the subregion as a whole is relatively poor. It is either stagnant or irregular for the few countries that turn in good economic performances, or in constant regression for the others. These weak and irregular performances are attributable to, among other things, the implementation of economic policies focusing primarily on the search for a balanced budget, poverty and the recurrence of political crises.

7. Until 2005, nearly half of the population was living below the monetary poverty line. This situation is all the more paradoxical as these countries are teeming with natural resources. The incidence of poverty is stronger in rural areas than in urban areas.

8. This monetary poverty is accompanied by a low level of human development, especially for countries that have had long periods of conflict. In these countries, the performances of the educational and health systems are very weak relative to the Millennium Development Goals (MDGs). With the exception of Equatorial Guinea and Sao-Tome and Principe, all the countries had relatively low rates of primary school enrolment in 2004 in relation to Goal 2 of the MDGs.

9. In the health field, the structures must be rehabilitated and the personnel must take complementary training courses. These are two important imperatives for satisfying growing demand and adapting to new public health problems. Life expectancy at birth has declined to an average of less than 45 years for most countries. At least 40 per cent of children are suffering from malnutrition and immunization coverage against tuberculosis and small pox is less than 75 per cent in most countries. With regard to HIV/AIDS, various awareness campaigns targeting at-risk populations have led to a relative decline in the rate of prevalence of the disease in most countries of the subregion. Despite this decrease, the fight against HIV/AIDS should intensify in order to stem the progression of the pandemic.

10. Coverage of the water and energy needs of the population, although weak, is stronger in urban areas than in rural areas. Accelerated urbanization of the countries is a serious obstacle to meeting the needs for basic services, including transport. In 2004, the population with access to drinking water ranged from 42 per cent in Chad to 88 per cent in Gabon.

11. Most of these non-monetary poverty indicators are not monitored systematically in the countries because there are no appropriate data collection plans.

II. DEVELOPMENT POTENTIAL AND MAIN ISSUES OF THE SUBREGION

A. Considerable potential for development

12. The Central Africa subregion has considerable potential for development and its contiguity with the other subregions of the continent makes it a strategic space in terms of trade zones, infrastructure interconnection and investment opportunities.

13. The diversity of its mineral resources, its ecosystem and soil water potential are non-negligible assets. Central Africa has the second-largest forest coverage in the world after the Amazon, and is endowed with abundant water resources and rainfall. Even though oil exploitation has developed considerably in recent years, many other mineral resources for non-oil extractive industries are still under-exploited, including manganese and diamond in Central African Republic; copper, cobalt, diamond, zinc, gold, coltan, manganese, iron, niobium, tantalum, silver, tinstone, palladium, chromium and lead in Democratic Republic of the Congo; nickel, gold, tin and phosphates in Burundi; uranium and manganese in Gabon.

14. Wood represents the second source of exports in the zone and is exploited mainly in six countries (Cameroon, the Congo, Gabon, Democratic Republic of the Congo, Equatorial Guinea and Central African Republic). Despite the importance of forest resources, the contribution of silviculture has been declining, owing to logging restrictions, implementation of international commitments on environmental protection, establishment of monitoring and traceability strategies to combat fraud and overcutting. However, the experience of several developing countries shows that, in the absence of economic and political institutions that ensure good governance, transparency in the exploitation of resources and equitable distribution of profits, the abundance of natural resources alone does not have an automatic positive impact on development.

15. With regard to agriculture, food crops remain the principal source of income and food for the people, who live mostly in rural areas, as is the case in the other subregions of Africa. Despite favourable weather conditions, the poor performance of the agricultural sector could be ascribed to the low percentage of cultivated land (1 per cent of the total surface area) as well as the shortage of arable land in countries that have limited surface areas and face strong demographic pressures (such as Burundi). Other factors contributing to the difficulties of the agricultural sector are: (a) volatility in international prices of agricultural commodities, which increases uncertainty among operators and discourages investments; (b) socio-political instability in certain countries.

16. Central Africa is also a market of nearly 121 million consumers, which represents a significant asset for investments and sustained growth. Moreover, the differences in growth rates between subregional groupings around the world are no longer explained solely by the existence of physical capital, but also by the existence of human capital.

B. Main development issues

17. The foregoing shows that there are major development issues to be addressed in the subregion. These issues can be classified under four priority areas:

(a) Consolidation of peace and stability: Over the past 15 years, Central Africa has witnessed a recurrence of conflicts and outbreaks of tension whose consequences have severely hampered the process of economic development. However, a climate of peace and stability is beginning to return gradually, but for it to be consolidated, the existing mechanisms of conflict prevention and management need to be strengthened;

(b) Development of political and economic institutions to ensure good governance and improvement of the business climate: This will be achieved mainly by combating corruption, ensuring the rule of law, respecting economic rights (private property, contracts, etc.), completing the reform of public administration, and establishing the legal framework for interactions between the public sector and the private sector in a market economy;

(c) Building of an economic, political, social, integrated, prosperous and open space that can enhance competitiveness and attract national and foreign investments: Success in this regard would depend on, among other things, the commitment of each member State to adopt a policy of balanced development in keeping with the macroeconomic convergence policies set out in the CEMAC-ECCAS spaces, as well as the MDGs; and

(d) Gradual, harmonious and successful integration of the economies of the subregion into the globalization process.

