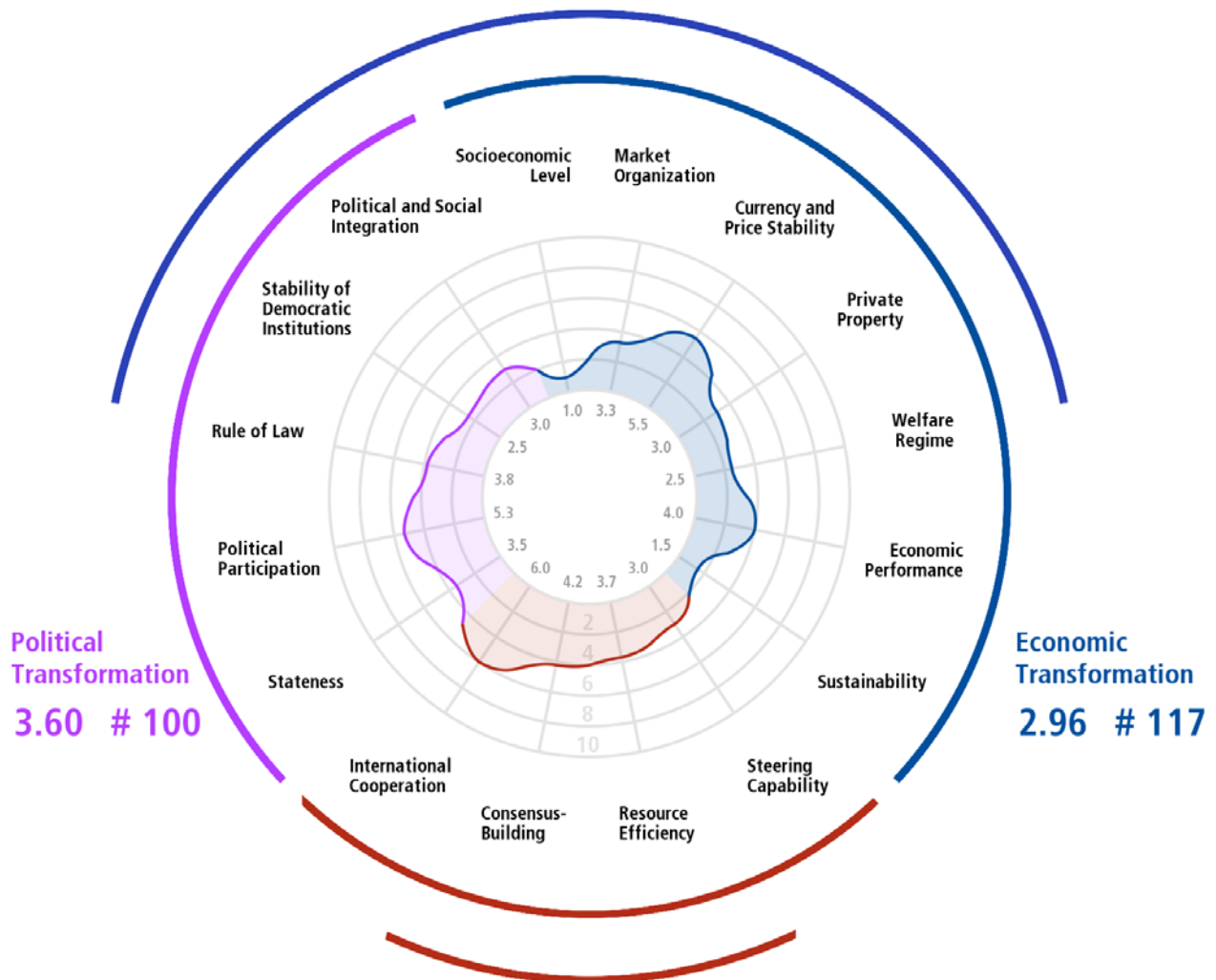


Central African Republic

Status Index

3.28 # 117

on 1-10 scale out of 129



Political Transformation
3.60 # 100

Economic Transformation
2.96 # 117

Governance Index

4.10 # 88

on 1-10 scale out of 129

This report is part of the Bertelsmann Stiftung's Transformation Index (BTI) 2018. It covers the period from February 1, 2015 to January 31, 2017. The BTI assesses the transformation toward democracy and a market economy as well as the quality of political management in 129 countries. More on the BTI at <http://www.bti-project.org>.

Please cite as follows: Bertelsmann Stiftung, BTI 2018 Country Report — Central African Republic. Gütersloh: Bertelsmann Stiftung, 2018.

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Key Indicators

Population	M	4.6	HDI	0.352	GDP p.c., PPP \$	699
Pop. growth ¹	% p.a.	1.1	HDI rank of 188	188	Gini Index	56.2
Life expectancy	years	51.4	UN Education Index	0.354	Poverty ³	% 83.1
Urban population	%	40.3	Gender inequality ²	-	Aid per capita \$	107.1

Sources (as of October 2017): The World Bank, World Development Indicators 2017 | UNDP, Human Development Report 2016. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.20 a day at 2011 international prices.

Executive Summary

During the period under review, ending in January 2017, the latest period of political transition concluded as a new Central African constitution was approved, and peaceful legislative and presidential elections were held. The economy picked up a bit achieving a 5% growth rate and € billion in international aid was pledged, including a new three-year IMF Extended Credit Facility for \$115.8 million. GDP per capita increased slightly by 4% in purchasing power parity from 2014 to 2015. The International Criminal Court opened an investigation into the 2012 to 2014 violence in the Central African Republic (CAR) and a law was passed to set up a Special Criminal Court. A new disarmament, demobilization, reintegration and repatriation (DDRR) program was funded, and began preliminary identification of ex-combatants in 2015.

However, the repercussions of the 2013 to 2014 crisis were still evident during the period under review. Security remained precarious across the country, and the U.N. peacekeeping mission continued to be the only actor reinforcing law and order. At the end of 2016, nearly half the population remained in need of humanitarian assistance (2.2 million people) and the number of refugees (452,100) and internally displaced persons (434,000) remained around 2014 levels. Driven by social, economic or political interests, armed groups continued to assert control across the country while gang violence was common in Bangui. Crimes such as murder, torture, sexual violence, theft, abduction, destruction of property and illegal possession of weapons continued across the country with impunity. Improvements in the judiciary system were limited to training and rehabilitation of infrastructure, and attempts to secure justice continued to be confused with revenge, perpetrating the cycle of violence.

The new period of democratically elected representatives was meant to return the country to normal, as stated in the previous 2013 to 2015 BTI report on CAR. While there has been some return to normal, it has not been in the way one would expect. Normal in CAR is not defined by the provision of basic services and the absence of conflict. Rather, since independence, the country has been defined by decennial cycles of transformation and instability (1965, 1979, 1996-1997,

2003 and 2013). These cycles begin with acute periods of violence, which are temporarily resolved by rearranging the power structures. The new power structures redistribute entitlements, which antagonizes those who feel excluded, creating new frustrations, which eventually lead to another period of violence.

Today, the cycle of violence has ended and the rearrangement of power structures is in transition. This process of transformation is demonstrated using indicators, conferences, documents and legal motions. However, the reality is that deep structural, political and social constraints continue to hinder sustainable improvements in Central African's livelihoods. The opposition, which includes rebel groups, militias and non-elites, is becoming increasingly critical of the government's unfulfilled promises. Frustrations are mounting and it remains to be seen whether they will lead to a new cycle of violence.

CAR's history is a seemingly perpetual story of escalating cycles of violence. To confront these challenges, to establish peace nationwide and to prevent the recurrence of violent conflict in CAR external actors must commit to long-term engagement for the foreseeable future.

History and Characteristics of Transformation

The Central African Republic's (CAR) post-independence history is marked by cycles of violence and non-democratic (or weakly democratic) transfers of power. For the first thirty years after independence, France manipulated or facilitated changes in executive office. The French government supported General Jean-Bédél Bokassa, who seized control from David Dacko in a coup d'état in 1965. Bokassa declared himself president for life and then emperor while violently repressing dissent. The economy flourished as Bokassa built and hired, creating a sense of opportunity for those educated during this decade. When France grew tired of Bokassa's violence and excesses it "restored" David Dacko to the presidency in 1979. A second coup brought General André Kolingba to power at the end of 1979. Kolingba's administration presided over a serious, rapid economic decline as structural adjustment policies redistributed national resources. Employment rates declined and several months of salary arrears became the norm for those who still had a job. At the end of the decade, international aid was conditioned on democratic progress for the first time, elections were reluctantly held and Kolingba lost power to Ange-Félix Patassé.

Patassé, the first northerner to assume executive power in CAR, struggled to reform a mono-ethnic and defiant army that quickly mutinied. His administration was characterized by a strengthening of clientelistic tendencies and a significant decrease in domestic revenues. By the mid-1990s, civil conflict had escalated into organized rebellion and war as it never had before. Armed groups proliferated along with three attempted coups, one in 1996 to 1997 and two in 2001, and a rebellion by the chief of staff, Bozizé, in 2001. Regional politics played a significant role in state manipulation and conflict during this time. The force that supported Bozizé's violent take over was seven-eighths Chadian. They raped and murdered along their way to and from Bangui, as did rebels from the Democratic Republic of the Congo, which Patassé had called on to defend his

presidency. These crimes, and the complicity of the government in them, reinforced the population's latent mistrust of foreigners and the government.

Despite promising that he would not stand for election, Bozizé quickly changed his plans. In the 2005 presidential election, he won with 64.6% of the vote. Throughout the decade of la Bozizie structural problems remained and serious security problems developed. Three major rebellions emerged in the north of the country, which were quickly followed by peacebuilding (e.g., inclusive dialogue processes, peace agreements and disarmament, demobilization and reintegration (DDR) programs) and state-building (e.g., democratic elections) initiatives. These were duly endorsed in form rather than in spirit by the government and rebel parties who worked the processes to their advantage.

When Bozizé won the 2011 election with a two-thirds majority in the first round, international partners remained quiet despite massive misconduct and rigging, because Bozizé still seemed the "least bad option" for state stability. However, unrest grew in many quarters. A broad alliance of rebel groups, called Séléka, dominated by Muslim forces including Chadians and Sudanese fighters, formed in late 2012 and conquered Bangui in March 2013 despite interim peace accords, ousting Bozizé and installing the first Muslim president, Michel Djotodia. During 2013, Djotodia's Séléka ruthlessly raped, murdered and killed mostly non-Muslims in Bangui and across the country. In response, brutal revenge killings of Muslims by self-defense groups (Anti-Balaka) and former security forces began. The violence during this time was unprecedented in Central African history and had a devastating impact on the country's fragile economy. The country suffered a strong decline in its Human Development Index and the economy shrank by 37%. More than 800,000 people were displaced. In January 2014, Djotodia was forced to step down and an interim president, Catherine Samba-Panza, was appointed to carry the country through the resulting period of transition.

