

**CENTRAL AFRICAN REPUBLIC**

**Public Expenditure  
Review in Key Human  
Development Sectors**

September 2023



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# TABLE OF CONTENTS

<b>ACKNOWLEDGEMENTS</b> .....	<b>6</b>
<b>ABBREVIATIONS</b> .....	<b>7</b>
<b>CHAPTER 1. INTRODUCTION</b> .....	<b>11</b>
References.....	17
<b>CHAPTER 2. MACRO/FISCAL</b> .....	<b>19</b>
2.1. Background.....	20
2.2. Recent Macroeconomic Trends and Fiscal Policy .....	20
2.3. Conclusions and Recommendations .....	30
References.....	33
<b>CHAPTER 3. PUBLIC FINANCIAL MANAGEMENT</b> .....	<b>35</b>
3.1. Introduction.....	36
3.2. Recent History of Public Financial Management Reforms .....	37
3.3. Decentralization, Deconcentration, and Public Financial Management.....	38
3.4. Budget Preparation, Approval, and Evaluation .....	38
3.5. Budget Execution Performance 2017–20 .....	39
3.6. Core Public Financial Management Systems .....	42
3.7. Recommendations.....	48
References.....	51
<b>CHAPTER 4. EDUCATION</b> .....	<b>53</b>
4.1. Introduction.....	54
4.2. Overview of the Education System .....	54
4.3. Education Sector Financing .....	62
4.4. Human Resource Management.....	73
4.5. Financing Needs and Sustainability of Public Spending on Education.....	84
4.6. Recommendations.....	89
References.....	95

<b>CHAPTER 5. HEALTH</b> .....	<b>97</b>
5.1. Introduction.....	98
5.1. Overview of the Health Sector in CAR Including Existing Government Health Policies, Plans, and Strategies.....	98
5.2. Structure and Organization of the Health Sector.....	99
5.3. Trends and Status in Health Inputs and Outcomes in CAR.....	100
5.4. Trend, Sources, and Composition of Total Health Expenditures in CAR.....	107
5.5. Equity in access to health services and financial protection.....	120
5.6. Implications of COVID-19 for Health Financing in CAR.....	124
5.7. Overview of Results Based Financing in the Health Sector in CAR .....	127
5.8. Recommendations.....	129
References.....	131
<b>CHAPTER 6. SOCIAL PROTECTION</b> .....	<b>133</b>
6.1. Introduction.....	134
6.2. Overview of Management and Institutional Context of the Social Protection Sector.....	136
6.3. Public Expenditure on Social Protection .....	141
6.4. Recommendations .....	154
References.....	157
<b>APPENDIXES</b> .....	<b>159</b>
A1. Education .....	160
A2. Social Protection .....	185
A3. Health.....	190
<b>REFERENCES</b> .....	<b>208</b>



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## ABBREVIATIONS

**ACCT** - Central Treasury Accounting Agency [Agence Comptable Centrale du Trésor]

**ACS** - Agents and civil servants

**AF** - Additional financing

**AFD** - Agence Française de Développement

**AGETIP-CAF** - CAR Agency for the Execution of Works of Public Interest

**AGIR** - Public Expenditure and Investment Management Reform Project [Projet d'Appui à la Gestion de Dépenses et Investissements et aux Reformes]

**AGR** - Income generating activities [Activité Génératrices de Revenus]

**APPR** - Agreement for Peace and Reconciliation

**ARMP** - Public Procurement Regulatory Agency [Autorité de régulation des marchés publics]

**ARI** - Acute respiratory infections

**BMA** - Bangui Metropolitan Area

**CAR** - Central African Republic

**CEART** - Committee of Experts on the Application of the Recommendations concerning Teaching

**CEM** - Mutual Commitment Framework [Cadre d'Engagement Mutuel]

**CEMAC** - Economic and Monetary Community of Central Africa

**CFA** - Compulsory financing arrangements

**CFAF** - CFA francs

**CHI** - Compulsory health insurance

**CHW** - Community health workers

**CIFS** - Inter-ministerial Unit for SSN Coordination [Cellule Interministérielle de Coordination des Filets Sociaux]

**CKD** - Chronic kidney disease

**CNSS** - National Fund for Social Security [Caisse Nationale de Sécurité Sociale]

**COFOG** - Classification of the Functions of Government

**CPR** - Teacher training center [Centres Pédagogiques Régionaux]

**CRD** - Committee for the Management of Complaints [Comité de Règlement des Différends]

**CT** - Cash-transfer

**DALYS** - Disability-adjusted life years

**DGBS** - General of Scholarships and Internships

**DGESP** - General Directorate for Studies, Statistics, and Planning [Direction générale des études, des statistiques et de la planification]

**DGMP** - General Directorate for Procurement [Direction Générale des Marchés Publics]

**DH** - District Hospital

**DPMP** - Directorate of Procurement Management Policy

**DPF** - Development Policy Financing

**DRG** - Diagnostic related group

**DRM** - Domestic resource mobilization

**EBESP** - Emergency Basic Education Support Project

**ECCD** - Early Childhood Care and Development

**ECF** - Extended Credit Facility

**EGRA** - Early Grade Reading Assessment

**EMIS** - Education Management Information System

**ENAM** - National Administrative and Justice School [Ecole Nationale d'Administration et de Magistrature]

**ENI** - Training college [Ecole Normale des Instituteurs]

**ENMC** - National Communal Monography Survey [Enquête Nationale sur les Monographies Communales]

**ENS** - training college for secondary teachers and education managers [Ecole Normale Supérieure]

**EPSR** - Emergency Public Services Response

**ESP** - Education Sector Plan

**ESPS** - Education Sector Policy Support Programme

**ETAPE** - Temporary classrooms [Espaces temporaires d'apprentissage et de protection de l'enfant]

**EU** - European Union

**FCV** - Fragile, conflict, and violence

**GBV** - Gender-based violence

**GBD** - Global Burden of Disease

**GDP** - Gross domestic product

**GER** - Gross enrollment rate

**GGE** - General government expenditures

**GHE** - Government health expenditure

**GoCAR** - The Government of CAR



**GPE** - Global Partnership for Education  
**HCI** - Human Capital Index  
**HER** - Higher education and research  
**HeRAMS** - Health Resources and Services Availability Monitoring System  
**HG** - History and geography  
**HP** - Health posts  
**HR** - Human resources  
**HRMIS** - Human Resource Management Information System  
**IBM** - Iterative Beneficiary Monitoring  
**IA** - School Inspectorate [Inspection Académique]  
**ICASEES** - National Institute of Statistics [Institut Centrafricain des Statistiques et des Etudes Economiques et Sociales]  
**ICT** - Information and communication technology  
**IDP** - Internally displaced persons  
**IGF** - General Inspectorate of Finance [Inspection Générale des finances]  
**IHME** - Institute of Health Metrics  
**IMCI** - Integrated Management of Childhood Illness  
**IMF** - International Monetary Fund  
**LIC** - Low-income country  
**LIPW** - Labor-intensive public works  
**LM** - Labor market  
**MAP** - Minimum Activity Package  
**MAHRN** - Ministry of Human Action and National Reconciliation [Ministère de l'Action Humanitaire et de la Réconciliation Nationale]  
**MASRN** - Ministry of Social Affairs and National Reconciliation [Ministère des Affaires Sociales et de la Réconciliation Nationale]  
**METL** - Ministry of Labour, Employment and Social Protection [Ministère du Travail, de l'Emploi et de la Protection Sociale]  
**MEPC** - Ministry of Economy, Planning, and Cooperation

**MPSE** - Ministry of Primary and Secondary Education  
**MEPSTA** - Ministère de l'Enseignement Primaire Secondaire Technique et de l'Alphabétisation (former name of MEPS)  
**MES** - Ministry of Higher Education  
**MFB** - Ministry of Finance and Budget  
**MHE** - Ministry of Higher Education  
**MICS** - Multi Indicator Cluster Surveys  
**MINUSCA** - United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic  
**MMR** - Maternal mortality ratio  
**MNCH** - Maternal, neonatal, and child health  
**MPFFPE** - Ministry for the Advancement Women's and Children's Affairs [Ministère de la Promotion de la Femme de la Famille et de la Protection de l'Enfant]  
**MPSE** - Ministry of Primary and Secondary Education  
**MSP** - Ministry for Health and Population [Ministère chargé de la Santé et de la Population]  
**MSRTI** - Ministry of Scientific Research and Technological Innovation  
**MTEL** - Ministry of Technical Education and Literacy  
**MTEPSFP** - Ministry of Labor, Jobs and Social Protection [Ministère du Travail, de l'Emploi et de la Protection Sociale et de la Formation Professionnelle]  
**MTEFPS** - Ministry of Labor, Employment, Training and Social Protection [Ministère du Travail, de l'Emploi et de la Protection Sociale et de la Formation Professionnelle]  
**NCD** - Non-communicable diseases  
**NGO** - nongovernmental organization  
**NHA** - National Health Accounts  
**OCHA** - Office for the Coordination of Humanitarian Affairs  
**OECD** - Organisation for Economic Co-operation and Development  
**ODI** - Overseas Development Institute  
**ONI** - National Technology Office [Office National d'Informatique]  
**OOP** - Out-of-pocket

**PACAD** - Support to Communities Affected by Displacement  
**PAM** - UN World Food Program [Programme Alimentaire Mondial]  
**PARET** - Return and Reintegration Support Project in the Central African Republic  
**PBF** - Performance-Based Financing  
**PER** - Public Expenditure Review  
**PFM** - Public financial management  
**PIM** - Public investment management  
**PIMA** - Public Investment Management Assessment  
**PPA** - Performance Purchasing Agency  
**PPP** - Public-private partnerships  
**RBF** - Results Based Financing  
**RCPCA** - National Recovery and Peacebuilding Plan for the Central African Republic [Plan de Relèvement et de Consolidation de la Paix en République Centrafricaine]  
**RMET** - Resource Mapping and Expenditure Tracking  
**RMCH** - Reproductive, Maternal, and Child Health  
**RS** - Health Regions [Régions Sanitaire]  
**RUH** - Regional University Hospitals  
**SA** - Social assistance  
**SARA** - Service Availability and Readiness Assessment Survey  
**SCR** - Student-classroom ratio  
**SD** - Standard Deviation  
**SDG** - Sustainable Development Goal  
**SENI** - Health Systems Strengthening Support Project  
**SHI** - Social health insurance  
**SI** - School inspectorates  
**SMNIA** - Maternal, child, neonatal, and adolescent health services  
**SNETFP** - National Strategy for Technical Education and Vocational Training in the Central African Republic  
**SP** - Social protection