III. INSTITUTIONAL FRAMEWORK OF REGIONAL INTEGRATION IN CENTRAL AFRICA

18. There are two economic communities in the Central Africa subregion: the Central African Economic and Monetary Community (CEMAC), comprising six States, and the Economic Community of Central African States (ECCAS), comprising ten States. The task of setting up a single market in each of these communities has been assigned to the new CEMAC Commission (which replaced the Executive Secretariat in April 2007), and the General Secretariat of ECCAS.

19. The basic mission of CEMAC is to promote the harmonious development of the member States within two types of unions: an economic union and a monetary union. Within these unions, the States have to go from a situation of cooperation developed within the former UDEAC (Central African Customs and Economic Union), to one that can help complete the process of economic and monetary integration.

20. The executive body of CEMAC has just undergone an institutional change with the creation of a Commission in April 2007 and the appointment of its Chairperson and Vice-Chairperson. This change marks the culmination of a long process of reform which will have an impact on the programme of work of CEMAC.

21. ECCAS was established by the Treaty of Libreville, which was concluded by the 10 member States of ECCAS on 20 October 1983 and came into effect on 18 December 1984. Under the treaty, the mission of ECCAS is to “conduct the process of cooperation and integration”. ECCAS went through a period of hibernation from 1992 to 1997 owing to conflicts and political upheaval in most of its member States. In January 1998, a process was initiated to get the organization back on its feet. This process led to the expansion of the objectives of ECCAS to include the promotion of peace, security and stability in the subregion, and to the establishment of a new vision of regional integration. This new vision was adopted by the Conference of Heads of State and Government of ECCAS in June 1999 in Malabo. It focuses on four areas:

- (a) Human integration;
- (b) Development of capacities for analysis, action, intervention, entrepreneurial initiatives, communication and collective bargaining;
- (c) Development of physical, economic and monetary integration; and
- (d) Development of peacekeeping, security and stability capacities.

22. CEMAC and ECCAS have several specialized institutions. There are also several cooperation intergovernmental organizations (IGOs) in the Central Africa subregion.

IV. STATUS OF THE INTEGRATION PROCESS IN CENTRAL AFRICA: ACHIEVEMENTS, DIFFICULTIES AND OUTLOOK

23. As noted in the preceding paragraph, the Central African States have adopted a strategy of establishing integrated regional markets, notably through the CEMAC and ECCAS treaties. With this as with other endeavours, the objective is “to promote sustainable socio-economic development and to address the challenges of globalization more effectively” through the creation of a single economic space with all its traditional components: common market, convergence of macroeconomic policies, implementation of common sectoral policies, and promotion of an environment of peace and security.

24. Trade liberalization options have been developed around the objectives of unifying domestic markets, notably through the elimination of tariff and non-tariff barriers to intraregional trade, the implementation of a common external tariff, and the free movement of people, goods and services. In addition to expanding national markets in order to increase trading opportunities, investment and jobs, the regional space would also provide a framework for the pooling of resources for multisectoral development, with community programmes and projects on:

- (a) Transport and telecommunications;
- (b) Development of natural and energy resources;
- (c) Scientific and technical research;
- (d) Development of agriculture and industry;
- (e) Upgrading of human resources;
- (f) Promotion of tourism; and
- (g) Assistance to landlocked and insular countries.

25. The combined approach – market, macroeconomic convergence and common sectoral policies – was fully integrated into the integration strategies, and the establishment of regional development funds was formally stipulated in the two treaties to promote and support sectoral programmes.

26. Eight years after the CEMAC treaty came into force and after the ECCAS recovery programme was adopted, the overall results are still fairly mixed. The CEMAC Free Trade Area is still marking time, despite the interest raised by tax and customs reform during the period 1994-2000, and that of ECCAS has still not been established, notwithstanding the plan of action adopted in 2004 in Brazzaville. The compensatory mechanisms designed to mitigate the effects of tariff liberalization and to support the private sector of the subregion have not been implemented. The effectiveness of the CEMAC common external tariff (CET) is compromised by the recurrence of unilateral tariff reductions and the absence of a specific regime applicable to

re-export products. Intra-community trade has peaked for the time being at about 5 per cent of total trade of member States.

27. With regard to the goal of the free movement of people, an indispensable step toward optimizing the regional market, only four of the ten member States of ECCAS have made a formal commitment to remove visa requirements for citizens of ECCAS. Despite some progress, the CEMAC passport, much like the free movement booklet of ECCAS, is still only a plan.

28. In the area of infrastructure, a few positive developments are on the horizon, with the completion of the PDCT-AC prioritization exercise and the financing of feasibility studies for energy projects by the African Development Bank (AfDB).

29. The community policy instruments concerning peace and security are beginning to be set up with the support of the European Union. The few results obtained on the subject reflect not only the interest of development partners, but also the fragility of the process, in the absence of own resources to afford the two communities autonomous and sufficient operational capacity.

30. The financial instruments and mechanisms adopted between 2000 and 2003 to secure and accelerate the regional integration process have not yet been fully implemented, resulting in a lack of tangible progress, and even retrogression – albeit limited for the time being – in certain areas of cooperation. The non-application of several community texts, the prolonged recourse to safeguard clauses by certain States, and the absence of capital resources for regional development funds are all shortcomings that are impeding the integration process in Central Africa.