During the period under review, a new constitution was approved, and peaceful legislative and presidential elections were held. Independent presidential candidate Faustin-Archange Touadera was elected with 63% of the vote in February 2016. However, the security situation remained precarious across the country, and the U.N. peacekeeping mission continues to be the only actor reinforcing law and order. At the end of 2016, 500,000 more people were in need of humanitarian aid than in 2013. Driven by criminal, economic or political interests, armed groups continue to assert control over large parts of the country, while gang violence is common in Bangui. These groups include Anti-Balaka militias, the FDPC (Front démocratique du Peuple Centrafricain), the RJ (Révolution et Justice), the 3R (Retour, Réclamation et Réhabilitation) and multiple former Séléka factions.

Another massive influx of international support for peacebuilding and state-building is under way, with €2 billion pledged in November 2016. However, it is unclear whether these short-term solutions (with five-year terms at best) can resolve long-standing political, social and economic weaknesses. At the end of Touadera's first year in power, much remains unknown about how effective his institutions will be.

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

Transformation Status

I. Political Transformation

1 | Stateness

The state has hardly had a monopoly on the use of force in CAR. In many ways, CAR epitomizes an artificial state. It has been the subject of massive interventions by foreign traders and slavers overtime. More recently, its former colonial ruler, France, and neighboring countries, Chad, Sudan and the Democratic Republic of Congo, took advantage of its weak state to significantly influence state administration, elections and economic activities. CAR's security forces have rarely been able to fully control the territory. They did little to protect the regime of Patassé from being toppled by Bozizé in 2003 and they were unable to protect Bozizé's government from the coup staged by the Séléka rebels in March 2013. Today, its borders are mostly uncontrolled and functional state administration is minimal outside of the capital, Bangui. The lack of necessary infrastructure and human capital renders vast portions of the country ungovernable. Various rebel movements and militias retain significant authority across large areas of the country. In particular, the eastern part of the country is considered a no-man's land, as it is extremely sparsely populated and open to incursions by heavily armed Chadian and Sudanese herders and poachers, and rebel groups such as the Ugandan Lord's Resistance Army (LRA). The new president's authority is only as strong as MINUSCA, the U.N. peacekeeping mission, which currently includes 10,000 soldiers, and 2,000 police and civilian support staff. National security forces (e.g., the army, police and gendarmerie) do exist as organized entities, but lack resources, adequate training and overall numbers.

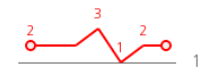
On the surface, the existence of the nation-state is paramount. Neither the government nor the international community question the concept of (re)building a nation-state in CAR. Yet, since the beginning of the state in CAR, different population groups have competed for hegemony and denied civil rights to others. No ruling power has ever been able to deliver public goods (e.g., security, education and infrastructure) in a substantial manner. Worse, because successive ruling powers (whether colonial or sovereign) have not ensured public safety and order outside of major cities, and have achieved only a weak control over the country, guarantees of basic civil rights for

Question
Score

Monopoly on the
use of force

2

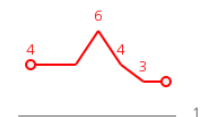
'06 _____ '18 10



State identity

3

'06 _____ '18 10

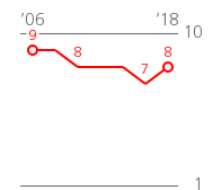


entire population groups have been minimal at best. Indeed, the state has often been complicit in creating insecurity and securing power through violence (e.g., concessionary brutality, violent coup d'états, extensive impunity for perpetrators of violence). For decades, the state has silently manipulated citizenship based on ethnicity. Even before the most recent crisis, those with Muslim names had difficulty getting birth certificates and state identity cards. It should be noted, however, that decades of uncontrolled migration from Chad and Sudan into the eastern parts of the country paired with a weak state capacity to monitor its borders have contributed to create the myth of the Muslim as foreigner. The most recent crisis reached a historic extreme when the state lost all control during Anti-Balaka and Séléka violence in 2013 and 2014. In the aftermath of this violence, the citizenship of many Muslim Central Africans was questioned, and remains unclear for many internally displaced persons and refugees. However, paradoxically, the concept of a functioning nation-state is a deeply rooted ideal for Central Africans, and direct relationships with the state have provided a fundamental source of dignity for Central Africans for decades. In CAR, the state's persistent lack of legitimacy over time is irrelevant, but its existence is essential.

In December 2015, a new constitution replaced the transitional charter enacted by Michel Djotodia in early 2013. This new constitution and other relevant texts are profoundly secular in nature. However, since Bozizé's administration, religious affiliation has grown in importance for access to power at all levels of society. Bozizé, an adept of the Christianisme Céleste sect, and Michel Djotodia, a Muslim from the Vakaga prefecture bordering Chad and Sudan, both openly displayed their religious affiliation and favored those of their religion. The most recent crisis has been wrongly labeled a religious crisis pitting Christians against Muslim. However, these social biases have not fundamentally affected the state's legal and institutional framework or its secular orientation. None of the armed groups has ever fought for the integrity of its religious beliefs. No state institution is defined by or derived from religious dogmas. Targeted killings on both sides have amounted to ethno-religious cleansing, according to the final report of the U.N. Commission of Enquiry. Instead, Christian-Muslim tensions are built on a sense of exclusion from economic gains made by Muslims who dominate many commercial activities (livestock in particular) and mining sectors (e.g., diamonds and gold) in CAR. This is further exacerbated by latent (and at times open) anti-Chadian resentment, simmering for more than a decade due to Chad's collusion in national politics. In CAR, religious dogmas have more influence over economic and social relationships than legal order and political institutions.

No interference of religious dogmas

8



1

The reach of the state in CAR beyond the capital and its surroundings has always been problematic. Formally, the territory is divided into 16 provinces (prefectures). The further from Bangui, the weaker state administration is due to a lack of basic infrastructure and services (e.g., communication, education, health care, electricity and water) and poor security for state officials. The complete dissolution of state authority during the most recent conflict erased any progress made during the last years of Bozizé's administration. Currently, the state's legal, financial and security functions are nearly non-existent outside the capital. Any civil service is linked to direct donor support for each function. For example, the United Nations focuses on security issues; bilateral donors focus on elections and judicial functions; the European Union, AU and World Bank support infrastructure development; the IMF focuses on finance; and various international NGOs address health care and food security issues.

Basic administration

1



Year	Score
'06	1
'07	2
'08	1
'10	1
'18	1

2 | Political Participation

General elections are regularly conducted in CAR, and were held in 1993, 1998 to 1999, 2005, 2011 and 2015 to 2016. Universal suffrage and secret ballots are guaranteed by the constitution. In general, several political parties (with disregard for their level of popular representation) are allowed to run and political posts are filled according to election outcomes. After the violent overthrow of President Bozizé in 2013, transitional institutions were installed under the supervision of the Economic Community of Central African States (ECCAS). Three years of transition ended during the period under review in December 2015 with legislative and presidential elections. Multiple parties ran for office, and turnout was high compared to previous elections (60%). The Constitutional Court ruled that preliminary legislative results showed irregularities, after 400 complaints were filed, and parliamentary elections were rerun in February 2015 at the same time as the presidential run-off election. The results of the February 2015 elections were deemed fair by the Central African Constitutional Court, and international stakeholders recognized the legitimacy of Faustin-Archange Touadera as the new president. However, many questions about the impartiality of the electoral management bodies arise with each new election, and elections rely heavily on financial and logistical support from external actors to increase impartiality and assure access to isolated population (election materials are often distributed and results collected by helicopter). Complicating matters in the most recent election were the number of displaced or unregistered voters, and sensitive questions of who qualifies as a Central African citizen.

Free and fair elections

6



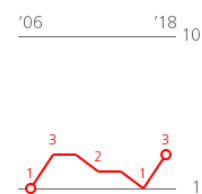
Year	Score
'06	1
'07	6
'08	4
'09	3
'10	1
'18	6

Faustin-Archange Touadera won the 2016 democratic presidential election with 67% of the vote, while his opponent, Anicet-George Dologuele, won 33% of the vote. While a recount was demanded by Dologuele's supporters, the Constitutional Court's ruling was not popularly challenged. The prime minister named a 23-member cabinet in April 2016. In May 2016, a highly fragmented 140-seat lower house of parliament

Effective power to govern

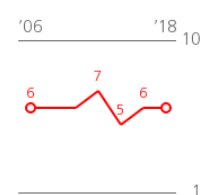
3

was installed. According to the Economist Intelligence Unit, 57 seats of the lower house are held by independents while the remainder are split between 17 different political parties, complicating policy-making. Despite not being member of a political party, President Touadera managed to secure the support of various parties and groups in the National Assembly, creating a de-facto presidential majority. Efforts by the parliamentary speaker to reinforce legislative powers also need to be taken into account in a country where parliament is generally submissive to the executive. Touadera's big win in early 2016 lent popular credibility to his administration during its first year, but popularity is cooling as voters are increasingly frustrated with the continued insecurity and instability of the country. In addition to the territorial control exerted by armed groups over vast stretches of the country, external actors still play a significant role in influencing political decision-making beyond electoral outcomes.



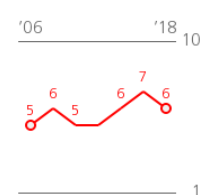
For the last 20 years, association and assembly rights have been guaranteed by law. The new constitution upholds these rights under Article 12: “all citizens have the right to freely create associations, groups, companies and public utilities, as long as they are in line with the law” (author's translation). There is also a law on political parties and associations. While the interim government does not restrict association or assembly rights, the volatile security situation restricts people's liberty. Demonstrations since 2013 have often turned violent and either degenerated into intergroup violence or attacks on peacekeepers. Outside of Bangui, across rural CAR, de facto authorities (rebels and militia groups) restrict (often violently) free association and assembly protected by the constitution.

Association /
assembly rights
6



Freedom of expression is generally guaranteed by law in CAR, but has often been limited in practice. During the last two review periods, the fragile security situation imposed substantial restrictions on media. The existing media remain remarkably critical of government action, with a few vocal newspapers circulating regularly in Bangui. Radio is the most important source of information; the only source for most of the population. Radio services are provided inter alia by Radio Ndeke Luka and the government's Radio Centrafrique, and confessional radios. Internet services have become important sources of information for urban Central Africans and the diaspora. Most important are Sangonet, Centrafrique Presse and Centrafrique Libre. Facebook and WhatsApp are also increasingly popular forums for information sharing and communication. As for press agencies, Agence Centrafrique Presse (ACAP) and La Nouvelle Centrafrique are the most important. Despite this rather impressive array of organizations, press freedom has strongly declined in international rankings. Reporters sans Frontières currently ranks CAR 110 out of 180 countries. (In 2013, CAR was ranked 65 out of 197, while in 2012, CAR ranked 62 out of 179). Similar to the freedom of assembly, the current security context restricts freedom of expression, as attacks on the media continue and journalists' security is far from guaranteed. Except for radio, which generally maintains good standards, the quality of media is low, as poor living conditions render journalists vulnerable to payouts and subjective reporting. This is particularly true for the written press. As for social

Freedom of
expression
6



networks, they have sometimes lent themselves to hate speech and dissemination of rumors. Outside of Bangui, expressions of dissent from prevailing de facto power structures are not tolerated.