**SPMPs** - Deconcentrated service agencies [Services de Passation des Marchés Publics]  
**SSA** - Sub-Saharan Africa  
**SSN** - Social safety net  
**STI** - Sexually transmitted infection  
**STR** - Student-teacher ratios  
**TB** - Tuberculosis  
**TFP** - Technical and financial partners  
**TVET** - Technical vocational education and training  
**UCAD** - Cheikh Anta Diop University  
**UCM** - National medicine supply unit [Unité de Cessions des Médicaments]  
**UIS** - UNESCO Institute of Statistics  
**UN** - United Nations  
**UNCTAD** - United Nations Conference on Trade and Development  
**UNESCO** - United Nations Educational, Scientific and Cultural Organization  
**UNHCR** - the United Nations High Commissioner for Refugees  
**UNICEF** - United Nations Children's Fund  
**UNOPS** - United Nations Office for Project Services  
**US** - United States  
**USAID** - United States Agency for International Development  
**VFA** - Voluntary financing arrangements  
**WB** - World Bank  
**WDI** - World Development Indicators  
**WEO** - World Economic Outlook  
**WHO** - World Health Organization  
**YLD** - Years lived with disabilities  
**YLL** - Years of life lost



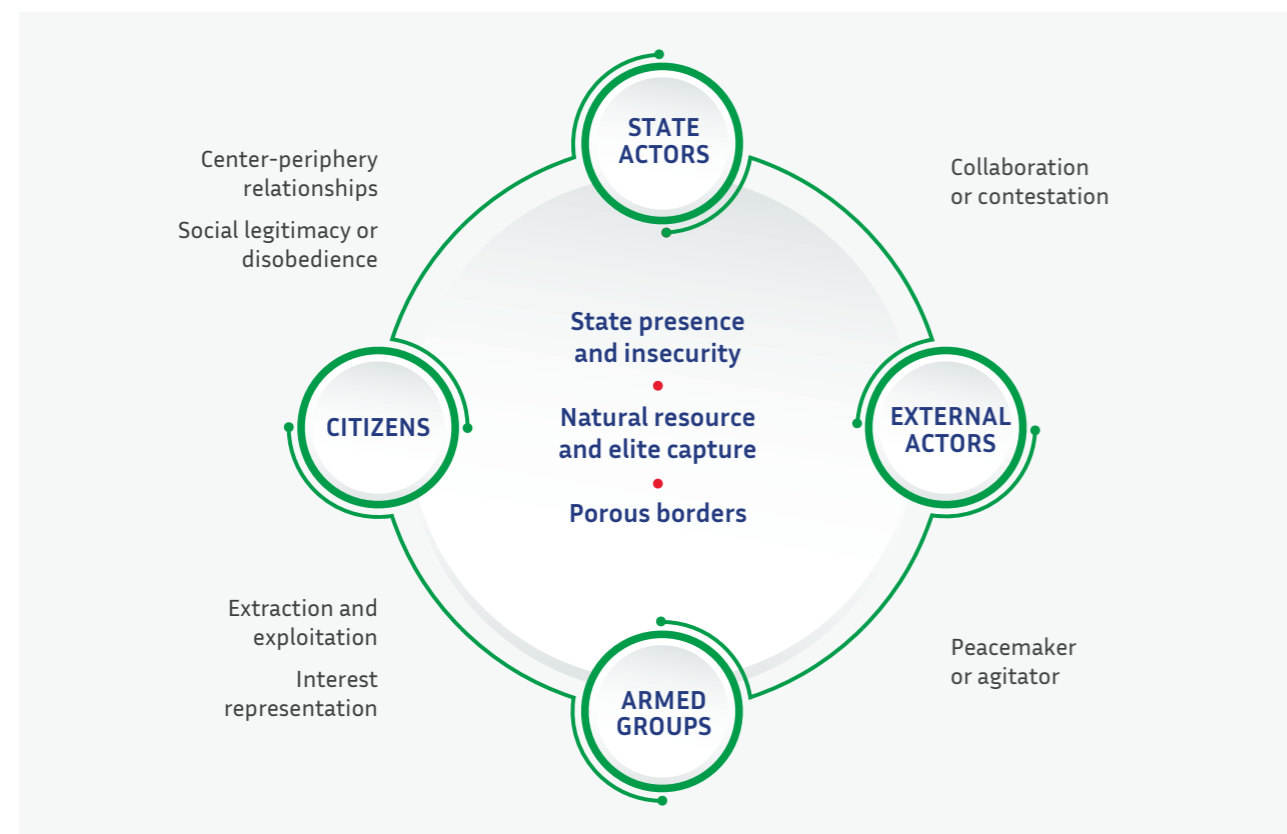
# CHAPTER 1. INTRODUCTION<sup>1</sup>

<sup>1</sup> The authors of the introduction are Ayesha Khan Kaiser and Yevgeniya Savchenko.

The Central African Republic (CAR) is one of the poorest and most fragile countries in the world. Signs of positive economic growth and peacebuilding, evident since 2015, have since faltered in the face of a deteriorating security environment and the COVID-19 pandemic. The Political Agreement for Peace and Reconciliation (APPR Accord), signed in February 2019 between the government and 14 armed groups and seen as a positive step toward building peace, did not hold. Post-December 2020 election unrest led to armed clashes that completely disrupted the country, leading to a further deterioration in the humanitarian situation. Violence continued immediately after the election on the outskirts of the capital of Bangui and in the North-West and Center of the country. By the end of May 2021, the government, with the support of allied troops from the Russian Federation and Rwanda, had pushed back the rebels and reported that most of the country was under government control. The new government was formed in June 2021.

The country's successive episodes of conflicts and violence have led to enormous challenges, and the humanitarian situation remains dire. Since gaining independence in 1960, CAR has not experienced a sustained period of economic growth or peace. GDP per capita has dropped by almost half since independence, from US\$620 in 1961 to US\$384 in 2019. Even though extreme poverty as a share of the population declined from 75.7 percent in 2014 to 71.4 percent in 2019, it remains high compared to peer countries.<sup>2</sup> Despite the high level of poverty, just over 20 percent of the population received a social security net (SSN) benefit in 2020; and the SSN consists mainly of emergency projects. Progress toward Sustainable Development Goals (SDGs) is also limited — CAR ranked 166 out of 193 countries in 2020. As of January 20, 2021, more than half of the population needed humanitarian assistance and protection and 40 percent of Central African households are in a situation of acute food insecurity (OCHA 2021). As of April 30, 2021, the number of internally displaced persons (IDPs) due to the post-elections unrest was estimated at 729,005, which is 6.9 percent higher than in end-December 2020. In addition, as of May 31, 2021, there were 694,904 refugees representing approximately 14 percent of CAR's population.<sup>3</sup>

FIGURE 1.1. A FRAMEWORK FOR ANALYZING FRAGILITY AND CONFLICT IN CAR



Source: World Bank 2022.

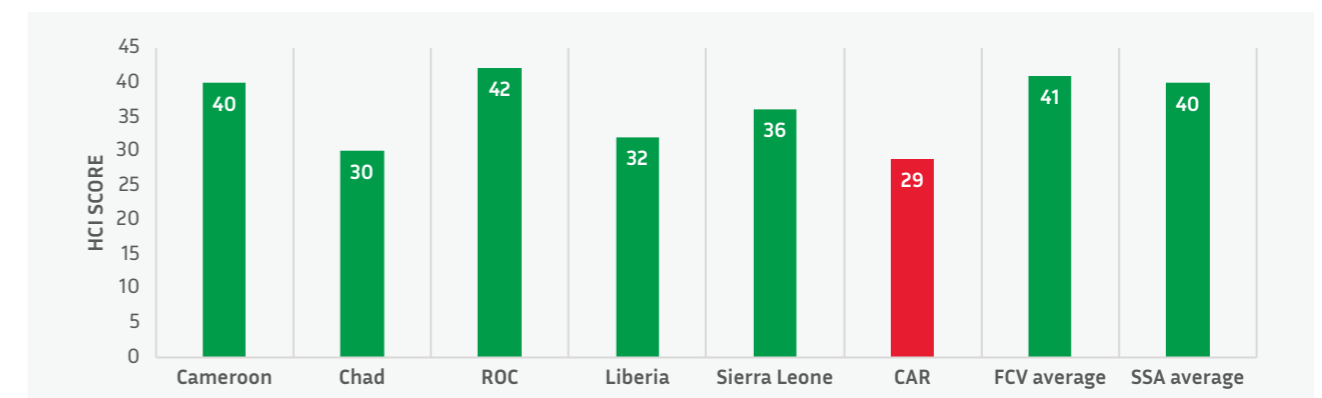
<sup>2</sup> Peer countries include Economic and Monetary Community of Central Africa (CEMAC in French), as well as fragility, conflict, and violence (FCV) countries in SSA.

<sup>3</sup> See <https://data2.unhcr.org/en/situations/car>

CAR's fragility explains its lower-than-expected Human Capital outcomes. At the root of the country's conflicts is the struggle between its political elites to pursue power and capture natural resources, undermining social cohesion and capitalizing on local grievances to gain legitimacy (figure 1.1). The weak presence of the state and its security forces outside Bangui has contributed to a vicious cycle of fragility, which in turn affects the ability of the government to provide adequate public services. CAR's vast natural resource wealth and dependency, coupled with weak governance and management of the natural resource sector, are prevailing sources of fragility. Furthermore, the country's porous borders and dependency on foreign security, humanitarian, and development assistance make it prone to regional and international geopolitical tensions. These conditions are un conducive to stability, peace, and much-needed structural reforms for sustained growth and development (World Bank 2022).