31. A few major legal, financial and institutional actions are advocated in the short term to re-energize the community project and to give concrete expression to the stated ambition of building an integrated economic space in Central Africa, a necessary step toward integrating the subregion into the global economy.

V. COOPERATION BETWEEN THE ECONOMIC COMMISSION FOR AFRICA AND INTEGRATION INSTITUTIONS OF THE CENTRAL AFRICA SUBREGION

32. To support the efforts of the RECs of the African continent, the Conference of Ministers of the United Nations Economic Commission for Africa (ECA) in 1997 crafted a new mission for its subregional offices and a new mandate for their statutory organs. Accordingly, the main vocation of the subregional offices of ECA is to “facilitate economic cooperation, integration and development at the subregional level”. Their statutory organs shall, among other things, “recommend strategies, policies, programmes and projects to promote economic cooperation and integration within their respective subregions and with other African subregions, with a view to achieving the objectives of the African Economic Community”.

33. In the Central Africa subregion, the ECA Subregional Office for Central Africa (ECA/SRO-CA) supports the integration process undertaken by the two communities of the subregion, namely, CEMAC and ECCAS. ECA/SRO-CA has refocused its activities on the

promotion of regional integration through these institutions. In particular, it supported the resumption of the activities of ECCAS and also supports the operational actions of CEMAC. In its analyses and design of macroeconomic and sectoral policies, ECA/SRO-CA, along in the substantial Division of ECA, continues to call for the member States of these communities to incorporate the regional dimension into their economic and social development programmes. It contributes to the promotion of subregional programmes in various areas such as transport infrastructure, trade, ICTs, mining and energy, and gender. ECA/SRO-CA facilitated the adoption and signing of a memorandum of cooperation among the three institutions in March 2005, whose implementation has been included in this multi-year programme.

VI. ECA/SRO-CA, ECCAS AND CEMAC MULTI-YEAR PROGRAMME

34. The scope of the development issues to be addressed and the need for complementarity in the subregion, as well as the principle of subsidiarity between the different institutions, led ECCAS, CEMAC and ECA to strengthen their cooperation on a permanent basis, to ensure that the actions to be undertaken are better coordinated. The institutions also found it necessary to work together to design a multi-year programme and to mobilize the requisite resources for its implementation. The objective of the programme is to re-energize the integration activities in Central Africa. The programme is a further reflection of the commitment of ECA to support the efforts of the African Union.

A. Areas of focus

35. From the foregoing, the three institutions selected the following three areas of focus for the period running until 2010:

(a) Support for consolidation of peace, security, stability and strengthening of regional integration, including development of transport infrastructure and services;

(b) Support for the consolidation of macroeconomic performances; and

(c) Promotion of ICT, water and energy infrastructure and services.

a. Support for consolidation of peace, security, stability and strengthening of regional integration, including development of transport infrastructure and services.

Objective:

36. Build the technical capacities of the institutions for the implementation of cooperation tools and instruments in the States; develop transport infrastructure and services; disseminate information on activities concerning the promotion of cooperation and the integration process in the Central Africa subregion.

Actions to be undertaken

37. They will focus on:

- (a) Institutional development of the structures of the two Regional Economic Communities (CEMAC and ECCAS);
- (b) Development of transport infrastructure and services;
- (c) Promotion of good governance, peace and security; and
- (d) Dissemination of instruments and information on regional integration activities.

Institutional development of CEMAC and ECCAS structures

38. To fulfill their role, CEMAC and ECCAS need to have the necessary human and financial resources to analyse, design and implement sectoral economic development programmes. They need to be strengthened so that they can monitor and implement the decisions adopted by their governing bodies. Of course, the two institutions have common objectives, but they are at different levels of achievement. CEMAC has reached the stage of a customs union which still needs to be consolidated, while ECCAS is still at the stage of implementing its Free Trade Area (FTA), with instruments which if implemented will quickly bring ECCAS up to the level of CEMAC and help boost the regional market. To this end, activities would have to be undertaken to harmonize the different texts and regulations of CEMAC and ECCAS. In addition, the executive body of CEMAC has since April 2007 become a commission and that of ECCAS a general secretariat. It is therefore necessary to undertake actions to harmonize and coordinate the programmes in order to eliminate the risks of atomization of the regional market and conflicting standards in the same physical space, and to accelerate the integration process.

39. ECA is prepared to support ECCAS and CEMAC by organizing advisory missions and carrying out joint studies and subregional projects.

40. The three institutions will work together to organize national seminars and training workshops in order to build national capacities for implementation and management of policies and community instruments. They will provide all actors with simplified information about the tools and instruments adopted by the governing bodies of the two institutions.

41. Finally, the three institutions will undertake activities to achieve the objectives of NEPAD and the MDGs.

Dissemination of information on regional integration activities

42. The appropriation by all national actors of the regional integration process led by ECCAS, CEMAC and ECA is essential for successful regional integration and optimization of its advantages. However, in most countries, several policymakers and representatives of the private

sector are not sufficiently involved in the activities carried out by integration institutions and/or are not conversant with the texts and instruments adopted by the governing bodies of the said institutions. In this regard:

(a) Periodic newsletters will be published on the activities and work of the three institutions. ECA/SRO-CA publishes a quarterly newsletter on integration activities in the Central Africa subregion. The three institutions have also agreed to make the newsletter a joint publication without prejudice to the individual publications of CEMAC and ECCAS, in order to ensure wide dissemination of information on the activities and status of implementation of the various instruments and tools adopted by the different statutory organs;

(b) The African Development Forums (ADFs) organized by ECA will be monitored. The activities relating to these forums will help countries put in place national and subregional strategies for implementing the plans of action adopted during these forums; and

(c) The media and schools will be associated with the integration activities to help increase people's awareness and to have them participate in the integration process, thereby facilitating the implementation of certain sectoral programmes. It is envisaged to incorporate an integration component into school and university programmes, in order to promote a better approach to development policies and programmes that incorporates the subregional and regional dimensions of development problems.