3 | Rule of Law

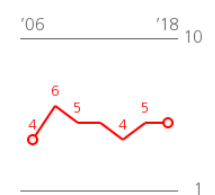
CAR has had a presidential system since independence (with a brief monarchical interlude during Bokassa's administration), and its new constitution continues to ensure separation of the powers. Indeed, the new constitution includes the addition of an upper house in parliament (the Senate) which could further strengthen legislative functions of the state. Since the National Assembly (lower house of parliament) took over from the National Transitional Authority in early May 2016, there have been various instances of serious scrutiny of the government's actions. Using their constitutional rights, parliamentarians have summoned the government on two occasions to justify its decisions on security matters. This has caused a rift between the government and parliament, as parliament has sought to institutionalize its role as a government watchdog. There is no tradition in CAR for political checks and balances. The presidency is not used to a parliament that independently questions the government's actions. At the end of 2016, tensions were high between the parliament and the president, as President Touadera, who supported Karim Meckassoua's election as parliamentary speaker, felt unfairly treated. Although Karim Meckassoua is suspected by the press of using parliament to plan an institutional coup, it is a relatively new development to see parliament actually getting involved in the management of state affairs.

The judiciary is another potential check on executive powers. However, its effectiveness is hampered by corruption and a lack of professionalism.

The judiciary, historically understaffed and weak, was extremely weakened by months of turmoil in 2013 and 2014. In Bangui, several prosecutors and judges were killed and legal archives systematically destroyed during looting by both the Anti-Balaka and Séléka. Judges, prosecutors and lawyers are always in short supply and professionalism is low. Impunity at all levels of society is the status quo, in particular for elites. Presidents are expected to dole out punishments, not the courts. Nevertheless, during the reporting period, a new constitution was adopted and the transitional Constitutional Court validated elections results and stepped aside for the new parliament – critical steps towards creating an independent judiciary. The judiciary also suffers from structural weaknesses with the police and gendarmerie forces, especially their inability to effectively investigate cases and secure evidence. The deployment of a U.N. peacekeeping mission under Chapter VII of the U.N. Charter is (among many other critical tasks) attempting to strengthen the judiciary, and restore the courts and tribunals across the country. In 2015, together with the UNDP, the peacekeeping mission supported the rehabilitation of eight courts and

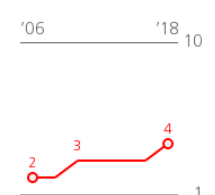
Separation of powers

5



Independent judiciary

4



organized training sessions for the personnel of the Bangui Court of Appeal as well as for 65 magistrates and clerks. In February 2016, the Council of Ministers approved the emergency strategic plan of the Ministry of Justice, developed with the support of MINUSCA and the UNDP. In June 2015, a Special Criminal Court was promulgated to investigate war crimes and crimes against humanity committed on the territory of CAR since 2003, and prosecute the perpetrators. The Court of Appeals in Bangui also resumed activities for the first time since 2010.

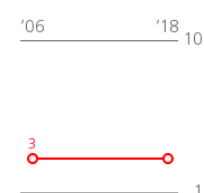
Concessionary politics, rooted in colonial practices, are engrained in CAR's state apparatus. Professor Stephen W. Smith of Duke University defines these concessionary politics as legal arrangements that allow national sources of income to be temporarily diverted for use by non-national interests in exchange for compensation. In CAR, this creates a "paradox of scarcity" in which the ruling elite are able to enrich themselves despite the state's poverty. The degree to which officeholders break the law and are not adequately persecuted varies from administration to administration and crisis to crisis. During times of crisis, the rich get richer with impunity. However, as crises fade and international pressure to control misappropriation of revenues increases, so too does public criticism and prosecution of corruption. Currently, international oversight is high, and aid is tied to good governance, which should hamper concessionary politics. However, given the continued weak state of the judiciary and CAR's "post-crisis-fragile-state" status, most corruption will be dealt with outside of the judicial system.

Civil rights are guaranteed by the constitution in principle. However, the state and rebel groups repeatedly violate them, particularly fundamental rights to life and personal security. During the recent crisis, more than 800,000 people (out of a population of 4.9 million) were internally displaced or lived in refugee camps. Sexual violence has greatly increased. For some groups in some parts of the country, civil rights are systematically violated. This applies to Muslim inhabitants in many cities of the western half of the country, and to the nomadic Mbororo minority (equally Muslim, part of the larger Fulbe-Peul-Fulani ethnic group) in the countryside. Despite recent progress in the establishment of the Special Criminal Court and seating of the new National Assembly, *de jure* protection of civil rights for the entire population continues to be hindered by the weak judicial system and culture of impunity for the elite.

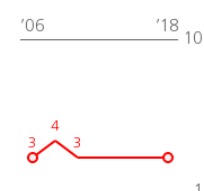
4 | Stability of Democratic Institutions

History seems to repeat itself each decade in CAR (1972, 1981, 1993, 2003, 2013), and each "post-crisis" scenario includes significant uncertainty regarding the democratic nature of CAR's political system. While the constitution has always protected a republican political system with democratic institutions (except for a short period between 1976-1981), the country's instability, concessionary politics (see Prosecution of Office Abuse above) and a culture of impunity delegitimizes its

Prosecution of
office abuse
3



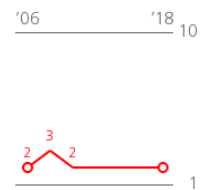
Civil rights
3



Performance of
democratic
institutions
2

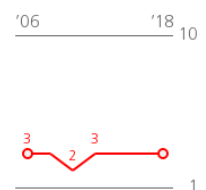
democratic institutions. Nevertheless, a plethora of democratic institutions exist and the state remains the largest employer in the country. Indeed, as is often the case across Africa, inclusion in the democratic system determines social status and entitlements that are fundamental to Central African culture (see State Identity above). At the end of Touadera's first year in power, much remains unknown about how effective CAR's democratic institutions will be. While the recently elected National Assembly has been installed, the newly elected Senate has not. The National Assembly's actions point to a widely shared desire by parliamentarians to increase their watchdog-role, which the government has considered as unfriendly. As far as the judiciary is concerned, its structural weakness could largely benefit from the international community's strategic choice to strengthen this pillar of democracy. Planned local elections will go a long way toward establishing legitimate state authorities in provinces where representatives have historically been deployed from Bangui.

All relevant actors in the political system (government bodies, political parties, and civic organizations), are generally committed to the state's democratic institutions and processes. During the period under review, two major events took place that seemingly showed CAR's renewed commitment to a democratic political system. These were the Bangui Forum (May 2015) and the peaceful transfer of power between Samba Panza's appointed government and Touadera's elected one (March 2016). The general objective of the Bangui Forum was to find consensual, global, sustainable solutions to CAR's multidimensional difficulties through national consultations culminating in a six-day workshop in Bangui. Intended to be a means of launching a more consultative government change, this has not come. The committee nominated to follow-up on the 138-pages of recommendations has been inactive and ministers continue to rule by decree rather than consensus. Following delays of almost a year, presidential and legislative elections took place on 30 December 2015. In total, 30 presidential candidates took part while 14 candidates, including Bozizé and Anti-Balaka leader Patrice Edouard Ngaissona, were ruled ineligible (a sign that electoral management might be improving). Voter turnout was high (62.3%), and the atmosphere was calm. The Transitional Constitutional Court validated the presidential results, but annulled the legislative results as 415 appeals were registered concerning alleged misconduct by the National Election Authority; 17 district managers were subsequently suspended and nationwide training programs were swiftly organized. The second round of presidential elections was held jointly with the new round of legislative elections on February 14, 2016. According to the United Nations, there was a marked improvement in the overall organization of these elections, with the majority of polling stations opening on time with the required materials, but one might question how misconduct could have been isolated to legislative elections. The National Electoral Authority announced the final results of the presidential elections on March 1, 2016, confirming candidate Faustin-Archange Touadera as president with 62.69% of the vote (voter turnout was 58.8%).



Commitment to democratic institutions

3

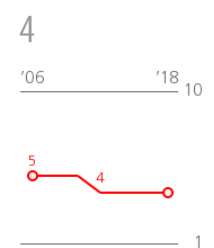


Nevertheless, progress since the election has been slow, and public approval of Touadera's government is waning as insecurity persists and the process of disarmament, demobilization, rehabilitation and reintegration (DDRR) stalls yet again. Rebel groups such as the FRCP, UPC, ex-Séléka factions and Anti-Balaka groups were not included in the new cabinet to reduce their political influence. Yet, while representatives of the Séléka (which was officially disbanded in 2014) and Anti-Balaka militias signed a peace agreement in early 2015, remaining factions who did not participate in the agreement have subsequently become increasingly fragmented and criminalized. This splintering of groups and their continued banditry jeopardizes the legitimacy of any state institution as well as the DDRR process, and may well be a product of these promissory politics. National and international mediators continue to bear responsibility not only for short-term stabilization, but also for the preservation of chances for democratization in the medium term.

5 | Political and Social Integration

In general, the party system has proven to be quite unstable, thanks to its shallow roots in society and high voter volatility. The 2011 elections marked the apex of a steady disintegration process of a (at-times) semi-functional party system. A comparison of election outcomes (1993, 1998-99, 2005, 2011) shows that the once-dominant Mouvement de Libération du Peuple Centrafricain (MLPC) constantly lost influence. At the end of 2014, the Rassemblement Démocratique Centrafricain (RDC), in which the Kolingba family still has strong influence, seemed staged for a revival while Bozizé's Kwa Na Kwa party was losing its clientelistic "glue" and seemed unlikely to survive his era. The fragmentation of political parties in 2013 – more than 50 just prior to the last crisis – was significant. These parties seem more the private appendages of opportunistic politicians seeking personal entitlements than a plurality of representatives for the masses. Indeed, civilian political parties have never been particularly robust due to their own incapacities, and a history in which traditional institutions representing distinct populations were repeatedly destroyed during colonial and pre-colonial times. No civilian party has been able to represent the interests of marginalized minorities, and most suffered severe internal crises. In parallel, "cheap diplomacy" has favored the participation of politico-military leaders in all dialogue processes since 1998 (in 2003 and 2008), and peace negotiations and agreements gave rebel movements and warlords political weight. These inclusionary practices, and the promises and entitlements that went along with them, reinforced clientelism, and exacerbated feelings of exclusion that led in part to the rise of Séléka and the continued proliferation of armed groups today. The most recent elections have further destabilized the party system; an independent president was elected and 41% of seats in the National Assembly are held by independents. For the first time in CAR's recent history, there is no dominant party that emanates from the president. This relative "independence" may constitute a chance for a re-alignment of political loyalties towards greater ideological convergence.