Human capital gaps in CAR are painfully evident in both health and education. Life expectancy remains the second lowest worldwide, at 52.9 years in 2017 (World Bank 2019). CAR's maternal mortality ratio (MMR) is one of the highest in the world with 829 deaths per 100,000 live births in 2017 (World Bank 2020a,b). Its Human Capital Index (HCI) score places CAR below the fragile, conflict, and violence affected (FCV) countries' average of 41 percent and Sub-Saharan African (SSA) countries' average of 40 percent, and below its peers in the region (figure 1.2).

FIGURE 1.2. HUMAN CAPITAL INDEX SCORES (2019)



Source: Human Capital Index 2020 Country Data.

Unsurprisingly, CAR performs poorly on all six of the HCI component indicators, reflective of the serious systemic issues present and a chronic lack of investment in human capital key sectors.

In health (World Bank 2021a):

- Eighty-eight (88) percent of children born in CAR survive to the age of five. This is lower than the average survival rates of SSA, CEMAC, and FCV countries. Contributors to child mortality include food insecurity, inadequate feeding practices, lack of hygiene and access to safe water, female illiteracy, early pregnancy, and low access to essential health and nutrition services and commodities. Public investments will have to be made on health, social security, and education to reduce CAR's child mortality.
- In CAR, 59 percent of 15-year-olds will survive until age 60, one of the lowest adult survival rates in the world. In 2019, the average for FCV and SSA countries was 77 percent and 73 percent, respectively. Prevalent causes of high adult mortality in CAR are preventable, treatable, and curable—reflective of the historic underinvestment in the country's health system. Among the major causes of adult mortality are conflict, HIV/AIDS, malaria, malnutrition, and tuberculosis.
- Healthy growth (not stunted rate) in CAR is 60.2 percent (MICS 2018, 2019<sup>4</sup>), which means that four out of ten children under five years of age are stunted—higher than the FCV and SSA averages in 2018. These children are at risk of cognitive and physical limitations that could last a lifetime, thus hampering CAR's human capital development. The primary causes of stunting are a lack of food (quality and quantity), frequent illness, poor maternal and childcare practices including early pregnancy and high fertility, inadequate access to nutrition and health services, and unhygienic environments.

<sup>4</sup> <https://mics.unicef.org/surveys>

In education, CAR's outcomes do not fare much better (World Bank 2021a):

- A child who starts school at age four can expect to complete 4.6 years of school by his 18<sup>th</sup> birthday—half the SSA average. Factoring in what children actually learn, they receive only 2.7 learning-adjusted years of schooling, about half of the levels in peers such as Cameroon and the Republic of Congo. In terms of harmonized test scores, students in CAR rank 369 on a scale where 625 represents advanced attainment and 300 represents minimum attainment.
- The drivers behind poor education performance are many. Access to education is limited, and few children, particularly girls, complete primary and secondary education. Spending on education is low and insufficient to address sector needs such as teachers, classrooms, and school operating expenses. The quality of education is extremely poor. Results from the 2018–19 Early Grade Reading Assessment (EGRA) carried out in Bangui revealed that the proportion of students who could not read a single familiar word in French in one minute was 57 percent in grade 2, 41 percent in grade 3, and 20 percent in grade 4.

**There are glaring differences in access to basic services between the capital of Bangui and the rest of the country, fueling tensions and feelings of social exclusion.** District administration offices are understaffed and short of funding—in fact, a third of districts indicated not having received any budget allocation for 2016. Most districts do not have security staff. Access to infrastructure—electricity, mobile phone coverage, banking services, and road networks—is low. For instance, only 10 percent of districts have network electricity, and only 40 percent of district capitals have at least one mobile phone provider in the district capital. Half of the districts report that roads to Bangui are not accessible throughout the year. Access to basic social services such as public primary schools, health centers, and clean water is limited, particularly outside district capitals. Even in the 10 largest localities (villages/quartiers) in every district, only half have a functional primary school and 18 percent have functional health centers, implying that many people are deprived of any access to education and health services. Access to clean water and sanitation systems is a challenge even in the district capitals. Only 36 percent of the districts report having clean water access points in the capitals. Several provinces in the country have been economically and politically neglected, leading to deep-seated grievances and a conducive environment for the emergence of armed groups and conflict (World Bank 2022).

**This translates to inequalities of opportunity on many fronts.** A preference for spending in Bangui and the difficulty of serving a highly dispersed population living in low-density areas has always been a challenge to service delivery in CAR. This means that largely poor households, overwhelmingly located in rural areas, bear the consequences of these challenges. In 2008, nearly two thirds of CAR's population lived in rural areas, which were home to about 70 percent of the country's poor. The country's Gini coefficient, estimated at 0.543 in 2008, puts CAR among the most unequal countries in the world.

**Disparities are seen across geography, income, and gender.** For instance, among those 18 years and older, two out of every five individuals in rural areas have never gone to primary school, and only one out of every five individuals in rural areas has at least completed primary school and acquired some secondary schooling (World Bank 2019). In primary education, there are twice as many children from the wealthiest households than from the poorest households. These disparities are even more pronounced at post-primary levels—more than 8 out of every 10 students enrolled in higher education belong to a household from the wealthiest quintile. Overall, girls are likelier to drop out of primary school and remain illiterate, and only a quarter of tertiary-level enrollment is female.

**Investing in human capital development will be key to tackling extreme poverty in CAR.** Human capital—the knowledge, skills, and health that people accumulate throughout their lives, enabling them to achieve their potential as productive members of society—is pivotal to the development of individuals and communities, and to economic growth. Countries can accelerate their economic growth by building and utilizing human capital and leveraging a favorable business climate and good governance. Healthy and well-educated people, free of poverty, contribute not only to economic growth as productive workers but can also bring about a range of positive social and economic externalities such as social cohesion and environmental protection (World Bank 2021b). CAR's young and fast-growing population<sup>5</sup> creates a deep sense of urgency to invest in human development now. Encouragingly, the CAR's leadership has made human capital development a key priority in its National Peace

Recovery and Consolidation Plan and the Mutual Commitment Framework 2017–2023 (*Plan de Relèvement et de Consolidation de la Paix en République Centrafricaine et le Cadre d'Engagement Mutuel—RCPCA-CEM*).

**Moreover, providing public goods and services, especially in the social sectors, will be crucial to restore the legitimacy of state authority in CAR.** The provision of public service delivery signals the presence of the state and could improve social cohesion. Addressing grievances, inequality (especially spatial disparities between Bangui and the provinces), and corruption will be essential to strengthen the trust CAR's population have in their government and to help establish solid foundations for social contract and ensure long-lasting peace. The vicious cycle of fragility, inequality, and poverty has resulted in public frustration and mistrust. Expanding public services—including in health and education—to the most vulnerable, including IDPs, youth-at-risk, and food insecure households, will be critical (World Bank 2022).

### Box 11. How can human capital spending be protected in the face of COVID-19?

The pandemic poses substantial risks to human capital through several pathways. The provision of basic services (health, nutrition, and education) has been disrupted. Containment measures have had dire consequences for livelihoods and food security. Supply disruptions have increased the price of essential commodities, including nutritious food. As a result, the COVID-19 crisis is expected to result in an increased number of stunted children, as well as widespread learning losses as children have lost out on learning time due to school closures. Many kids may never return to school. Global poverty is expected to rise for the first time in two decades.

The fiscal impact of the pandemic is already leading to significant budget cuts across sectors, including education. Education budgets declined after the onset of COVID-19 in 65 percent of low-income countries. Government spending on health and social protection (SP) is expected to decline in many countries as overall fiscal capacity shrinks unless governments can take steps to protect spending in those sectors.

Sustainable recovery from the impact of the COVID-19 crisis, especially for the poorest countries, will require efforts on several fronts:

- To mitigate the risk of permanent human capital losses, the focus should be on identifying and financing clear policy priorities. These priorities can include restoring health, protecting and investing in young children, minimizing learning losses, and supporting livelihoods.
- In parallel, investments are needed to make service delivery systems resilient and inclusive in building, protecting, and utilizing human capital.
- Additional spending may not necessarily lead to better outcomes unless there are positive elements of broader governance in place, such as a whole-of-government approach to agree on and manage priority actions and improving public financial management with a focus on results.
- Not only do essential human capital development expenditures have to be prioritized, but also human capital development must be placed at the center of the budget process, recognizing associated expenditure as an accumulation in a country's productive capacity.
- In countries with tight fiscal positions, a multi-year, outcome-oriented approach to budgeting is important to protect human capital expenditure from fiscal adjustment. Pursuing cost-effective reforms and refocusing budgets toward priorities can help protect critical spending lines from budget cuts.

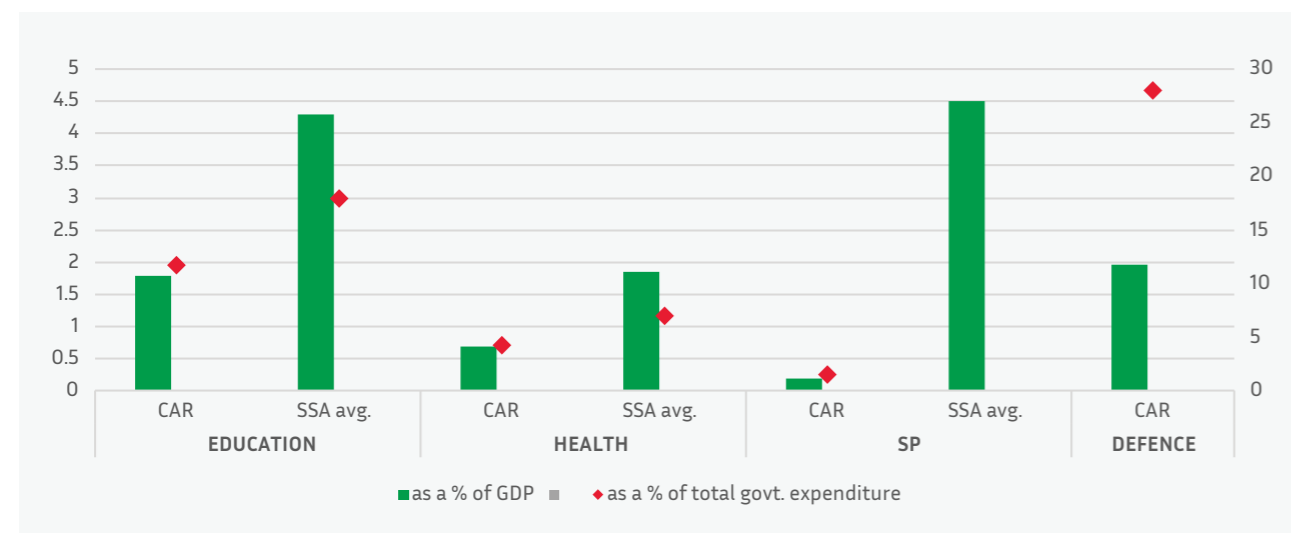
Source: World Bank 2021b.