Organization of an annual forum or "event" on regional integration in Central Africa

43. Organizing an event each year on regional integration will help to sensitize and draw the attention of all actors to progress made and to discuss specific issues. The three institutions have therefore agreed to organize an **annual forum or "event" on integration** dealing with a specific subject, to be held on a rotational basis in each member State. These forums will allow subregional institutions to involve target groups such as economic operators, researchers and students in seeking ways of accelerating the integration process in Central Africa.

Harmonization and dissemination of information on standards and instruments of the CEMAC and ECCAS Free Trade Areas

44. CEMAC and ECCAS are at different stages of integration. In addition, the executive bodies of the two institutions are different. Certain decisions require harmonization in order to avoid non-physical barriers and conflicting standards. For the period under review, the following actions are necessary:

(a) Conduct of thematic studies on law, the compensatory mechanism and treatment of re-export products;

(b) Organization of expert meetings on these issues;

(c) Identification of other mechanisms and instruments to be harmonized, the modalities and schedule of this harmonization (notably the common external tariff under the EPAs);

(d) Development of strategies for improving the performances of the CEMAC and ECCAS market systems; and

(e) Conduct of the necessary studies and meetings with a view to establishing a mechanism for greater synergy between the integration plans implemented in the subregion.

45. An ad hoc meeting on law and compensatory mechanisms between CEMAC and ECCAS will be organized. It will lead to the proposal of measures to be undertaken in order to harmonize the two procedures dealing with the treatment of re-export products of CEMAC and ECCAS. This will help facilitate the movement of goods between member States, without bypassing the regional preferential tariff. The solutions advocated will be presented in the form of a draft text to be inserted into the protocols of the two communities concerning inter-State trade.

Development of transport infrastructure and services

46. The lack of adequate, reliable, safe, efficient and affordable transport infrastructure and services is considered by all the actors as one of the greatest obstacles to regional integration in Central Africa.

47. The Central African States, through ECCAS and CEMAC and with the support of ECA and the Development Bank of Central African States (BDEAC), have adopted the Central African Consensual Transport Master Plan (PDCT-AC). This plan meets the objectives of NEPAD and is designed to (a) connect all the capitals through a fully tarred road network; (b) facilitate the movement of persons and goods; (c) contribute to the development of trade, industry and tourism; and (d) strengthen subregional integration. Implementation of the plan requires coordination of the activities of all the actors, which is why an updated road map was adopted by the Central African Ministers of Transport and Public Works in June 2007 in Libreville. Likewise, the PDCT-AC, which was completed with its project prioritization exercise, is now the community and national reference for sectoral transport infrastructure programmes in ECCAS and CEMAC. It is therefore necessary to make the plan easy to understand. In this regard, the Geographic Information System (GIS) applied to transport developed by ECA will serve as a tool for providing information, sensitizing donors, planning, designing and managing the implementation of infrastructure projects of the PDCT-AC. Thanks to its network, the PDCT-AC will be able to reach a broad audience, and for it to fulfill its role, it must be fed with reliable data and updated regularly. This will require both technical expertise and organization in the collection and updating of data. Accordingly, the Ministers have agreed to instruct their respective administrations to provide the necessary information for the continued preparation and implementation of the PDCT-AC and the GIS. Similarly, national PDCT-AC monitoring committees will be set up with the designation of two focal points from among them.

48. The road map calls for the holding of a roundtable of donors in June 2008 following a prior evaluation of the plan in the States and sensitization of the different partners.

49. The activities which will be carried out as part of the multi-year programme will focus on:

- (a) Implementation of the PDCT-AC road map;
- (b) Studies and expert meetings on transport facilitation activities in transit corridors;
- (c) Studies and expert meetings on the improvement of transport safety;
- (d) Studies and meetings on air transport;
- (e) Studies and meetings on rail transport;
- (f) Improvement of transport policies;
- (g) Organization of the roundtable on financing of the PDCT-AC;
- (h) Studies, training and expert meetings on the Geographic Information System; and
- (i) Studies and expert meetings on harmonization of standards on road infrastructure.

Promotion of good governance and consolidation of peace and security

50. Over the past decade, Central Africa experienced several socio-economic conflicts caused by many factors, including poverty, unequal income distribution, unemployment, and political and economic governance. These conflicts led to insecurity, economic degradation, brain drain, etc. ECCAS and CEMAC both have a conflict management mechanism, but it is important to integrate the follow-up actions of post-conflict countries.

51. With regard to **governance**, certain countries have adhered to the NEPAD peer review mechanism. The three institutions therefore plan to promote good governance and strengthen peace and security through:

- (a) National and subregional support activities required for the conduct of country reviews under the African Peer Review Mechanism (APRM);
- (b) Subregional activities at parliamentary level with a view to building their decision-making capacities;
- (c) Organization of meetings, seminars and workshops to disseminate information about NEPAD and build good governance capacities; and

(d) Building the capacities of civil society in order to increase its role in development management.