Party system



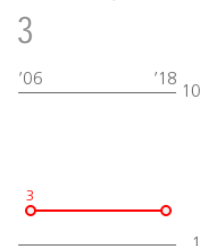
Most layers of society have no clear representation in formalized interest groups. Important social interests, especially those of the rural population, youth and women, are underrepresented in public debate. The trade-union movement, particularly of the public sector, was always comparatively strong in Bangui and contributed to the democratic transition in 1993. Some salary arrears for civil servants, particularly those in parastatal companies (SOCATU, SOCATEL, mayors' offices and hospitals) persisted in 2015 and 2016, despite the democratic transition and direct budget support for salaries from the European Union and France, and trade unions were vocal in pushing for payment. It can be said that in CAR, interest groups follow money and power. For example, as funding for human rights, social cohesion and rural revival ballooned after the most recent crisis, so too did the number of national NGOs active on the ground (represented by the semi-active Conseil Inter-Organisations Non-Gouvernementales en Centrafrique). Outside Bangui, rebel groups have historically acted as the most viable interest groups for those who are ignored by the state, gaining their power and money through violence and banditry in the stateless countryside. Ethnic minorities have never managed to organize themselves into powerful interest groups that are included in political processes. Instead many found their power and voice in economic activities, particularly the Mbororo minority (see No Interference in Religious Dogmas above). The crisis has given some visibility to religious organizations and personalities representing religious groups in a social conflict that took an unexpected religious turn. The Plateforme des Confessions Religieuses has been vocal and active in maintaining social cohesion. It comprises the Islamic Conference of CAR, Alliance des évangéliques en Centrafrique and the Catholic Church (the only organization present across the entire country).

One may speculate about the political preferences of a largely traumatized population after a civil war. In the absence of survey data, one would still believe that democratic norms are approved by a majority of the population, but probably not by minorities that never felt represented. Arguably, this is the case for the Mbororo and Muslim minority.

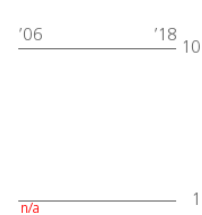
No survey data is available but the local consultations held prior to the Bangui Forum in 2015 clearly indicate citizen's approval of democratic ideals. They however complain that democracy was never really given a chance in CAR.

Social capital in CAR has always been weak. Since the 11th century, the area now known as CAR has been buffeted by numerous migrations, conflicts and raids. The regional slave trade and violent Arab raids on local populations, which was followed by forced work and conflict in the colonial period, exacerbated the already socially and geographically isolated indigenous populations of CAR (of which there are dozens). This history of incursion put significant social and economic power in the hands of foreigners, beginning a long trend of distrust between population groups that came to a head during the current crisis. Social capital is so weak in CAR that, during the 2013 to 2014 violence, family members in multi-ethnic or multi-religious families

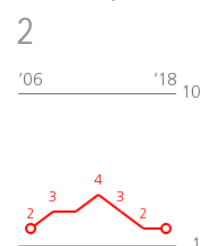
Interest groups



Approval of democracy



Social capital



turned against each other. Muslim wives turned in Christian husbands to the Séléka, and Gbaya fathers turned over their Goula-Gbaya children to the Anti-Balaka. The CAR government and the international community have avidly pursued social cohesion programs since the last crisis. Humanitarian aid for these programs outpaces aid for water, hygiene, health care and education. However, a prerequisite for social cohesion is a basic level of trust between people, which has rarely existed in CAR. The most resilient and long-standing examples of social cohesion in CAR exist paradoxically in market relations (e.g., the cattle trade and pharmaceuticals). In these relationships scarcity of resources often supersedes ethnic and religious prejudices, and allows for cooperation between warring groups. This was evidenced in the rapid rebound of the cattle trade and beef market immediately following the 2013 to 2014 crisis. The number of cattle coming through the official slaughterhouse in Bangui decreased by 80% between 2013 and 2014. However, in the second half of 2014, the official number of cattle slaughtered in Bangui increased nearly tenfold. Numbers of cattle slaughtered on the black market were estimated to be four times higher, and showed more consistent activity across time. This value chain requires significant collaboration between multi-ethnic and multi-religious actors: more than a dozen facilitate the trade of an animal. Microeconomic relationships, such as those seen in cattle trade, provide forums for frank dialogue and generate interdependency between warring parties, which augments social capital. In stateless, isolated CAR they seem the ultimate tool for recovery and economic growth, today and historically, peacefully or through strife.

II. Economic Transformation

6 | Level of Socioeconomic Development

All relevant indicators of socioeconomic development in CAR show a very bad standing, and systematically the country ranks among the ten worst performers. The Human Development Index (2015) ranked CAR 187 out of 188 countries. The index value of 0.350 shows a very slight improvement from 2013 (0.348), but remains equivalent to 2008 levels. Abject widespread poverty is characteristic of CAR. GDP per capita (PPP) was \$618 in 2015, only 2.5% better than in 1990 and two-thirds that in 2013. Urban inhabitants, and particularly those in Bangui, have historically been better off than people in the countryside. Concessionary politics creates massive inequality between those with formal relations to the state and those without (see Prosecution of Office Abuse above). This explains CAR's high 56.3 Gini coefficient, making it the 5th most unequal country in the world (of those ranked in 2008, most recent statistics). The Gender Inequality Index also finds CAR at the bottom of the list (8th most unequal) with a value of 0.654. In 2012, the gross enrollment ratio stood

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at 96% for primary, 17.8% for secondary and 2.8% for tertiary education. High primary school enrollment was due in part to nearly 20 years of significant donor funding for education (infrastructure, teachers). No recent statistics are available to show the devastation of the recent crisis on enrollment rates, as many schools were looted, destroyed closed or used as shelters for internally displaced people. According to the FAO, the subsistence economy provided a livelihood for nearly 75% of the population in 2012. Since then, the non-monetary economy has only grown, as hunting, foraging and subsistence farming remain primary livelihood types.

Economic indicators		2013	2014	2015	2016
GDP	\$ M	1518.6	1702.9	1583.8	1756.1
GDP growth	%	-36.7	1.0	4.8	4.5
Inflation (CPI)	%	1.5	25.3	37.1	-
Unemployment	%	6.2	6.6	6.8	6.9
Foreign direct investment	% of GDP	0.1	0.2	0.2	1.8
Export growth	%	-27.9	-8.8	0.5	7.8
Import growth	%	-27.7	57.3	9.1	-0.8
Current account balance	\$ M	-	-	-	-
Public debt	% of GDP	38.5	54.8	51.1	44.3
External debt	\$ M	556.3	641.8	661.9	682.2
Total debt service	\$ M	6.6	15.5	17.8	25.0
Net lending/borrowing	% of GDP	-	-	-	-
Tax revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	10.2	8.2	7.7	7.3
Public education spending	% of GDP	-	-	-	-
Public health spending	% of GDP	1.9	2.1	-	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	-	-	-	-

Sources (as of October 2017): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

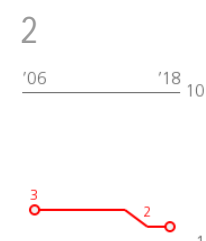
7 | Organization of the Market and Competition

The high levels of insecurity that followed Séléka's violent seizure of power in 2013 have had a devastating impact on the country's fragile economy. The picture worsened with the demise of Michel Djotodia and the manhunt against Muslims and Mbororo who used to control various sectors of the local economy (diamonds, gold, cattle). In urban centers, local markets broke down in 2013 to 2014, but are now grossly distorted by high demand from a larger humanitarian community and interference from armed groups that steal goods or tax traders arbitrarily. Only few international investors have shown interest in establishing themselves in Bangui, and the few who have were mostly disappointed or involved in illegal trafficking in diamonds and gold. The general investment climate went from bad to worse during the last crisis and its violent aftermath. Delayed engagement by the IMF and uncertainty surrounding the new administration, resulted in a drop in CAR's ranking in the Index of Economic Freedom published by the Heritage Foundation from 161 out of 178 in 2014 to 168 out of 178 in 2016. There is little confidence among private investors that their investments will be protected or will generate sufficient returns.

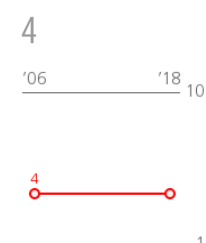
Detailed information on the anti-monopoly institutional framework (e.g., laws and other regulations) is largely unavailable for CAR. Where regulations do exist, they are difficult to enforce, and the formation of monopolies and oligopolies is only occasionally regulated. This is particularly visible in some areas of the service sector (telecommunications, banking). But monopolistic distortions of the market are certainly not rated particularly important by the government or the local donor community, as few investors show an interest and some essential goods are not provided at all.

The economy has always struggled due to the country's isolated geographic position (landlocked with minimal transportation infrastructure). Freedom of trade further declined with the onset of the latest episode of violence. The government traditionally tried to generate income through tariff revenues, but this has proved challenging in the increasingly strong informal context in which customs now operate. This does not make legal trade easier; according to the World Bank's Doing Business report (2015), CAR has declined from a disastrous rank of 185 to 186 out of 189 in the "trade across borders" sub-indicator. CAR's membership in CEMAC does lead to some common trade rules, which could help raise standards if implemented. The difficult state of road infrastructure together with insecurity along the main supply road from Cameroon, render the costs of foreign trade relatively expensive. One significant improvement in foreign trade during the period under review was the resumption of legal diamond exports from "compliant zones" of CAR in July 2016. Parallel to its selective integration into the world market, CAR is and has been well integrated into the global, shadow market for small arms, poached animals and animal products (ivory, horns), and gold and diamonds, despite various embargoes (U.N. Resolutions

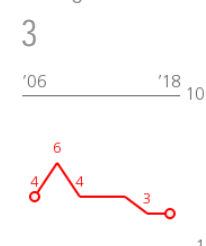
Market-based competition



Anti-monopoly policy



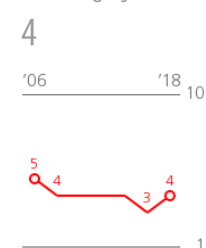
Liberalization of foreign trade



2127 and 2134). Rebel groups easily cross the border with stolen goods. In non-compliant zones (such as the eastern part of CAR) the diamond trade is controlled by Séléka groups that smuggle stones through various channels to Sudan, Cameroon and the DRC. Herders, many of whom come well-armed from Chad and Sudan, are often accused of smuggling illegal products out of the country either unilaterally or in collusion with various rebel groups. This further complicates attempts at reconciliation between various ethnic and religious groups.