<sup>5</sup> 49 percent of the country's population is youth under 18 years old. In 2019 this age group was estimated at around 2.4 million people (UN data) and grew at an annual rate of 2.5 percent.



There is no question that overall spending levels on human development need to be increased in CAR, accompanied by strong improvements in the efficiency and effectiveness of that spending. Spending on human development in CAR is low, and unsurprisingly, public spending on health and education (less than 2 percent of GDP on each<sup>6</sup>) is less than the regional average or CAR's income group (figure 1.3). But CAR cannot do it alone. The country's domestic revenues are among the lowest in SSA and well below other FCV countries. Tax revenue performance is weak and expected to worsen in the face of the COVID-19 pandemic. For instance, if CAR were to finance the low-income country average per capita spending on health (US\$40; World Bank 2019) from its domestic budget, this would amount to US\$187 million, equivalent to almost its entire domestic resource mobilization (DRM) (World Bank 2021b). The country has a strong reliance on external assistance. Official grants from donor institutions amount to 9.6 percent of GDP in 2019 (up from 5 percent of GDP in 2017), representing more than half of total government revenues.

**FIGURE 1.3. SPENDING ON HUMAN CAPITAL DEVELOPMENT VS DEFENSE, CAR AND SSA AVERAGE**



Sources: Calculations from Ministry of Finance and Budget data, World Development Indicators (WDI) 10/2021, WHO Expenditure Database, ILO (2017).

Note: Data for Education (CAR, 2020, SSA, 2018); Health (CAR, 2018, SSA, 2018); SP (CAR, 2019, SSA, 2017–19); Defense (average for 2019–20).

This Public Expenditure Review (PER) provides an analytical basis to decision makers and stakeholders for the formulation of ambitious yet fiscally responsible interventions to improve human capital outcomes in CAR. The PER examines public expenditure trends of the education, health, and SP sectors with a focus on adequacy, efficiency, and equity of expenditures as well as human resource management (HRM). The primary objective is to provide analytical insights for government policy development and prioritization strategy as it seeks to achieve a resilient recovery, rebuild its education and health sectors, and establish a strong SP system that will help the poorest households invest and protect their own human capital. The PER can also serve as a useful source of knowledge and information to development partners seeking to deepen the impact of their support to the human capital development sectors. The recommendations put forth by the PER are those identified as fiscally sustainable and most important for rebuilding and strengthening human capital development sectors, including a focus on future human resource (HR) recruitment needed in the education and health sectors.

This PER has used several data sources and existing analyses on CAR. First, it draws on existing data sets, including (i) budget data extracted from Ges'Co for the period 2012–20 on domestically financed expenditures from the

<sup>6</sup> The share of actual government expenditure allocated to education accounted on average for only 1.7 percent of GDP and 13.3 percent of total government spending over the period 2018–20. This puts CAR below the SSA average (4.6 percent and 17.8 percent respectively, over the same period) as well as the Global Partnership for Education (GPE) recommended level of 20 percent for countries that have not yet achieved universal primary education. CAR general government health expenditure was 0.7 percent of GDP in 2018, less than the SSA average (1.86 percent) or low-income countries (LIC) average (1.11 percent) (See <https://apps.who.int/nha/database>). In the SP sector, total SSN spending, from national budget and international partners, was 1.65 percent of GDP, in line with the SSA regional average (1.53 percent) and LIC group average (1.5 percent).

Ministry of Finance and Budget (MFB); (ii) payroll data extracted from GIRAFFE for the period 2017–20 from the MFB; (iii) projections data on macroeconomic variables for the period 2021–30 from the IMF and the World Bank; (iv) household surveys, the Multiple Indicator Cluster Surveys (MICS) 2000, 2006, 2010, and 2018–2019; the 2016 National Communal Monography Survey (*Enquête Nationale sur les Monographies Communales—ENMC*); (v) The World Development Indicators (WDI), the World Economic Outlook (WEO), the UNESCO Institute of Statistics (UIS) consulted in May 2021, and the World Population prospects (2019 revision); (vi) various sectoral data described in each chapter; and (vii) data and information from the interviews with different ministries.

Data availability and timeliness has presented some challenges to the analysis in this report. First, there are several constraints in tracking budget expenditure data on allocations and executions. Due to the limited capacity, the details on budget data come with a substantial lag and lack rigorous quality assurance. For example, the latest data available for the health national accounts is from 2018. Furthermore, the current budget nomenclature does not allow tracking of the budget allocation at the regional level and cannot be disaggregated, for example, by level of education. The multisectoral nature of SP and the lack of consensus on a common definition among national and international partners add another strain on data collection. Furthermore, it is challenging to link different datasets. For example, there are discrepancies between the information provided on the payroll data and wages and salaries as recorded on the budget data extracted from Ges'Co<sup>7</sup>, constraining the analysis on the wage bill. Second, there are significant challenges in data collection to assess the performance outcomes of the HD sectors. For example, the Education Management Information System (EMIS) is lacking critical data needed for decision making and geo-referencing of schools for infrastructure development. It relies on a questionnaire that is manually completed by school administrators, uses centralized data entry, and lacks a system for quality control. Lack of nationally representative household expenditure surveys doesn't allow proper assessment of private spending on education, health, and SP.

The report is structured as follows. Chapter 2 provides the macro-fiscal context. Chapter 3 focuses on the governance aspects of the human development sectors including public financial management (PFM), HRM, and procurement. Chapters 4, 5, and 6 examine the education, health, and SP sectors, respectively. In each of the sector-specific chapters, the PER assesses expenditure trends and patterns. It then identifies areas where there are efficiency gains to be made, and fiscally sustainable options for successful reforms in the sector. Three dimensions are used to analyze quality of spending in each sector—equity, efficiency, and effectiveness.

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<sup>7</sup> This is a computerized budget management information system to strengthen the CAR PFM system



## CHAPTER 2. MACRO/FISCAL<sup>8</sup>

<sup>8</sup> The author of the Macro/Fiscal chapter is Diderot Sandjong Tomi. Wilfried Kouame, Raju Singh, and Pierre Mandon provided valuable contributions

## 2.1. BACKGROUND

CAR has experienced several coups and episodes of conflict that undermined the country's ability to make the most of its growing workforce. Since gaining independence, CAR has faced several episodes of political instability that have undermined its economic performance. An unprecedented crisis in 2013 resulted in about 601,746 internally displaced people. In 2020, roughly 681,930 people remained displaced while nearly half of the population required humanitarian assistance, with food insecurity affecting about 35 percent of the people. Extreme poverty has trended down in recent years from 75.7 percent in 2014 to 71.4 percent in 2019, but it remains extremely high compared to peer countries. Decades of conflicts have undermined the government's ability to leverage and channel resources toward the achievement of Sustainable Development Goals (SDGs). Also, uncertainty about the security conditions has undermined private capital inflows. The sector remains constrained by several structural challenges, including limited access to finance and infrastructure, low skills, gaps in the legal and regulatory frameworks governing economic activities, and a fragile security environment. As a result, the country ranked 184 out of 193 countries in the latest 2020 Doing Business assessment (World Bank 2020).

Since 2015, CAR has enjoyed relatively sustained economic growth, but the pace of economic diversification remains limited. Economic activity rebounded in 2015, with growth estimated at about 4.1 percent, the highest since independence. This performance has been relatively sustained over the period 2015–19, with growth estimated to average 4.1 percent. In 2020 CAR's economy grew by 0.9 percent (2.2 percentage lower than in 2019) due to COVID-19<sup>9</sup>. However, the pace of economic diversification remains limited. The country's exports remain oriented toward raw commodities, including timber, cotton, coffee, and to a lesser extent diamonds and gold, making CAR vulnerable to the volatility of commodity prices.

The relative sustained economic growth greatly expanded employment opportunities and drove progress in poverty reduction. Extreme poverty declined steadily from 75.7 percent in 2014 to 71.4 percent in 2019, reflecting dynamic economic activity amid security-related uncertainties. The changing composition of the country's economy, coupled with gains in education, labor mobility within sectors, and improvement in workforce skills, supported income growth. The latest household surveys, conducted in 2008, showed that the consumption gap between households remains high.

The fiscal and current account deficits remained on average in the one-digit range through 2015 and 2020. Limited DRM and mounting expenditure pressures over the recent years have contributed to a primary fiscal balance in deficit on average over the period 2015–20. In response to the deteriorating fiscal situation, the government has adopted several measures to streamline public expenditures, including the reduction of exceptional spending procedures as well as the adoption of a public expenditure execution procedure manual. However, in 2020 the overall fiscal balance worsened, reaching 3.4 percent compared to a surplus of 1.4 percent in 2019. The deficit was driven by increased capital expenditure due to COVID-19, including the rehabilitation of drilling stations and hand-washing devices for public areas (schools, health centers, ministries, and so forth). Inflation remained under the 3 percent regional ceiling and continued to mimic food price volatility.