52. In the area of *peace and security*, the actions will include:

(a) Support for projects developed within the framework of ECCAS and CEMAC, notably by contributing to studies;

(b) Support for States in post-conflict situations for the establishment of post-conflict programmes;

(c) Support for States to take ownership of the APRM; and

(d) Advisory services

b. Support for the consolidation of macroeconomic performances

Objectives:

53. The objectives of this area of cooperation are to build the technical capacity of member States for designing and analysing appropriate macroeconomic policies; explain the economic performance of countries to partners in a manner they can understand; formulate policies to support medium- and long-term economic performance.

Actions to be undertaken

54. The Subregional Office and the substantive Divisions of ECA receive several requests for assistance from ECCAS, CEMAC and civil society organizations and the private sector. These requests deal with:

(a) Technical support for the private sector;

(b) Support for national administrations;

(c) Analysis of economic and social changes in the subregion;

(d) Cooperation in sectors that promote economic development; and

(e) Achievement of the MDGs and support for the preparation of the PRSPs.

Technical support for the private sector

55. As part of the present programme, this support is expected to be provided in particular through the implementation of the road map adopted by the Investment Forum organized in June 2006 in Brazzaville, Congo by ECA/SRO-CA, CEMAC and ECCAS, in collaboration with the Government of the Congo, subregional organizations and international institutions such as IDB,

OIF, the association JEICP and the Commonwealth. The road map adopted by the forum following its deliberations was designed to promote the private sector, especially small and medium-size enterprises and industries, in Central Africa. ECA/SRO-CA will work with the substantive Divisions at headquarters and in collaboration with the two communities to carry out the following actions:

- (a) Develop an inventory and improve the legislative and regulatory framework on the business and investment environment in Central Africa, based on the Community Investment Charter;
- (b) Strengthen the regional market;
- (c) Conduct a feasibility study on a regional guarantee mechanism;
- (d) Examine the possibility of diversifying financing and support instruments for the creation and development of SMEs;
- (e) Organize a roundtable between employer organizations in the region, central banks, primary banks and microfinance institutions on the recommendations of the thematic studies mentioned above before they are forwarded to the States and the legislative organs of CEMAC and ECCAS; and
- (f) Identify best practices in Africa and in other developing regions that may orient the efforts of countries in the subregion.

56. The road map is monitored by a steering committee made up of CEMAC, ECCAS and ECA/SRO-CA.

Support for national administrations as they make the transition from their national laws to the Organization for the Harmonization of Business Law in Africa (OHADA) accounting plan

Analysis of economic and social changes in the subregion

57. ECA/SRO-CA is presently playing the role of a subregional organization and a subsidiary body in providing expertise for the development of appropriate policies and analysis of the macroeconomic effects on the economies of Central Africa covering the 10 countries of ECCAS. The report on the economies of Central Africa which ECA publishes each year with the financial support of ECCAS has become a major tool for the analysis and dissemination of relevant policies covering the following areas:

- (a) Diversification of economic structures and exports;
- (b) Performance of the labour market, particularly with regard to youth employment;
- (c) Poverty alleviation in general and preparation of Poverty Reduction Strategy Papers in particular;

- (d) Changes in the economic climate and short-term outlook for the subregion;
- (e) Economic convergence under the economic integration and multilateral monitoring process;
- (f) Evaluation of the status of the regional integration process, in the form of a prospectus on integration in collaboration with AfDB and the African Union;
- (g) Study of progress toward the human development goals; and
- (h) Thematic analysis on an issue of interest to the subregion.

58. The publication of this report will have to continue if possible with the participation of other integration actors of the subregion. Apart from this report, other studies may be planned on specific themes to provide ECCAS and CEMAC with the necessary tools for the formulation, monitoring and evaluation of macroeconomic policies.

59. In addition to the economic report, other activities may be envisaged, including (a) seminars, training workshops and expert meetings, with the possible support and participation of other agencies of the United Nations system (UNS), on economic analysis, sources of growth, poverty reduction strategies and labour market analysis; (b) technical assistance missions according to the needs and requests of ECCAS and CEMAC.

Strengthening of cooperation in selected sectors that can promote economic development

60. The substantive Divisions of ECA in cooperation with the Subregional Office for Central Africa plan to continue promoting the exchange of knowledge and sharing of good practices in the areas of commerce, agriculture and environment, transport and finance.

61. In the **commerce** sector, the actions will comprise the following:

- (a) Supporting the RECs and countries in dealing with the Economic Partnership Agreements;
- (b) Conducting studies designed to promote commerce; and
- (c) Kickstarting the activities of the subregional Federation of Chambers of Commerce and the subregional clearing house.

62. Support in the areas of **agriculture and environment** will focus on:

- (a) Implementing projects such as the Regional Food Security Programme;
- (b) Conducting key environmental studies; and

- (c) Building the capacity of member States in these areas.