Solid actual information on the banking sector is hardly available in the public domain. However, CAR's membership in CEMAC and ECCAS anchors the country to international banking standards, despite its small economy. CAR has the smallest financial sector in the entire CEMAC region. The most recent information (2012) lists four commercial banks, two savings banks and two micro-finance institutions. The ease of getting credit declined from 2013 to 2014, according to the World Bank's 2015 Doing Business report, by six ranks. Theoretically, the supervision of the banking sector is well regulated in the framework of the CEMAC institutions. Legal underpinnings for the banking system and capital market exist, under the supervision and control of the Commission Bancaire de l'Afrique Centrale (COBAC), which is associated with the Bank of Central African States (Banque des États de l'Afrique Centrale), but the market is poorly differentiated and offers scant opportunities for domestic investors particularly in the current context. Banking sector support or reform does not hold a visible place in the new president's platform nor in the National Recovery and Peace Plan (PNRCP). The microfinance system, however, was gaining in importance just prior to the crisis and will likely re-emerge as rural security improves.

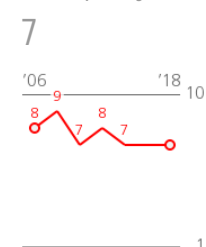
Banking system



8 | Currency and Price Stability

As a member of the CFA franc monetary union, CAR cannot pursue an independent policy on currency and foreign exchange rates. The currency is pegged to the euro, and the Bank of Central African States (BEAC) is the monitoring authority. The technical competence of the BEAC has helped to maintain a relatively low inflation rate almost every year. The decline in food production as a result of insecurity in the countryside, plus supply disruptions, resulted in shortages in key areas and in the modest acceleration of inflation (5.8% from 2011 to 2012). The Economic Intelligence Unit forecasted a 3.7% inflation rate in 2016, and projected 6.2% inflation for 2017, as oil prices recover boosting imported inflation. According to the IMF, the 2016 current-account deficit was 9.2% and is expected to remain at this level in the medium term due to substantial volume of reconstruction-related imports.

Anti-inflation / forex policy



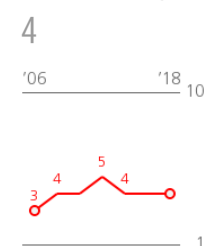
The revised 2016 budget adopted in September prioritizes measures to increase domestic revenue and set a domestic primary deficit consistent with IMF recommendations. Measures to strengthen tax and customs administration, including the adoption of a new price structure for oil products and improved valuation of timber exports, is projected to yield additional revenue of 0.2% of GDP. With lower-than-programmed domestically-funded capital spending and additional measures to contain current spending, the domestic primary deficit target, the anchor of the fiscal program, remains set at 3.3% of GDP. IMF recommendations to improve macroeconomic stability include: enhancing revenue mobilization (increased collection of tax arrears, identification of new tax payers, increasing convoys from Douala), improving public financial management (strict monthly cashflow management, implementation of reform agenda), implementation of government strategy to clear domestic payment arrears, and address the accumulation of external arrears.

9 | Private Property

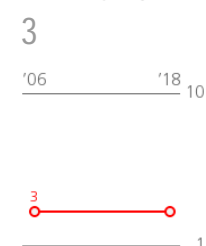
Private property in urban areas is guaranteed on paper but cannot be safeguarded because the rule of law is so weak. Outside of urban areas, the government owns all land, although customary rights to usage are common. According to relevant World Bank indicators, registering property takes a long time for foreign investors (75 days) and contract enforcement in Bangui's Commercial Court can take up to 660 days. However, this is hardly the most pressing problem when it comes to private property. The most essential property rights were harmed by the catastrophic events in 2013-2014, as the government was unable to protect its citizens or their assets during (or after) the last conflict. According to Office of Coordination of Humanitarian Affairs in early 2017, 2.2 million people (half the population) are in need of assistance (protection, food, health care, water, sanitation and shelter), 800,000 more than in 2013. The number of Central African refugees has hovered around 452,000 since March 2015, while the number of internally displaced persons has fluctuated between 410,000 and 470,000 since October 2014.

In principle, private enterprises are permitted and protected. Yet, according to the World Bank, CAR ranks as the worst place in the world to start a business. For one, the cost of starting a business is 6 times the GDP per capita. Tax rates are high (top corporate rate is 30%) and procedures for payment are complicated (and at times subjective). Insecurity and rampant impunity discourage private enterprises. Shadow economies remain significantly more lucrative than the formal private sector. In comparison to some neighboring countries, the government has never been a particularly vigorous economic actor, and thus it is not a competitor to private companies.

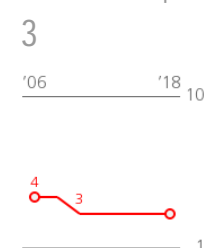
Macrostability



Property rights



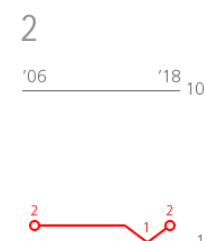
Private enterprise



10 | Welfare Regime

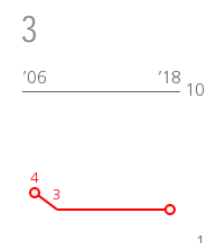
Average life expectancy at birth has steadily grown to 50.7 years in 2015 (from 44.6 years in 2003). Some health data indicate progress during the Bozizé era, but one wonders whether this is attributable to the government's policies (CAR attained only one Millennium Development Goal, number 6 on the fight against HIV/AIDS, malaria and other communicable diseases). HIV infection rates dropped sharply from 4.6% in 2010 to 3.8% in 2015 among people aged 15 to 49, according to the World Bank. This is lower than in all neighboring countries. But the death toll from malaria tripled between 2008 and 2012, according to the WHO. Health care infrastructure is particularly rudimentary with 0.8 health care workers per 1000 people pre-crisis; public expenditure on health care rarely exceeded 2% of GDP (1.9% in 2012). Formalized traditional and self-help mechanisms are very weak in CAR given the lack of social capital within and between social groups, and further weakened during the crisis (see Social Capital above). Church organizations offer the strongest social safety net in CAR today, as they care for the elderly, provide education, health care and encourage entrepreneurial activities. However, their ability to provide support in the aftermath of the most recent crisis is weak. Many foreign missionaries were forced to flee the country due to the level of violence and the targeting of clergy who sheltered internally displaced persons leaving behind national staff much more susceptible to coercion. There are now 500,000 more people in need of assistance than at the end of 2014. It seems the surge in international funding for CAR has created a multiplicity of NGOs on the ground, but no major improvements in sustainable social safety nets (see Civil Society above). These actors will remain the exclusive providers of social safety nets - in the form of cash-for-work opportunities, health care, education and capacity building - for some time to come. Decade-long sociopolitical crises have destroyed the social capital that existed in traditional communities, thus preventing traditional social safety mechanisms.

Social safety nets



In keeping with history, the new constitution reaffirms CAR's commitment to prevent all types of discrimination against women, indigenous and tribal people. It also guarantees equality based on race, ethnic origin, region, sex, religion, political affiliation and social position. However, as is the case with so many legal provisions in CAR, enforcement is impossible. The share of women within the literate adult population is declining (ratio of literate women to men in 2000: 68/100, in 2010: 55/100). Only 35% of the female population has a complete primary education. Eight countries rank below CAR in the Gender Inequality Index (value 0.655). During the political transition after the last conflict, it seemed that women were going to begin taking a bigger part in public life than in most neighboring countries. Women form 20% of the CNT (Conseil National de Transition), while a woman was also elected interim president of the CAR. However, the representation of women in the current National Assembly (installed May 2016) fell to 8.5%, lower than in Chad, Sudan, South Sudan and Cameroon. It should be noted however that the transition

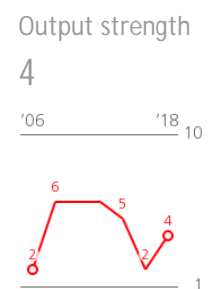
Equal opportunity



government under Samba-Panza saw a drastic increase in the number of portfolios held by women. Sexual violence against women has drawn significant attention during the period under review due to multiple cases of sexual assault by various actors, including peacekeepers in CAR. Discrimination against African non-citizens, particularly those from Chad, Sudan or Sahelian countries, is endemic to CAR due to the significant resources these populations often control through trade. Because these non-citizens tend to be Muslim, many Central African-born Muslims (primarily Mbororos) are discriminated against not because of their religion but because of their association with foreigners who are, in the opinion of indigenous Central Africans, pillaging their country. Indeed, for many decades, first generation Central Africans with foreign sounding names often registered their children with the authorities under Christian or French sounding names to avoid discrimination in school and work. This discrimination has only become exponentially worse in the wake of Séléka violence in 2013 and 2014.

11 | Economic Performance

The economy has suffered enormously from the recent breakout of violence. GDP contracted an unprecedented 37% from \$2.196,7 billion in 2012 to \$1.583,2 billion in 2013. CAR has now the second lowest per capita GDP of all countries under scrutiny by the World Bank (\$618 PPP in 2015), which represents just under a 4% increase from the previous year. The faltering economy does not provide for any incentives to attract foreign direct investment, which stood in 2015 at 0.2% of GDP (as compared to 3.2% pre-conflict). During the period under review, public debt decreased slightly to 48.5% of GDP and the current account deficit at the beginning of 2017 looks better than envisaged at 9.2% of GDP. Inflation estimates showed an increase in 2015 and 2016, returning to 2012 levels of 5.8%. The tax revenues of the state were meager pre-crisis (9.4% of GDP in 2012) and are forecast to be even lower (8.7%) in 2017. This estimate is up 0.2% from 2015 due to improved tax and customs administration implemented through the new IMF Extended Credit Facility (ECF) approved in July 2016. The decision by the Kimberley Process to resume legal exports of diamonds from “compliant zones” in July 2016 is likely to have a positive effect on government revenues as well. Unemployment statistics are unreliable showing steady rates between 2012 and 2014 (6.9% in 2012, 7.4% in 2013 and 7.4% in 2014), despite the massive economic contraction in these years. The most recent statistics indicate that gross capital formation is equal to 11.4% of GDP, down from 12.7% in 2014, but up from 9.7% at the heart of the crisis in 2013. The fluctuation in investment could be due to the boom and bust of international funding, as the crisis dragged on through 2015 and elections were delayed for nearly a year. The IMF ECF bodes well for continued economic performance in 2017 and 2018, but revenue gains face significant threats from continued instability across the country.