## 2.2. RECENT MACROECONOMIC TRENDS AND FISCAL POLICY

Economic growth in CAR has been relatively sustained since 2015, but economic activity decelerated in 2020 due to COVID-19. Growth in real GDP was driven from the supply side by the service sector, with an average contribution of about 1.7 percentage points, and the agricultural sector, which accounted for about 1.1 percentage points over the review period (figure 2.2). Service sector growth remained limited, with a contribution of 0.5 percentage points to GDP. Structural issues related to the tremendous size of informality, limited energy supply, and poor infrastructure networks continue to hold back the potential of this sector and its overall contribution to economic activity. In 2020, growth decelerated mainly due to COVID-19, which disrupted economic activity through several internal and external channels. Notwithstanding uncertainty on foreign demand from Asia, the agricultural sector expanded by 4.0 percent as timber production performed better than anticipated. However, the service sector contracted by 1.9 percent as measures to curtail the spread of the virus affected catering and hotel services.

FIGURE 2.1. CAR'S ECONOMY STAGNATED IN 2020

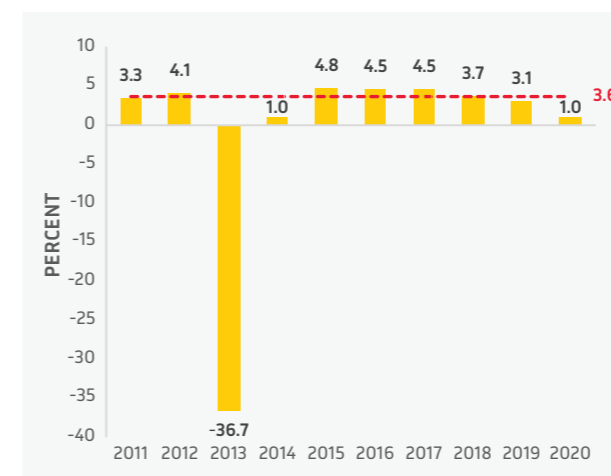
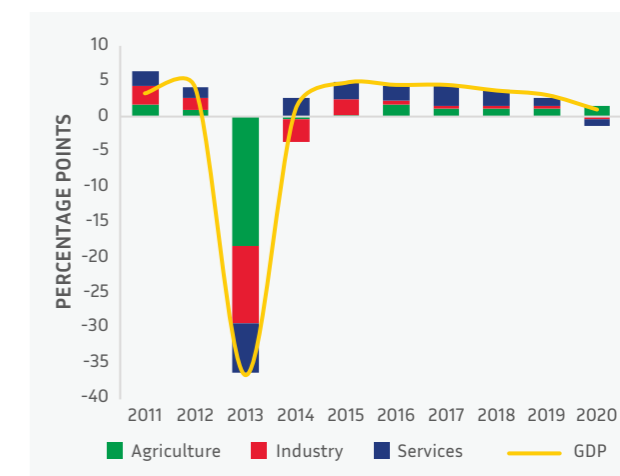


FIGURE 2.2. CONTRIBUTION TO REAL GDP GROWTH, 2011–20



Sources: CAR's authorities, IMF and World Bank staff estimates.

On the demand side, gross fixed investment accounted for most of the growth, but the contribution of private investment remained weak. Gross fixed investment (*mainly government investment*) accounted for at least 56 percent of growth over the period 2015–20 (figure 2.3). This reflects an increase in public investment to rehabilitate and rebuild public infrastructure looted during the 2013 crisis and an increase in COVID-19-related investments. In contrast, the contribution of private sector investment remains subdued (figure 2.4). The fragile security conditions, higher aversion of investors to risk, tremendous infrastructure bottlenecks, and limited domestic human capital continue to outweigh the contribution of private investment to growth. Consequently, the contribution of CAR's private sector investment has been falling since 2018 and contracted by 2.1 percent in 2020.

Inflation remains on average below the regional ceiling and continues to track the volatility of food prices. Inflation accelerated by 4.7 percent (y-o-y) in December 2020 on the back of higher food prices, which accelerated by 5.3 percent (figures 2.5 and 2.6). The higher inflationary pressure in December was the result of rising insecurity on CAR's cross-country lifeline, Bangui-Douala, which disrupted the food supply chain and helped push up the price of imported and locally produced goods. Overall, inflation has remained on average below the convergence criteria of 3 percent since 2019. Factors keeping inflation low include weak private sector investment and subdued private sector credit growth.

FIGURE 2.3. CONTRIBUTION TO REAL GDP GROWTH, 2011–20

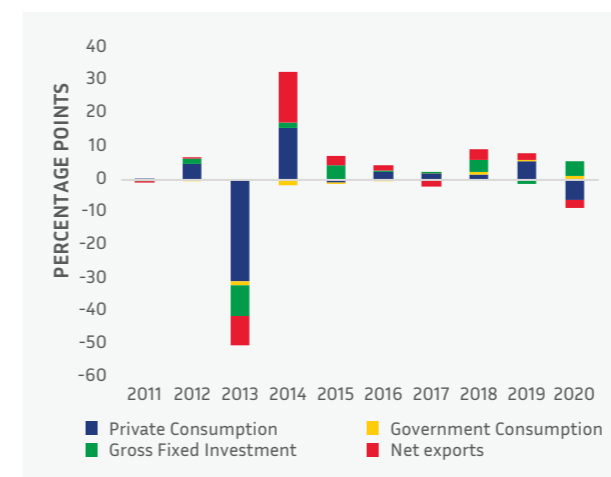
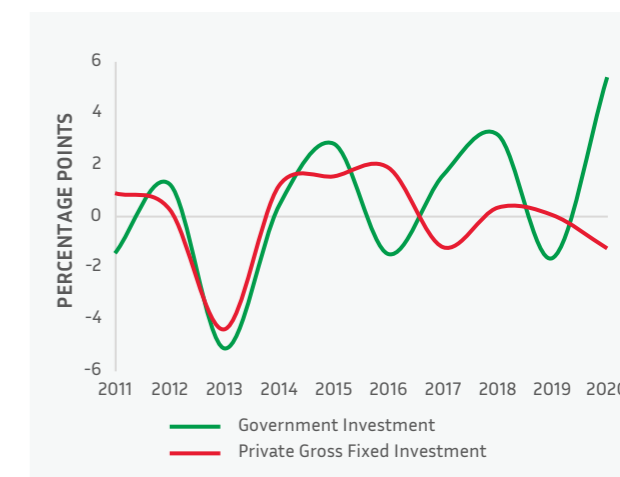
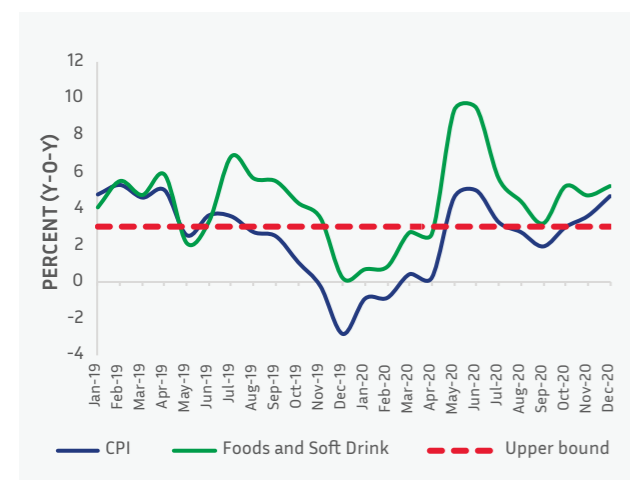


FIGURE 2.4. CONTRIBUTION OF PRIVATE INVESTMENT REMAINS SUBDUED, 2011–20



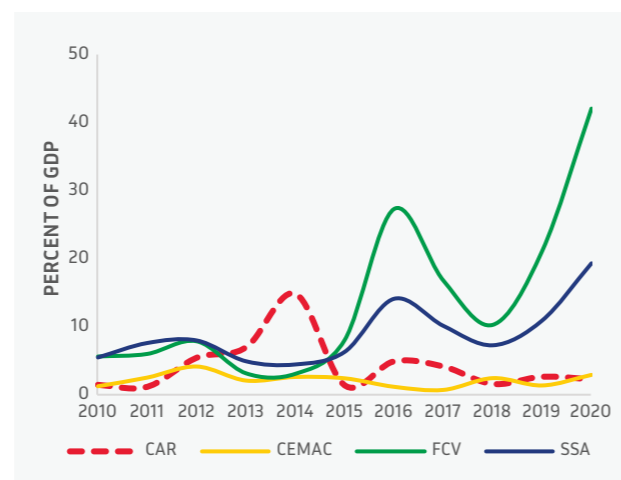
Sources: CAR's authorities, IMF and World Bank staff estimates.

**FIGURE 2.5. INFLATION REMAINS BELOW THE REGIONAL CEILING, 2019–20**



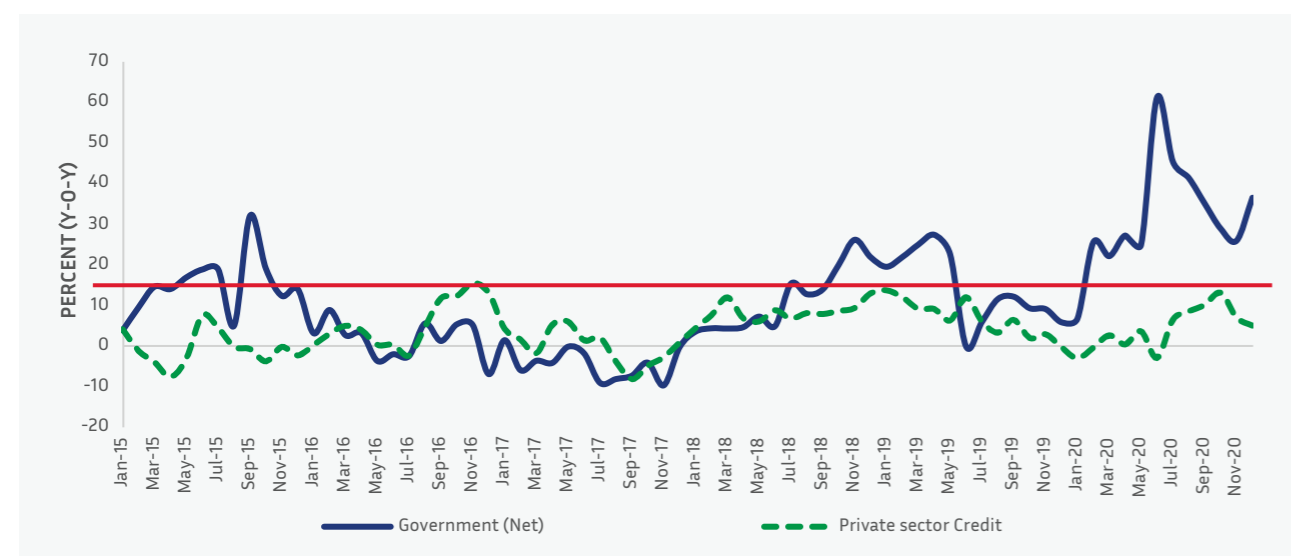
Sources: CAR's authorities, IMF and World Bank staff estimates.