Support for countries toward the achievement of the MDGs and support for the preparation of PRSPs

63. The lack of statistics and the difficulties of collecting and analysing data are handicaps for evaluating policies and actions undertaken to achieve the MDGs. ECA/SRO-CA in collaboration with the substantive Divisions will undertake activities to monitor and evaluate progress achieved as well as actions taken to build the capacity of member States and the communities with a view to achieving the MDGs. More specifically, these actions will include:

- (a) Assisting the States in monitoring the MDG and poverty indicators;
- (b) Supporting the States and the communities in conducting sectoral and poverty studies;
- (c) Promoting the exchange of experiences by organizing seminars, workshops and forums;
- (d) Supporting the States in incorporating the “regional integration” and employment dimensions into their Poverty Reduction Strategy Papers and MDG-related programmes; and
- (e) Promoting cooperation at the subregional level among all the actors involved in MDG-related activities.

c. Facilitating the development of information and communications technologies (ICT), water and energy infrastructure and services

Objective: To strengthen subregional cooperation in the areas of ICTs, water and energy.

Actions to be undertaken

64. They will focus on promotion of ICTs and support for structures to achieve better coverage of water and energy needs.

Promotion of information and communications technologies (ICTs)

65. Another major challenge of the subregion is that it is lagging behind in the development of ICTs, which are indispensable for growth and sectoral development. At both national and regional levels, actions are being taken with the support of ECA, but much remains to be done.

66. The actions that will be undertaken in this field will focus on monitoring the plan of action for the development of ICTs adopted by the subregional seminar on the development of ICTs in Central Africa organized in 2002 under the aegis of CEMAC. In addition, ECA/SRO-CA in collaboration with the Information Services and Technology Development Division of ECA

organized an expert group meeting on information for development on 26 January 2007 in Douala, Cameroon. That meeting adopted a guide for the formulation of strategies and programmes to promote the development of ICTs in countries of the subregion. The monitoring and application of the guide in countries of the subregion will constitute the second element of cooperation for the development of communication infrastructure in the subregion. The third element of this subprogramme will be the implementation of the subregional ICT programme included in the programme of ECCAS. All these elements will need to be harmonized.

67. The fourth component of cooperation in the area of ICTs concerns cooperation between ECA/SRO-CA and the member States through the “e-employment” project. The overall objective of the project is to provide assistance to States of the subregion in addressing the challenge of reducing poverty and unemployment in order to achieve the MDGs. More specifically, the project is intended not only to build the capacities of unemployed young graduates on job-seeking techniques, development of a professional profile and preparation of job interviews, but also to promote the use of ICTs in the job search process. In this regard, the project includes the opening of a multimedia centre in areas with a high concentration of unemployed young graduates. Launched in Brazzaville on 22 May 2007, the project is supported by the Ministry of Employment of the Republic of the Congo and the United Nations Development Programme (UNDP) Office in Brazzaville. It will be gradually extended to other countries in the subregion, according to the requests of the States and the availability of resources.

68. All these activities will be implemented by the substantive Division of ECA responsible for ICTs, in cooperation with the Subregional Office, ECCAS and CEMAC.

Promotion of water and energy infrastructure and services

69. The subregion has one of the largest hydraulic basins in the world. The Commission Internationale de navigation du Bassin du Congo-Oubangui-Sangha (Commission for Navigation on the Congo-Oubangui-Sangha Basin), which was established with the technical support of ECA at the request of CEMAC, is undertaking activities to address the issue of navigation on the Congo-Oubangui-Sangha River Basin.

70. The subregion can provide electricity to most African countries if the Inga Dam in Democratic Republic of the Congo is well developed, as envisaged by the Central Africa Power Pool (PEAC).

71. The Subregional Office and the substantive Divisions of ECA will undertake the following actions under this component, in close collaboration with ECCAS, CEMAC, CICOS and other institutions:

(a) support for the institutional framework of integrated water resources management (GIRE);

(b) conduct of feasibility studies to preserve production, transport and energy distribution infrastructure;

- (c) institutional support for the electrical systems interconnection study group; and
- (d) technical support for CICOS with regard to institutional development.

VII. MONITORING MECHANISM

72. The mechanism for monitoring the implementation of this multi-year programme includes:

- (a) Institutionalization of semi-annual meetings of the officials of the three institutions of the subregion, namely, CEMAC, ECCAS and ECA/SRO-CA;

- (b) Designation of a focal point in each of the three institutions; and

- (c) An annual meeting of the officials of the institutions, the member States and partners.

73. The main objective of the semi-annual meetings will be to evaluate the status of the programme and to take the necessary corrective measures for its continuation. The officials of the said institutions will be assisted by focal points and their principal collaborators involved in the implementation of the multi-year programme.

74. The focal points who will be appointed will be responsible for monitoring the programme in general and all its registered projects in particular. They will collect the data and information required for a regular monitoring of the programme. They will submit to the official of the institution all suggestions for the proper execution of the programme, in consultation with their colleagues involved in the management of elements of the programme.

75. The principal objective of the annual meeting of officials of the institutions, the member States and partners is to disseminate information about the programme, for effective participation and facilitation of the activities of the programme at national level. The evaluation report on the status of implementation of the programme will be prepared and presented by ECA/SRO-CA.

VIII. RISK FACTOR

Political will of the member States to support the Regional Economic Communities in their efforts to harmonize their programmes.

IX. ESTIMATED COSTS OF THE MULTI-YEAR PROGRAMME

76. The table below shows the estimated costs of the activities described above, for the duration of the programme. The amounts shown below represent the internal and extrabudgetary resources that would be required.