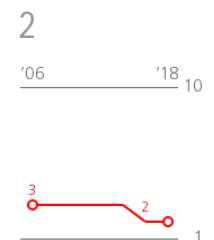


12 | Sustainability

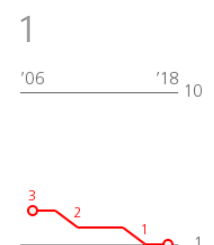
Environmental performance in CAR has gone from bad to worse. In 2014, CAR ranked 119 out of 178 countries in the Environmental Performance Index, but fell to 159 out of 180 countries in 2016. Environmental laws are often contradictory and are rarely enforced. Since independence, biodiversity in CAR has rapidly decreased. Wildlife reserves in the north and east of the country have been slowly emptied of animals by domestic and foreign poachers. Only two reserves are still functioning, one in the southwest and one in the eastern part of the country. Both are under significant pressure from armed groups (rebels, poachers, Anti-Balaka, foreign herders). The World Wildlife Fund reported that, in May 2013, Séléka rebels killed 26 elephants. The humanitarian crisis is such that refugees and internally displaced people are unable to have any significant consideration for the environment. Prior to the crisis, forest production (primarily timber) exports revenues amounted to nearly 5% of GDP and the timber sector was the largest employer after public service. The 1990 forestry law is progressive in its environmental and social protections (e.g., no creaming, quantitative limits on logging to promote natural regeneration and involvement of indigenous populations in management), but enforcement is extremely weak and companies often self-regulate.

Public expenditure on education between 2005 and 2011 never exceeded 1.6% of GDP. The low literacy rate of 36.8% is a direct result of this neglect, with women clearly discriminated against: only 24.4% of adult women are literate. The ratio of female to male enrollment in public and private schools prior to the most recent crisis was 74.3 out of 100 in primary education, 51.3 out of 100 in secondary education and 36 out of 100 in tertiary education. According to World Bank documents, primary education enrollment has been low and stagnant since 2000 at 73%, and recurrent conflicts have led to high drop-out rates (26%) and low completion rates (31%). Government financing for primary education plummeted from 28% of public expenditures in 1996 to 14% in 2005 (latest figures). Despite significant support for education from donor partners over the last 20 years (World Bank, IMF, European Commission, African Development Bank and China), low levels of education remain endemic in CAR, and significantly restrict economic growth and stability. No quantitative data on research and development in CAR exists, but qualitative and experiential data suggests that only Bangui University holds a minimal capacity for social and scientific research, while quality is extremely variable depending on the level of funding and availability of the few national experts now heavily solicited by the humanitarian community and the United Nations. In the primary sector (agriculture), R&D has repeatedly experienced significant setbacks as infrastructure and capacity are rebuilt during periods of stability and then destroyed during subsequent conflicts. IMF funding, made available through the ECF to restore functionality of public sector agencies, may drive a slight improvement in R&D and education.

Environmental
policy



Education policy /
R&D



Governance

I. Level of Difficulty

Structural constraints in CAR severely restrict governance capacity. The country is landlocked, with only one terrestrial, one aerial and one aquatic transport corridor. Its equally unstable neighbors include Chad, Sudan's Darfur province, South Sudan, the Democratic Republic of Congo and northern Cameroon (given Boko Haram's expansion). Chad, once a conflict country, has intervened in different ways in CAR (acting as kingmaker for Bozizé, peacekeeper and a discrete supporter of Séléka). Chad is a strongly problematic neighbor. These conflicts spill over due to porous national boundaries, as vast unpopulated regions of CAR (particularly in the north and east) remain havens for perpetrators of violence. Extensive surface water networks make communication in rural areas extremely difficult, and neither telecommunication nor transport infrastructure has been able to successfully provide access to the countryside. A country roughly the size of France, CAR only has 1,300 km of paved roads, while an additional 20,000 km of unpaved roads are subject to annual closure during the rainy seasons (four to six months of the year). This challenging geographical context compounds the historical challenges of a traditionally weak state: basic administration for economic (markets) and social (education, health care) structures does not exist; home-grown violence surges every ten years; and the state lacks a monopoly on the use of force. Recent observers of CAR may believe these current structural constraints to be a temporary characteristic of a post-conflict scenario, which are likely to change. However, CAR's history (see History and Characteristics of Transformation) exemplifies fragility and the difficulty of transformation in the face of decades of socioeconomic conditions that have left its population extremely poor, fearful and untrusting of the state.

Traditions of civil society in CAR are weak due to low levels of social trust stemming from a history of violent conquest across the countryside by armed traders, slavers, brutal concessionary companies, militias, bandits and rebel groups (see Social Capital above). Today, CAR's isolated rural society, where so much of the protracted turmoil is happening, changes their civil society representation rapidly depending on the power dynamics of local armed groups and international funding for civil society. Fundamental relationships between people, however, stay strong (e.g., in livestock trade). The landscape of voluntary organizations is meager, and the most important of these are trade unions and church organizations (see Interest Groups above). There

Structural
constraints

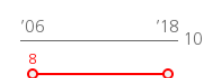
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Civil society
traditions

8

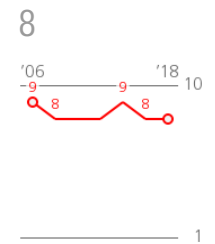


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is a long-term presence of public engagement, but not for civic reasons. The government has been the largest employer since independence, and integration into the state provides important social status and entitlements. Civic engagement hinges not so much on a desire to contribute, but a desire to claim entitlements, not be ignored and ultimately survive the volatility of life in CAR (see State Identity).

In the period under review, intermittent and intense violence continued across the country. In early 2015, tensions were somewhat reduced as MINUSCA, France and the European Union increased their peacekeeping forces, state administrators returned to 14 out of 16 prefectures, and popular consultations began across the country in preparation for the Bangui Forum (a meeting on reconciliation among political stakeholders and armed groups to stabilize the country). However, a year after the major ceasefire agreement signed in mid-2014 in Brazzaville, armed groups, driven by criminal, economic or political interests, continued to assert control over parts of the country while gang violence raged in Bangui. These groups included Anti-Balaka militias, FDPC (Front démocratique du Peuple Centrafricain), the RJ (Révolution et Justice), the 3R (Retour, Réclamation et Réhabilitation) in the center and west, and ex-Séléka splinter groups in the north and east. Enclaves of vulnerable populations, nearly all Muslim, were still under threat. By the end of 2015, despite significant political progress (e.g., legislative and presidential elections in December 2015), attempts to destabilize the political transition were underway in Bangui as violence surged. The discovery of the body of a decapitated Muslim led to reprisal attacks with 77 killed across several neighborhoods of the capital. During the violence, armed crowds took to the streets, erecting barricades to prevent the movement of people and access to the airport. Segments of the population called for the resignation of the Head of State and the redeployment of the Central African Armed Forces. The violent demonstrations were accompanied by incidents of looting and attacks on local police stations, the gendarmerie headquarters, churches, mosques and the national radio station, as well as on residences and convoys of U.N. personnel and non-governmental organizations, including humanitarian partners and their premises. Similar cycles of violence and reprisal attacks took place across the countryside in the last months of 2015 (Bambari, Kaga-Bandoro, and the border with Cameroun and Chad). Some calm returned in 2016 following Pope Francis' visit to Bangui in November 2015, statements by former Séléka leader Nourredine Adam supporting the electoral process and the peaceful democratic transition to a new government in February 2016. But murder, torture, sexual violence, theft, abduction, destruction of property and illegal possession of weapons continued throughout the country. In part, violence in the countryside (e.g., Basse-Kotto, Mambéré-Kadeï, Nana-Mambéré, Ouaka and Ouham prefectures) was due to the seasonal movement of Fulani pastoralists, Muslims who are often mistaken for ex-Séléka, Chadians or armed poachers. The security situation remained precarious throughout 2016, with heightened intercommunal tensions and sporadic clashes between fragmented armed groups. Violence among ex-Séléka factions, and between anti-Balaka and ex-Séléka

Conflict intensity



groups was largely triggered by internal power struggles, competition over natural resources, attempts to expand areas of control, seasonal migration of pastoralists, intercommunal tensions, and mistrust and misunderstandings. Throughout the country, criminality, banditry and grave human rights abuses by armed groups continued to pose a threat to civilians. Even Bangui was not immune. In early October 2016, the former aide de camp of Catherine Samba Panza, Captain Mombeka, was killed in the middle of the street near PK5 (a Muslim neighborhood and enclave). Reprisal murders continued for a month after the killing in this area.

Cycles of violence are recurrent in CAR and peaceful elections have done little to tackle this pattern. Current negotiations between the government and armed groups under the leadership of Angola aim to bring a sustainable solution to the political crisis.

II. Governance Performance

14 | Steering Capability

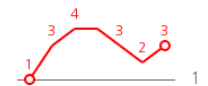
Generally, the government tries to set strategic priorities, but often fails because of structural constraints. Despite the uniqueness in the level of violence and fragmentation of armed groups, during and after the most recent crisis, it seems the government's ability to set and maintain priorities mirrors that of previous conflicts. The political capacity to adopt a long-term perspective depends on the government's ability to balance competing interests, in particular those of the international community (particularly the multilateral institutions and France) and the opposition (e.g., militias, rebel groups and political opponents). Currently, the international community is throwing significant weight behind the new government as evidenced by the successful donor meeting in November 2016. At this meeting, 80 countries and international agencies pledged €2.06 billion to achieving recovery in CAR. As mentioned above, the IMF's \$115.8 million ECF is intended to anchor economic recovery through policy reforms and prioritization. However, the International Crisis Group finds the post-election status quo "increasingly fragile" due to opposition groups who are growing tired of waiting for their entitlements under the new government. Civil society organizations, political parties and parliamentarians are increasingly public in their expressions of disappointment. The dry season allows armed groups to be more mobile. As the discontent of armed groups grows, so too does their ability to cause harm and gather momentum. The stalemate in DDRR (disarmament, demobilization, reintegration and reconciliation) will likely exacerbate this situation.

Question
Score

Prioritization

3

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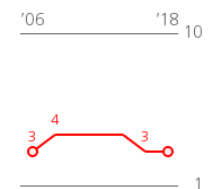


In October 2016, the new government approved and adopted a five-year National Recovery and Peace Plan (PNRCP). This plan focuses on three pillars: the restoration of peace, security and reconciliation; the renewal of the social contract between the state and the population; and the promotion of economic recovery and revival of productive sectors. Its elaboration was jointly financed by the European Union, United Nations and World Bank. Obstacles to achieving the PNRCP's priorities are familiar and substantial: the government does not have a monopoly over the use of force and peacekeeping support is inadequate. State identity is hindered by a historical inability to deliver public goods. CAR's economy needs a stable policy and security environment to thrive. Thus, it is unlikely that these objectives could be realized in the short term. The root causes of CAR's problems are intricately intertwined. To some extent, the achievement of each pillar requires the simultaneous achievement of the others. For example, to renew the social contract between the state and the population, CAR needs peace and jobs, which in turn requires the rule of law and a strong democratic government. Despite the commitment of international donors, again demonstrated during the latest donor round table, CAR's development history shows that a national recovery policy (of which there have been multiple, financed by donors after each decennial crisis) with the short-term support of donors is not sufficient to overcome structural and social obstacles.