**FIGURE 2.6. INFLATION IN CAR REMAINS BELOW THAT OF OTHER REGIONAL PEERS**



The growth of credit to the private sector remains subdued, although commercial banks are well-capitalized. Private sector credit growth stood at 4.4 percent on average in 2020, well below its level of 7.0 percent in 2019 (figure 2.7). As of November 2020, the volume of credit allocated to the private sector amounted to CFAF 170 billion (US\$314.9 million) while the aggregate balance sheet of local commercial banks was estimated at CFAF 315 billion (US\$583.6 million). The key factor behind the low supply of private sector credit remains the higher investment risk premium due to the fragile security conditions.

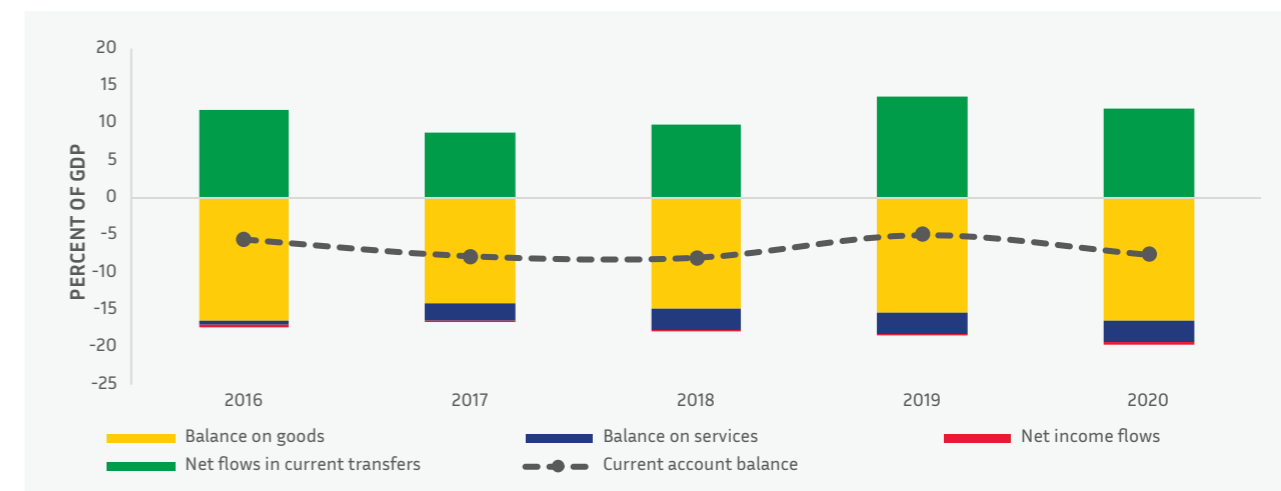
**FIGURE 2.7. PRIVATE SECTOR CREDIT GROWTH REMAINS SUBDUED, 2015–20**



Sources: CAR's authorities, IMF and World Bank staff estimates.

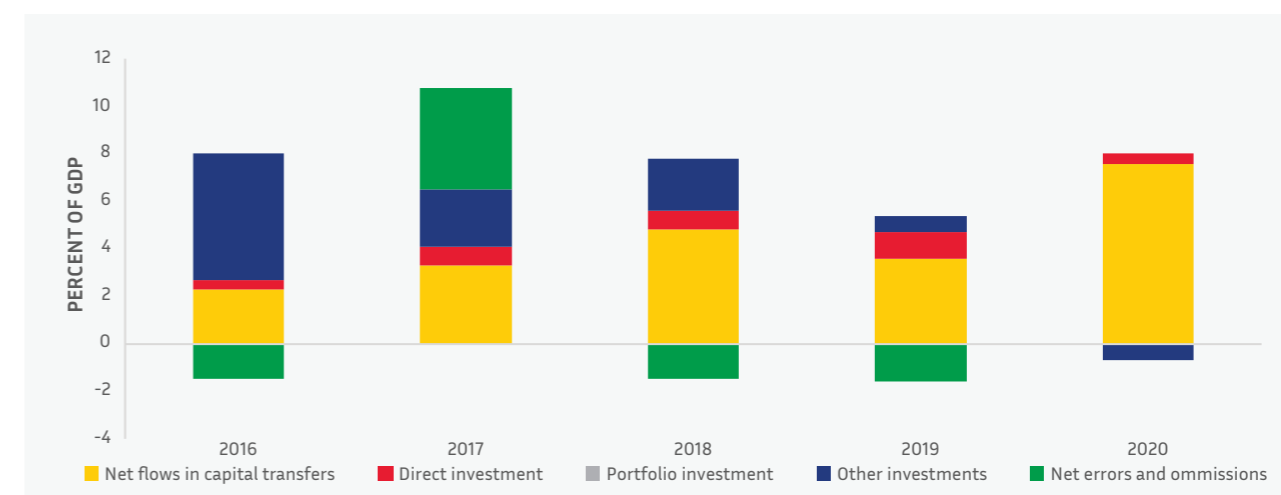
The current account balance deteriorated in 2020 and remained structurally in deficit over the last five years. Amid uncertainties related to global demand due to COVID-19, CAR's exports contracted by 19.7 percent in 2020, while non-oil imports trended up on the back of increased donor-funded investments to mitigate the effects of the pandemic (figure 2.8). As a result, the current account deficit deteriorated from 4.9 percent of GDP in 2019 to 7.6 percent of GDP in 2020, although offset by a lower-than-expected decline of net flows in current transfers. The current account deficit continues to be adequately financed by resilient capital flows (government and corporate), as net flows in capital transfers increased from 3.6 percent of GDP in 2019 to 7.6 percent of GDP in 2020 (figure 2.9).

**FIGURE 2.8. THE CURRENT ACCOUNT DEFICIT HAS DETERIORATED, 2016–20**



Sources: CAR's authorities, IMF and World Bank staff estimates.

**FIGURE 2.9. GOVERNMENT AND CORPORATE CAPITAL FLOWS, 2016–20**

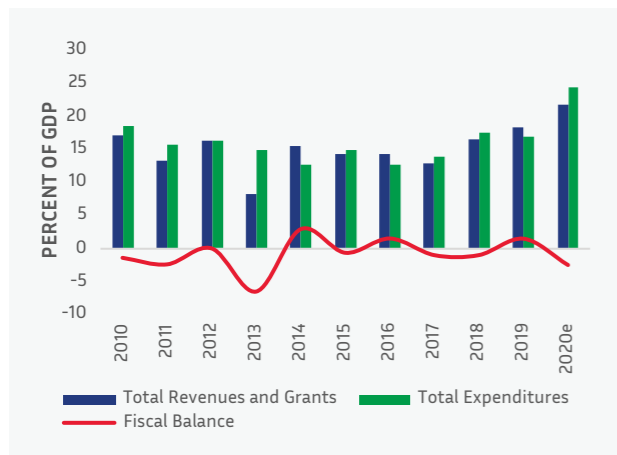


Sources: CAR's authorities, IMF and World Bank staff estimates.

CAR's overall fiscal deficit widened in 2020 as pressures mounted from the expenditure side due to COVID-19. The overall fiscal balance posted a deficit of 3.4 percent of GDP in 2020, from a surplus of 1.4 percent of GDP in 2019 (figure 2.10). The deficit was mainly driven by increased government spending to fight against COVID-19. The upward shift in government revenue, mainly due to an increase in official grants, could only partly offset the growing pressure from the expenditure side. Over the last five years, the overall fiscal balance has remained in deficit on average, but the deficit has been relatively contained compared to other regional peers. Tremendous progress has been made by the government since the 2013 crisis to close the deficit and create fiscal space. In 2013, the country posted an overall fiscal deficit of 6.5 percent of GDP, one the highest compared to other regional peers. Thereafter, the implementation of fiscal consolidation reforms to streamline government revenue and leverage domestic resources has helped to significantly narrow the deficit. A budget execution manual has been adopted, while the commitment and validation of public expenditures has been extended to 15 line ministries to reduce expenditures following exceptional procedures.<sup>10</sup> As a result, the overall deficit was an average of 0.4 percent of GDP over the period 2015–20, the lowest level compared to SSA countries (4.3 percent), FCV (4.0 percent), and CEMAC (3.1 percent) (figure 2.11). The need to pursue fiscal consolidation reforms will remain critical to help the government channel resources toward social and productive sectors for a better development outcome.

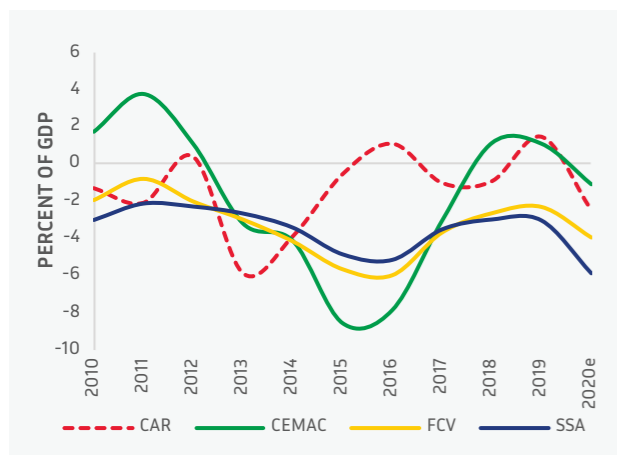
<sup>10</sup> The rate of public expenditure using exceptional procedures has declined from 37 percent in 2017 to about 5 percent in 2020.