Estimated costs of the multi-year programme

| Areas of focus/activities | In United States dollars | Partner institutions of ECA/SRO-CA |
|---|---------------------------------|---|
| a. Support for consolidation of peace, security, stability and strengthening of regional integration, including development of transport infrastructure and services | | |
| <i>Promotion of good governance, peace, security and stability</i> | | |
| Organization of meetings, seminars and workshops | 100,000 | ECCAS |
| Contribution to studies on the promotion of good governance, peace, security and stability | 30,000 | ECCAS |
| <i>Institutional support for the Regional Economic Communities</i> | | |
| Advisory missions (eight per year) | 50,000 | ECCAS, CEMAC |
| Support for the conduct of studies (consultants) | 150,000 | ECCAS, CEMAC |
| Seminars and training workshops on cooperation tools and instruments | 150,000 | ECCAS, CEMAC |
| <i>Development of transport infrastructure and services</i> | | |
| Monitoring of the PDCT-AC (including feasibility studies on the Bangui-Brazzaville-Pointe-Noire and Libreville-Brazzaville-Kinshasa corridors) | 500,000 | ECCAS, CEMAC, BDEAC |
| Various studies on transport facilitation in transit corridors, improvement of safety, and services in road and railway transport and inter-modal interfaces | 250,000 | ECCAS, CEMAC, |
| Meetings, seminars and workshops on the improvement of safety in transport | 110,000 | ECCAS, CEMAC |
| <i>Dissemination of information on regional integration activities</i> | | |
| Preparation and publication of quarterly newsletters on integration in Central Africa | 40,000 | ECCAS, CEMAC |
| Forum on integration in Central Africa (one forum in 2008 and one in 2010) | 100,000 | ECCAS, CEMAC |
| Post-ADF for Central Africa | 25,000 | ECCAS, CEMAC |
| <i>Building the capacities of national multilateral monitoring groups</i> | | |
| Computer equipment | 50,000 | |
| Seminars/training workshops of group experts | 110,000 | |
| b. Support for the consolidation of macroeconomic performances | | |
| <i>Support for the private sector</i> | | |
| Implementation of the road map adopted by the Investment Forum organized in June 2006 in Brazzaville, Congo | 200,000 | ECCAS, CEMAC BDEAC |
| <i>Support for national administrations</i> | | |
| Dissemination of information on the OHADA accounting law: publication of documents | 30,000 | ECCAS, CEMAC |

| | | |
|--|---------|--|
| Assistance to States as they make the transition from their national accounting laws to the OHADA accounting plan | 100,000 | ECCAS, CEMAC |
| Organization of meetings on the joint ECCAS/CEMAC committee on nomenclature and tariffs | 110,000 | ECCAS, CEMAC |
| Training seminars for the harmonization of statistical and fiscal statements | 110,000 | Private sector, national administrations, ECCAS, CEMAC |
| <i>Analysis of economic and social changes in the subregion</i> | | |
| Preparation and publication of "Economies de l'Afrique centrale" (2008, 2009, 2010) | 180,000 | ECCAS, CEMAC |
| <i>Harmonization and dissemination of information on standards and instruments of the CEMAC and ECCAS free trade areas</i> | | |
| Contribution to the establishment of a Central Africa subregional database on trade | 50,000 | ECCAS, CEMAC |
| Thematic studies on the mechanisms and instruments to be harmonized, and the modalities and schedule of this harmonization (2) | 30,000 | ECCAS, CEMAC |
| Organization of expert meetings on the mechanisms and instruments to be harmonized, and the modalities and schedule of this harmonization (2) | 110,000 | ECCAS, CEMAC |
| Studies on strategies for improving the performances of the CEMAC and ECCAS market systems (two studies over three years) | 40,000 | ECCAS, CEMAC |
| Organization of expert meetings on strategies for improving the performances of the CEMAC and ECCAS market systems (two meetings over three years) | 110,000 | ECCAS, CEMAC |
| <i>Cooperation in areas that promote economic development</i> | | |
| Support for the RECs and the countries in implementing and monitoring the Economic Partnership Agreements | 50,000 | ECCAS, CEMAC |
| Support for the establishment of the Regional Food Security Programme | 50,000 | ECCAS, CEMAC |
| <i>Achievement of the MDGs and support for the preparation of the PRSPs</i> | | |
| Studies on monitoring the achievement of the MDGs in the subregion | 35,000 | ECCAS, CEMAC |
| Seminars and workshops on monitoring the MDGs in the subregion | 110,000 | ECCAS, CEMAC |
| Advisory missions for the preparation of PRSPs | 40,000 | ECCAS, CEMAC |

| c. Promotion of ICT, water and energy infrastructure and services | | |
|---|------------------|--------------|
| <i>Promotion of information and communications technologies (ICTs)</i> | | |
| Monitoring of the different regional and international initiatives for the establishment of the information society | 20,000 | ECCAS, CEMAC |
| Extension of the e-employment project in the subregion | 400,000 | ECCAS |
| <i>Development of water and energy infrastructure</i> | | |
| Support for the institutional framework of integrated water resources management (GIRE) | 20,000 | ECCAS |
| Support for the conduct of feasibility studies to preserve energy production, transport and distribution infrastructure | 50,000 | ECCAS |
| Studies on alternative energy sources | 100,000 | CEMAC, ECCAS |
| <i>Monitoring of the programme</i> | | |
| Annual and semi-annual meetings | 115,000 | All partners |
| Total | 3,725,000 | |