This report has thus far repeatedly demonstrated the lack of policy learning, innovation and flexibility of the Central African government. Each decade since independence has brought a new conflict in CAR. While the details of each crisis period are different, the overall trends are the same, including: an inability or unwillingness of successive governments to respect democratic processes and work with the opposition; the inconsistent of donor support for fiscal reforms, DDRR, reconciliation and economic development; and a lack of institutional memory within the donor community coupled with poor governance within CAR that repeatedly produces ineffective policies. Monitoring and evaluation of past experiences is extremely difficult in CAR. Statistics on which to base policy decisions are not reliable, as statistical agencies across all sectors have proven dysfunctional (except for a brief period in the 1970s). While knowledge and good practice exchanges are common within the public sector and the humanitarian community, outside models are often brought in as is and never fully adapted to the unique Central African context. One counterproductive example of policy learning in CAR is the ability of mid-level public servants to consistently remain low capacity, despite decades of funding to the contrary. It could be argued that this is willful, as the shadow benefits of remaining low capacity are personally lucrative. Each time CAR becomes somewhat stable and the international community increases pressure for improvements in democratic processes, a crisis evolves. CAR then claims "post-conflict" status, which brings with it an increase in outside funding, quick fixes and a relaxing of standards, which allows for an increase in personal entitlements.

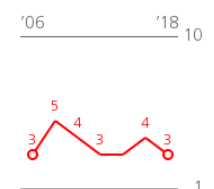
Implementation

3



Policy learning

3

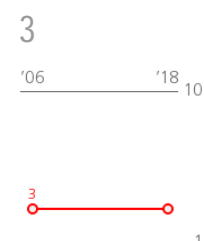


15 | Resource Efficiency

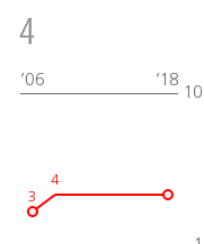
Since independence, CAR has been heavily dependent on external financing for basic state administration (which, as discussed above, has never been fully operational outside of Bangui). Inflows of aid are volatile and often depend on the newsworthiness of the context, while domestic revenue is one of the lowest in sub-Saharan Africa (9.2%) despite successive national policy plans. The effective use of budget resources depends on the level of international scrutiny and the level of insecurity in the country. Following the recently approved IMF ECF, scrutiny will be high, but continued insecurity will likely allow some amount of understanding on missed targets. According to the most recent IMF country report, public sector wages accounted for 62% of public expenditure and 85% of domestic revenue in 2015 (does not include grants). The efficient use of human resources is extremely challenging in CAR for two reasons. First, the high social value placed on inclusion in public service (see State Identity) causes non-merit based appointments, clientelism, delayed retirement, and duplicity and overlap of available jobs. Second, payment of government salaries in CAR is a universally accepted means of ensuring short-term stability in the country. France, the European Union, CEMAC countries, World Bank and IMF have repeatedly provided direct budget support for public sector wages in spite of poor management performance. Effective public administration is plagued by the persistent and inefficient use of human resources, as organizations are repeatedly reshuffled and decentralized across the country. Touadera's government has not yet attempted to improve efficiencies in any of these areas. In fact, quite the opposite, despite proof of feasibility, donors and the government are more convinced than ever that public service provision in all 16 prefectures must remain a fundamental goal of statehood (see the PNRCP).

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

Efficient use of assets

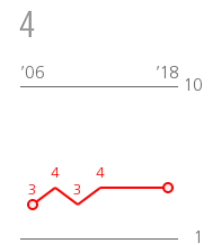


Policy coordination



The government in CAR is only partially willing and able to contain corruption. With limited political will, few resources and continued insecurity, the government will continue to have difficulty combatting administrative corruption as well as economic corruption (illicit trafficking of diamonds, gold and ivory). The few integrity mechanisms that exist focus on preventing misuse of external funding. As mentioned above (see Prosecution of Office Abuse and Policy Coordination), two parallel budgets and parallel coordination mechanisms exist in CAR, one for domestic revenues and one for external grants. Audits, media access to information, accountability of office holders and transparent procurement mechanisms are directly encouraged by grants or indirectly by government departments that benefit from grants. The same anti-corruption mechanisms are irregularly applied to domestic revenues, which condones a lack of transparency in domestic policy goals and preserves the political space for concessionary politics. Anti-corruption institutions have appeared and disappeared from the institutional framework over time, but have primarily served as an alibi for illicit government activity. Similarly, anti-corruption policies and programs do exist on paper. For example, good governance projects account for up to 50% of the budget for the second pillar of the new PNRCP (renewing the social contract between the state and the population) and CAR has ratified the U.N. Convention against Corruption. However, each successive national anti-corruption strategy has been unable to affect the culture of entitlements.

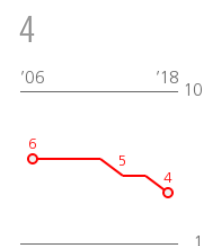
Anti-corruption policy



16 | Consensus-Building

Since independence, with the exception of the Bokassa period from 1965 to 1979, major political actors have agreed that strengthening democracy in CAR should be a key strategic, long-term goal. Even rebel groups and militias consistently pay lip service to the principles of democracy, rule of law, civil liberties and political rights, and express an intense desire for inclusion in CAR's democratic political establishment (see again State Identity). However, once inclusion in CAR's democratic system has been achieved, democratic ideals come second to personal enrichment. CAR's democratic institutions act as a means to personal enrichment, rather than primarily a means of accessing freedom, liberty or security.

Consensus on goals



Furthermore, if all major actors agree on democracy, they seem to disagree on how to achieve it. Whereas some minority groups (e.g., Muslims) favor numerical representation in government and public administration as a way of building consensus and achieving representation, other groups oppose this view by arguing that it is a reward for violence.

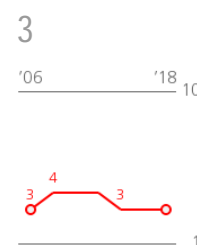
Similarly, on paper, consensus on a market economy as a strategic, long-term goal is evident. Political actors in CAR agree that economic decisions, and the pricing of goods and services should be guided solely by the aggregate interactions of the country's individual citizens and businesses with little government intervention or

central planning. However, in practice, the formal economy suffers from flagrant distortions caused by corruption, trafficking, the absence of the rule of law and a deep seated “cadeau” mentality. The formal economy is also dwarfed by the informal economy, which exists in all sectors and regions of the country, and does not have a place in strategic decision-making. Furthermore, CAR is ranked close to the bottom of the Doing Business Index (185 out of 189 countries in 2016) for a reason: the market is primarily guided by government decree, not the sum of decisions by rational economic actors. A functioning state may well be the precondition of a functioning market economy and ensures equality between actors. If this is true, a vibrant market economy is doomed by the distant prospects of a functional Central African state.

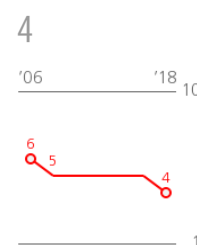
Reformers (i.e., those who advocate democratization) often change their rhetoric once in power. In their desire to reform, many so-called democratic actors (brought into power through elections) resort to anti-democratic practices (corruption, manipulation, civil rights abuses, disregard for the constitution). These tendencies along with the slow, often invisible, nature of political and economic change, quickly lead to a loss of the international support, which is required to counterbalance the power of the military, rebel groups and militias. At the end of the review period, rumors of coup d'état were growing in Bangui as discontent with the newly elected authorities as well as the U.N. force grew exponentially. Attempts at destabilizing the system by anti-democratic actors increased. These actors include some civil society organizations (e.g., the Groupe de travail de la Societe civile, led by the activist Gervais Lakosso), and militia and rebel groups (e.g., the Anti-Balaka militias, the FDPC, the RJ, the 3R and ex-Séléka factions). Political maneuvering by some members of parliament, including the Speaker of the National Assembly, has also increased pressure on CAR's democratically elected authorities. Political actors who do not secure a lucrative position in government generally take their revenge by siding with armed groups in opposition to the government.

The recent crisis in CAR and the protracted violence that has followed are in part the result of the political leadership's inability to moderate the capacity for violence in rural areas and defuse intense, established frustrations over entitlements. CAR expert Louisa Lombard argues that in CAR violence is not a brief period of upheaval bounded by peace and the state's monopoly over the use of force. Rather, Lombard argues that violence is deeply rooted in the country's history and has consistently served as the best means for political elites to access entitlements. In particular, Central Africans from the north of the country, many of whom are Muslim (including people of Mbororo, Chadian or Sudanese origin), have consistently expressed their frustration over perceived injustices (e.g., discrimination in accessing education, employment and other basic services in the northeastern part of the country). Neither the international community nor the political leadership at the beginning of the last crisis were able to address these frustrations. The northerners' extensive sub-regional networks and control over significant resources (see No Interference in Religious dogmas) gave them a strong platform to overthrow the country's leadership. During

Anti-democratic
actors



Cleavage /
conflict
management

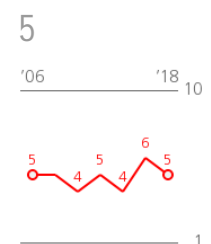


the period under review, in addition to general elections, the political leadership introduced two major tools for attempting to mitigate this cleavage: the Bangui Forum and DDRR (see Commitment to Democratic Institutions). Elections and the Bangui Forum produced pleasing results, which the country's political leadership and the international community could use to promote recovery. However, across the countryside and at times in Bangui, violence continued through 2015 and 2016, and the DDRR process has stalled. The pluralization of frustrations across the countryside (see Conflict Intensity) exemplifies the messiness of Central African violence, which does not always take a state-focused form, and can therefore not be moderated by political leadership acting within nation-state norms. The biggest challenge to any moderation of cleavage-based conflicts is the stubborn denial of the Bangui-based political elite to recognize the legitimacy of Muslims' grievances. In that regard, many influential political actors have actually exacerbated cleavages for populist gains.