**FIGURE 2.10. FISCAL BALANCE, 2010–20**



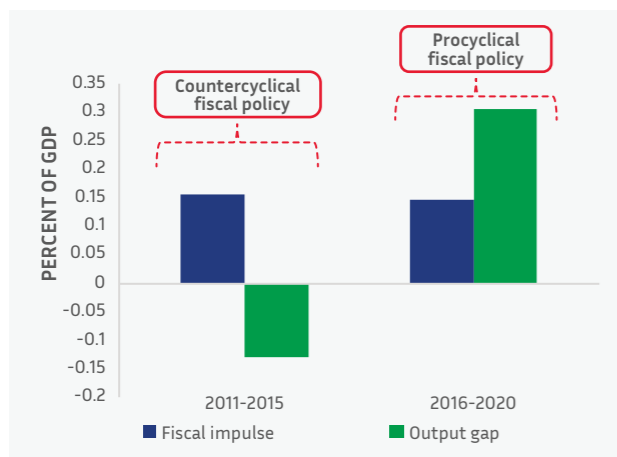
Sources: CAR's authorities, IMF and World Bank staff estimates. Note: e=estimates; p=projections

**FIGURE 2.11. THE FISCAL DEFICIT WAS CONTAINED RELATIVE TO FCV PEERS**



Sources: CAR's authorities, IMF and World Bank staff estimates. Note: e=estimates; p=projections.

**FIGURE 2.12. FISCAL IMPULSE AND THE OUTPUT GAP FOR CAR**



Source: World Bank staff estimates using data from CAR's authorities.

Decades of conflict have limited fiscal space and undermined the government's investments in human capital. Political instability and insecurity remain key constraints to CAR's ability to leverage domestic resources for human capital accumulation. Customs, taxes, and public offices are the main targets of armed groups during conflicts to undermine government revenue collection and its benefits for citizens in terms of salary payment, investment for human capital accumulation, and the maintenance of peace and security.

Also, CAR's fiscal policy over the last five years has been procyclical, reflecting weaknesses in the conduct of fiscal policy. Only looking at the changes in the overall fiscal balance without taking into account the business cycle could be misleading on the way the fiscal policy is conducted. To address this issue, we estimated the cyclically adjusted fiscal balance and calculated the structural fiscal balance. The structural fiscal balance, in this case, is derived as the difference between the unadjusted fiscal balance and the cyclically adjusted fiscal balance (Van der Waaij and Nord 2000; Girouard and Andre 2005). Change in the structural fiscal balance is the fiscal impulse. A positive fiscal impulse indicates a loose fiscal stance, while a negative fiscal impulse suggests a tighter stance. If the fiscal impulse and the output gap co-move in the same direction, then CAR's fiscal stance has been procyclical over the period and countercyclical otherwise (figure 2.12).

There is a need to ensure that CAR's fiscal policy is countercyclical rather than procyclical to maintain a minimum level of human capital accumulation even during bad times. Spending proactively to support economic recovery and create jobs during episodes of recessions, and cautiously unwinding fiscal stimulus once the output gap closes, is critical for an efficient and optimal accumulation of human capital. Given the country's limited fiscal space, the need for a more countercyclical fiscal policy is even stronger. This requires that the government improve its macroeconomic framework to better monitor the economy. Once the economy is operating at its full potential, the windfall in revenue collections should be used optimally, including saving to create space for further countercyclical fiscal policy.

As a financially constrained country, CAR needs to strengthen its macroeconomic management to create fiscal space and support long-term economic growth for sustained human capital accumulation. As indicated earlier, CAR's economic activity has been relatively sustained since 2015, but the contribution of human capital to economic growth has been minimal. Although the growth outlook is positive, the country

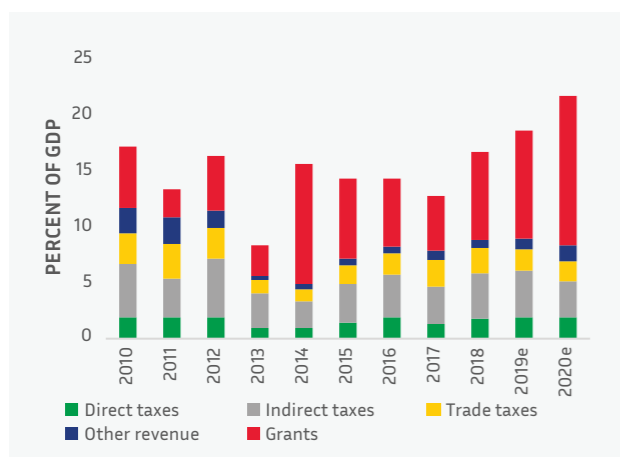
could boost its real GDP growth by +0.5 percentage point by 2050 by increasing its average years of schooling to the median levels of SSA countries (World Bank 2022). Fiscal space should be created to invest in human capital to support long-term economic growth. This is particularly relevant for the case of CAR, where the level of DRM is weak and external funding for human capital accumulation is limited. Human capital growth in the country is projected to reach 0.15 percent by 2050, down from 0.6 percent in 2020 (World Bank 2022).

While undertaking fiscal adjustment measures, ensuring the continuation of public service delivery is critical to avoid medium- and long-term negative effects on human capital outcomes. Budget lines allocated to human capital are often very difficult to identify, and fiscal adjustments sometimes result in cuts in specific categories that are critical to restoring sectors' efficiency. These spending categories include, among others: learning supplies, routine maintenance, professional development, and supervision missions that help strengthening the capacity building of medical personnel or teachers. Hence, identifying and prioritizing budget allocations across sectors for a "socially sensible" fiscal adjustment is fundamental to mitigate the negative impacts on human capital outcomes (World Bank. 2021). CAR should adopt a flexible budget management framework that will help the country move toward budgeting based on human capital development, which will be critical to implement cuts in sectors during fiscal adjustment periods efficiently.

Since the 2013 political crisis, progress has been made in terms of revenue collection but structural weaknesses in the tax and customs systems persist. Government revenues have been on an upward trend since 2013 as a result of multiple factors, including relative improved security conditions since the 2013 political crisis, and the implementation of fiscal reforms to leverage domestic resources. Government revenues (including grants) slightly shifted up from 14.1 percent of GDP between 2010–14 to 16.3 percent of GDP over the period 2015–20 as grants increased (figure 2.13). In 2020, government revenue reached 21.8 percent of GDP and surpassed the levels in regional peers, mainly due to increased official grants to help the country mitigate the impact of COVID-19 (figure 2.14). Tax revenue has increased from 6.8 percent of GDP in 2011–15 to 7.6 percent of GDP in the last five years. Similarly, direct taxes, including corporate and personal income taxes, have increased from 1.4 percent of GDP in 2011–14 to 1.6 percent of GDP in 2015–20. Also, indirect taxes (mainly VAT) have increased marginally but remained far below their potential. Furthermore, trade taxes averaged 2.0 percent of GDP over the last five years, unchanged compared to the previous five-year period although the volume of trade in goods and services has expanded significantly.

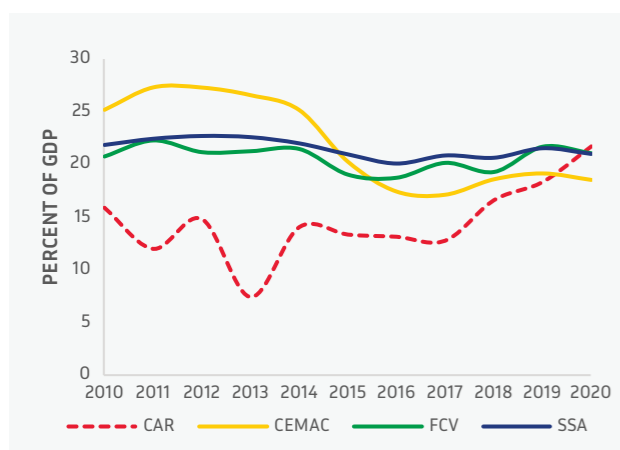


**FIGURE 2.13. COMPOSITION OF PUBLIC REVENUE, 2010–20**



Sources: CAR's authorities, IMF and World Bank staff estimates.  
Note: e=estimates; p=projections

**FIGURE 2.14. GOVERNMENT REVENUE HAS SURPASSED THE LEVELS IN REGIONAL PEERS IN 2020**



Sources: CAR's authorities, IMF and World Bank staff estimates.  
Note: e=estimates; p=projections