X. PROGRAMME OF WORK PER YEAR

| | 2007 | 2008 | 2009 | 2010 |
|--|-------|-------|-------|-------|
| a. Support for consolidation of peace, security, stability and strengthening of regional integration, including development of transport infrastructure and services. | | | | |
| <i>Promotion of good governance, peace, security and stability</i> | | | | |
| Organization of meetings, seminars and workshops | | ----- | | ----- |
| Contribution to studies on the promotion of good governance, peace, security and stability | | ----- | | ----- |
| <i>Institutional support for the Regional Economic Communities</i> | | | | |
| Advisory missions (eight per year) | | ----- | ----- | ----- |
| Support for the conduct of studies (consultants) | | ----- | ----- | ----- |
| Seminars and training workshops on cooperation tools and instruments | | ----- | ----- | ----- |
| <i>Development of transport infrastructure and services</i> | | | | |
| Monitoring of the PDCT-AC (including feasibility studies on the Bangui-Brazzaville-Pointe-Noire and Libreville-Brazzaville-Kinshasa corridors) | ----- | ----- | ----- | ----- |
| Various studies on transport facilitation in transit corridors, improvement of safety, and services in road and railway transport and inter-modal interfaces | | ----- | ----- | ----- |

| | | | | |
|---|-------|-------|-------|-------|
| Meetings, seminars and workshops on the improvement of safety in transport | | ----- | ----- | ----- |
| <i>Dissemination of information on regional integration activities</i> | | | | |
| Preparation and publication of quarterly newsletters on integration in Central Africa | ----- | ----- | ----- | ----- |
| Forum on integration in Central Africa (one forum in 2008 and one in 2010) | | ----- | | ----- |
| Post-ADF for Central Africa | | ----- | | |
| b. Support for the consolidation of macroeconomic performances | | | | |
| <i>Support for the private sector</i> | | | | |
| The implementation of the road map adopted by the Investment Forum organized in June 2006 in Brazzaville, Congo | | ----- | ----- | |
| <i>Support for national administrations</i> | | | | |
| Dissemination of information on the OHADA accounting law: publication of documents | | ----- | ----- | ----- |
| Assistance to States as they make the transition from their national accounting laws to the OHADA accounting plan | | ----- | ----- | ----- |
| Organization of meetings on the joint ECCAS/CEMAC committee on nomenclature and tariffs | | ----- | | ----- |

| | | | | |
|--|--|-------|-------|-------|
| Training seminars for the harmonization of statistical and fiscal statements | | ----- | ----- | ----- |
| <i>Analysis of economic and social changes in the subregion</i> | | | | |
| Preparation and publication of “Economies de l’Afrique centrale” (2008, 2009, 2010) | | ----- | ----- | ----- |
| <i>Harmonization and dissemination of information on standards and instruments of the CEMAC and ECCAS free trade areas</i> | | | | |
| Contribution to the establishment of a Central Africa subregional database on trade | | ----- | ----- | |
| Conduct of thematic studies on the mechanisms and instruments to be harmonized, and the modalities and schedule of this harmonization (2) | | ----- | | ----- |
| Organization of expert meetings on the mechanisms and instruments to be harmonized, and the modalities and schedule of this harmonization (two for the period 2008-2009) | | ----- | | ----- |
| Studies on strategies for improving the performances of the CEMAC and ECCAS market systems (two for the period 2008-2009) | | | ----- | ----- |
| Organization of expert meetings on strategies for improving the performances of the CEMAC and ECCAS market systems (two - meetings over the three years) | | | ----- | ----- |

| <i>Cooperation in areas that promote economic development</i> | | | | |
|---|-------|-------|-------|-------|
| Support for the RECs and the countries in implementing and monitoring the Economic Partnership Agreements | | ----- | | |
| Support for the establishment of the Regional Food Security Programme | | ----- | | |
| <i>Achievement of the MDGs and support for the preparation of the PRSPs</i> | | | | |
| Studies on monitoring the achievement of the MDGs in the subregion | ----- | ----- | | ----- |
| Seminars and workshops on the monitoring of the MDGs in the subregion | | ----- | | ----- |
| Advisory missions for the preparation of the PRSPs | | ----- | ----- | ----- |
| c. Promotion of ICT, water and energy infrastructure and services | | | | |
| <i>Promotion of information and communications technologies (ICTs)</i> | | | | |
| Monitoring of the different regional and international initiatives for the establishment of the information society | ----- | ----- | ----- | ----- |
| Extension of the e-employment project in the subregion | | ----- | ----- | ----- |

| <i>Development of water and energy infrastructure</i> | | | | |
|---|--|-------|-------|-------|
| Support for the institutional framework of integrated water resources management (GIRE) | | ----- | | |
| Support for the conduct of feasibility studies to preserve energy production, transport and distribution infrastructure | | ----- | | ----- |
| Studies on alternative energy sources | | ----- | ----- | |

Executed in Douala, 16 November 2007

For the CEMAC Commission

(Signature)

Jean-Marie MAGUENA

Vice-Chairman

For ECA/SRO-CA

(Signature)

Mamadou Hachim KOUMARE

Director

For ECCAS

(Signature)

Claude Joachin TIKER TIKER

Assistant Secretary-General/PBARH