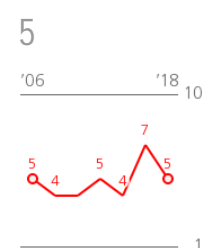
Historically strong civil society institutions (including traditional ethnic institutions) have been lacking. Integration of civil society institutions into policy deliberation, formulation and decision-making has taken a token form at best, often undertaken to satisfy the demands of international observers. In part, CAR's devastating colonial and pre-colonial past largely destroyed those traditional institutions that today could have provided a balance to the excesses of an overly strong presidential system. Nevertheless, a community of civil society organizations does exist. There are hundreds of registered organizations (no exact statistics available) in Bangui alone. Unfortunately, few of these groups are rooted in the communities they claim to serve. Moreover, the creation of a civil society organization has developed into yet another means of rent-seeking, and claiming entitlements from the government and the international community. This is evidenced by their rapid proliferation post-crisis and then disappearance in times of crisis. During the period under review, civil society organizations and 14,000 people across all 16 prefectures participated in the PNRCP dialogue process (disaggregated figures are not available), and many attended the Bangui Forum. Civil society organizations are also included as key partners in the implementation and monitoring of the PNRCP agenda and related policies. It should be noted that some civil-society groups also exacerbate cleavage-based conflicts and undermine CAR's democratic processes to put pressure on the government.

The prosecution of perpetrators of past injustices is slow and inadequate in CAR, and often only targets a handful of elite suspects. At the end of 2014, the International Criminal Court opened an investigation into the 2012 to 2014 violence in CAR. The investigation is on-going. In July 2015, the transitional authorities passed a law to set up a Special Criminal Court (see Independent Judiciary), but progress towards operationalization of the court is slow. In June 2016, after eight years in the ICC system, Jean-Pierre Bemba was sentenced to 18 years in prison for failing to prevent his Congolese troops from committing crimes in CAR in 2001. The pluralized capacity for violence in CAR and a historically anchored tradition of impunity leaves

Civil society participation



Reconciliation

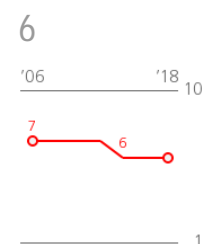


little hope for justice on a large scale. Indeed, peaceful justice has rarely, if ever, been assured by Central Africans for Central Africans. As long as violence continues, nationalist attempts at justice will be easily confused with revenge and violence will continue. The political leadership faces a similar challenge in bringing about reconciliation. A vocal political will exists for reconciliation and social cohesion efforts (see Humanitarian Action Plan and NPRCP). However, reconciliation would require the restoration of “friendly relations,” which in CAR such relationships have been historically short lived and superficial. While mutually beneficial relationships exist between people (such as those in trade or employment), social cohesion may be possible. However, CAR’s volatility and rampant poverty has prevented this cohesion from reaching a national scale. Short election and funding cycles will likely prevent substantial progress towards reconciliation as political and international attention will naturally shift elsewhere. The government appears willing to secure justice for serious crimes to achieve reconciliation, and it is supported by MINUSCA and most international partners (France, the United States and the European Union). However, a recent African Union-backed mediation initiative under the leadership of Angola is currently attempting to reach a global political agreement that seems to seek reconciliation through impunity for serious crimes. Should this initiative be successful, the current government would just repeat the same conflict resolution mechanisms that have been applied in the country for decades without success.

17 | International Cooperation

The government is potentially more dependent on international aid now than ever. Annual per capita aid jumped from \$50 in 2012 to \$127 in 2014 (latest figures). The European Union (the European Commission and EU member states together) is the largest donor of humanitarian assistance (more than €16 million since 2014). Certainly, without decisive international support it would not possible to make progress on national goals set jointly by the political leadership, international donors and U.N. agencies. The current roadmap (PNRCP) is very explicit regarding steps to reach its goals and the resources required to take those steps, as was the first (2008-2010) and second (2011-2015) Poverty Reduction Strategy Paper. International funds have duly followed the establishment of these plans, as evidenced most recently at the donor round table (see Prioritization and Implementation above). However, the extent to which these various strategies represent long-term goals for development is questionable, particularly the newest plan which focuses on post-conflict recovery. Furthermore, despite consensus on goals, international aid has only partially and temporarily been able to address fundamental obstacles to development (e.g., security, lack of basic services, transport and communication infrastructure). This is partly due to government failures, but also to international partners’ short-term interests.

Effective use of support

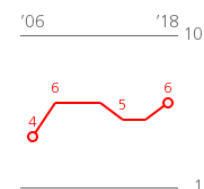


On paper, CAR has ratified or concluded 186 different international conventions, charters and treaties, including the various Geneva conventions, U.N. Framework Convention on Climate Change, ILO core labor standards and various arms control treaties. However, as with its own laws, enforcement is extremely challenging. Ratification of the conventions often serves more as a way to leverage international funds for compliance than proof of a fundamental belief in a convention's goals. Given the cyclical nature of conflicts in CAR, each new administration initially presents itself as credible as a means of achieving power. In his first 10 months in office, Touadera and his government have acted as credible and reliable partners in their relations with the international community. The Touadera government has respected agreements and responded in a timely fashion to requests from international partners. However, as progress towards goals stalls and competing demands for the government's attention positions partners against one another, the government's credibility deteriorates. It is unlikely that Touadera's credibility will remain as high over the coming years, although this will not be entirely his fault. As CAR transitions fully to a post-conflict context, international partners will begin to shift their demands by increasing the rigor of monitoring, the need for transparency in procurement and the breadth of funding pre-requisites. This will happen without a long-term (i.e., more than five-year) engagement plan, which would allow the government to overcome the national frustration and opposition to reforms on entitlement systems (licit or illicit).

CAR is member of the Economic and Monetary Community of Central Africa (CEMAC), the African Union (AU) and other regional organizations. The government has actively supported regional integration, if primarily as another means of leveraging international funds for compliance. Central African scholar Roland Marchall argues that the CAR state works the way it does because of the ways it fits into a regional process of state-building. For one, CAR's problematic neighbors have consistently exported their conflicts (and armed combatants) to CAR. This is true at least for Chad, Sudan, South Sudan and previously for the Democratic Republic of Congo, while the problems with the Lord's Resistance Army (LRA) have been inherited from Uganda. Furthermore, various neighboring administrations have directly supported or undermined CAR's political leadership. In the 1990s, Patassé offered hospitality to various well-known figures of the armed Chadian opposition to increase negotiating leverage with France, and to reinforce ties between his ethnic group (the Kaba) and the Sara, a related southern Chadian group who opposed Chadian president Idriss Deby. Congolese wars in the late 1990s also provided a platform for direct cooperation between Jean-Pierre Bemba and Patassé. Bemba's troops were at Patassé's disposal in exchange for use of CAR as an economic and military hub. Over the last two decades, Deby flip-flopped between directly supporting CAR's political leadership to supporting the rebels, sometimes simultaneously. He provided the troops for Bozizé's presidential guard and regional peacekeeping missions, yet supported Séléka's creation and sent troops to Bangui as

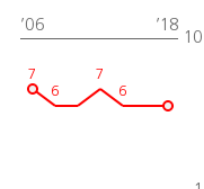
Credibility

6



Regional cooperation

6



Séléka approached to protect the retreat of his own citizens. In the southeast of CAR, a regional task force, mainly consisting of Ugandan troops aided by U.S. special forces, set up to capture Joseph Kony and eliminate the LRA, still operates on CAR territory. The authorities cooperate with the U.S. supported task force. However, tensions are high between ex-Séléka factions, which control parts of the center and east of CAR, and the task force, because the task force disturbs the illegal trafficking of diamonds from the eastern half of CAR and does not pay rewards for LRA commanders captured by armed groups due to U.N. resolutions. The regional narrative has historically been one of power and wealth accumulation, and rivalries between regional players. Another side of this narrative is the multi-faceted support (military, financial, training) neighboring countries have offered to CAR. Regional cooperation in the Central African region is complex and multi-linear. There is not a single denominator, despite the obvious negative interference of some neighboring countries in CAR.

Strategic Outlook

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

Since the 11th century, the country and wider region has experienced numerous migrations, conflicts and raids, such as the slave trade, Arab raids, forced work, colonial conflict, violent coups d'états, rebellions and unfettered banditry. This history of betrayal and mistrust precludes unity, and has created a society that provides little moral guidance to individuals. It has also created a culture of persistent violence and insecurity that works against attempts at peacebuilding and state-building.

Structural constraints in CAR severely restrict the political leadership's governance capacity. The country is landlocked, surrounded by unstable neighbors and has only 1,300km of paved roads. Extensive surface water networks cut off vast parts of the country for four to six months of the year. State legitimacy is severely weakened by a persistent inability to deliver public goods in a substantial manner and basic administration outside of Bangui remains thin.

Nevertheless, Central Africans' belief in the need for a functioning state is arguably the one aspect of the state that is not contentious. CAR's democratic institutions seem to act as a means to personal enrichment, rather than a means to achieve freedom, liberty and security. The state's persistent lack of legitimacy seems irrelevant to most Central Africans, although the state's existence as the primary source of entitlements and dignity is essential. In turn, the cultural acceptance of the state's illegitimacy consistently works against the rigid set of state ideals (re)introduced after each successive conflict in CAR.

Similarly, the economy in CAR has rarely provided a viable means for accessing entitlements. The private economy has always been weak, and what has existed is often manipulated by concessionary politics such that there is little distinction between public and private.

CAR's history is a story of escalating cycles of violence. To confront these challenges, to establish peace nationwide and to prevent the recurrence of violent conflict in CAR external actors must commit to long-term engagement for the foreseeable future.

The high levels of mistrust between people will take decades to reconcile, just as they have taken decades to open. However, strong social capital is a prerequisite to stability and consideration of long-standing examples of community resilience in CAR may provide a starting place from which to build unity. Microeconomic relationships along various value chains (cattle, gold, diamonds) provide one such example because resource scarcity supersedes ethnic and religious prejudices, and allows for cooperation between opposing groups. Policy reforms and international aid initiatives should identify people who act contrary to social norms, and achieve positive results for

themselves and their community (i.e., positive deviants), and for whom spikes in conflict do not substantially jeopardize their relationships with others.

The pros and cons of state-building deserve to be seriously analyzed for their relevance in CAR. Dialogue must consider the following questions: Is it possible to establish a traditional state that provides basic services to the entirety of its population and commands a monopoly over the use of force? Can domestic and international will-power ever transcend election and funding cycles to create a balanced long-term policy perspective?

Short-term needs are clear: to meet the enormous humanitarian needs of the most vulnerable groups, to use the international legal system combat impunity and to eradicate civil conflict across the country. Meeting these short-term needs provides an opportunity to secure transformative results.

However, the long-term need to relieve the core structural, social, political and economic challenges in CAR requires slow, incremental improvements. International aid and peacebuilding must be restructured to prioritize these long-term needs. In particular, international aid to one of the poorest places in the world must begin to prioritize the dignity and status of people over the state ideal. If it does not do this, current modes of intervention will continue to complicate rather than resolve key challenges in CAR and the cycles of violence will continue.

State-building challenges are compounded by a very uneven population density. The sparsely populated northeast of the country has the least developed infrastructure, a situation that fuels grievances of armed groups.