**FIGURE 2.15. TAX REVENUE AS SHARE OF GDP VERSUS GDP PER CAPITA, 2014–18**

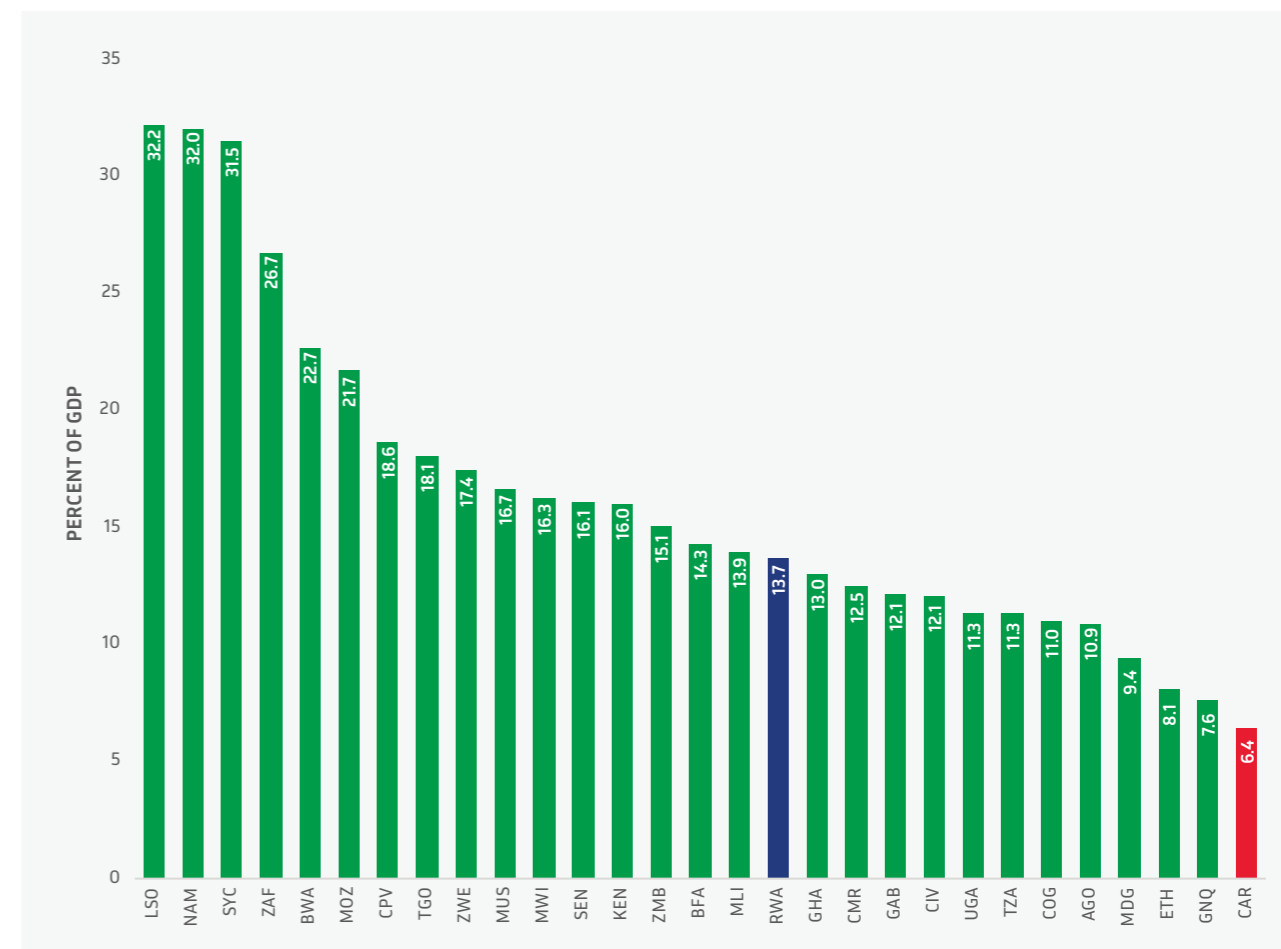


Sources: WDI, World Bank staff calculations.

Grants continue to account for a high share of the country's domestic revenue, leaving CAR vulnerable to cuts in external funding. Official grants from donor institutions to CAR averaged 8.2 percent of GDP between 2015–20, up from 5.3 percent of GDP over the period 2011–14. In 2020, grants represented 12.6 percent of GDP, more than half of CAR's domestic revenue. Grants disbursement under donor's budget support has been critical to helping the country to finance the deficit of its primary fiscal balance. The implication is that in the case of massive cuts in foreign grants, CAR could face significant challenges to meet its domestic commitments, including payment of agents and civil servants (ACS) and social sector investment to improve the country's stock of human capital. Financing human capital to achieve SDGs by 2030 will not be feasible if the country continues to rely on foreign financing. The need to strengthen the country's tax administration ability to leverage domestic resources is therefore imperative. This also implies that structural weaknesses, including weak tax instruments, tax exemptions, and the low tax base, should be addressed. Issues related to business climate and regulations also need to be addressed. In addition, strengthening the social contract to create an accountability mechanism that encourages citizens to pay their taxes and broadens the tax base are very good options to consider for reducing dependency on foreign grants.

However, the potential for CAR to improve its tax revenue mobilization remains untapped, and the country is currently lagging other SSA countries. CAR's level of DRM was lower compared to the tax revenue ratio of selected African countries over the period 2014–18 (figure 2.15 and figure 2.16). Countries with higher levels of GDP per capita tend to exhibit a relatively higher tax-to-GDP ratio. Lesotho (32.2 percent), Namibia (32.0 percent), and South Africa (31.5 percent) are leading the way in SSA in terms of tax revenue collection. Ethiopia (8.1 percent), Equatorial Guinea (7.6 percent), and CAR (6.4 percent) represent the lower tail of the tax revenue distribution over the period. In Rwanda (13.7 percent), one of the CAR's aspirational peers, the tax revenue ratio was about two times the level of domestic revenue in CAR. This weak performance in the CAR's ability to leverage domestic resources tracks closely with the decoupling of its tax revenue from tax bases.

**FIGURE 2.16. TAX REVENUE RELATIVE TO SELECTED COUNTRIES, 2014–18**



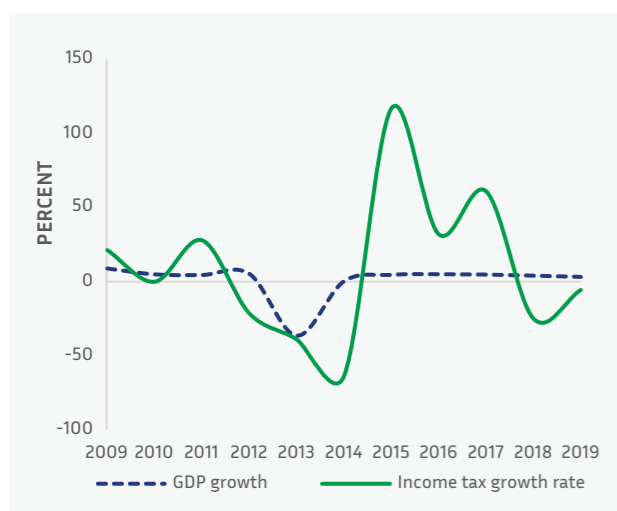
Sources: WDI, World Bank staff calculations.

CAR's main tax revenue growth (income, VAT, and trade tax) relative to its tax base remains weak, reflecting structural challenges in the country's tax policy and instruments. Since 2018, the growth of income tax revenue has been lower than real GDP growth (figure 2.17a). This could suggest that growth over the past years in CAR is derived from sectors that are difficult to net in terms of income tax. The tremendous size of informality, which still accounts for about 43 percent of GDP, is a key challenge that prevents the country from reaching its potential. Also, the agricultural sector, while poorly organized, still accounts for more than 70 percent of CAR's labor force—often local farmers with very marginal contribution to income tax. Although the agricultural sector's contribution to real GDP over the past year has increased, this has also led to erosion of the effective tax base. Formalizing the labor force and firms operating in the agricultural sector will help increase the country's income tax revenues. Regarding consumption taxes, the growth in VAT has been quite volatile in relation to its tax base (*final consumption*) over the past years (figure 2.17b). This higher volatility reflects to some extent the effect of discretionary changes, including tax exemptions or the application of zero rating to some goods. In 2016 for example, VAT exemptions represented about 70 percent of total tax exemptions. As a result, the country has been losing significant amounts of its domestic revenue that could be efficiently channeled to increase the stock of human capital. Also, taxes on international trade do not closely trace the growth of its tax base (*import growth*), reflecting structural challenges of the customs administration to properly identify what is being imported (figure 2.17c).

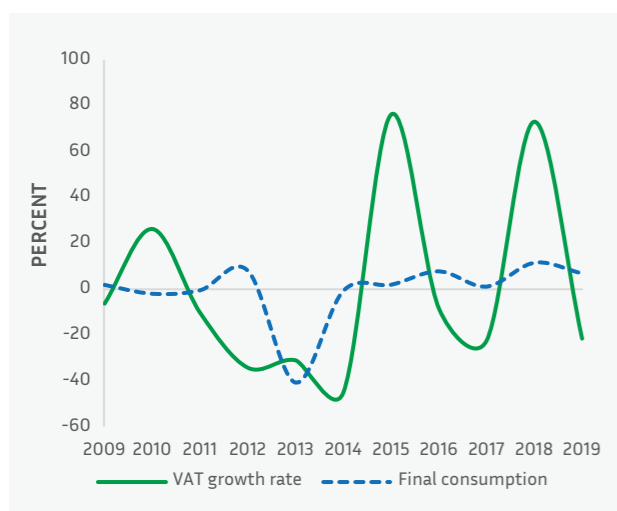
Overall, the weak correlation between tax revenue and corresponding tax bases reflects challenges in tax policy and instruments, resulting in difficulties in attaining a realistic revenue projection. The need for a regular update of sectoral elasticities is therefore critical to capture the latest dynamic in the structure of the economy and improve the contribution of tax revenue in addressing the country's development challenges. Improving the country's ability to leverage tax revenue will require bold policy actions calling for a strong economic growth, sound tax policy and instruments, restricted tax expenditures, and limited sectors issues.

**FIGURE 2.17. CORRELATION BETWEEN GROWTH IN REAL TAX REVENUE AND GROWTH IN REAL TAX BASE REMAINS WEAK**

**a. Growth in real income tax revenue**



**b. Growth in real VAT**



**c. Growth in tax on international trade**



Source: WDI, World Bank staff calculations.

Improving the country's level of DRM will be key to sustain spending on human capital. Sustaining human capital financing will require improvement in DRM. Countries with good DRM are more likely to increase budget allocation toward human capital financing (World Bank 2021). CAR could explore several options to adapt its DRM system in favor of human capital. This includes: (i) broadening the tax base; (ii) reinforcing the tax system; (iii) strengthening the social contract between the government and taxpayers; (iv) learning from best practices and peers' countries in particular; and (v) modernizing tax administration.

To broaden the tax base in the short term, there is need to curb and monitor tax exemptions, strengthen fiscal controls, and explore avenues to increase the scope of the excise tax rate. Tax exemptions have been identified as one of the key weakness undermining CAR's ability to leverage domestic resources. These exemptions represented about 3 percent of the country's tax revenues in 2016 and roughly 21 percent of the primary fiscal deficits (World Bank 2019). Tax exemptions granted to private companies accounted for most (70 percent) of total tax exemptions, while corporate income tax breaks account for another 19 percent of total exemptions. Also, strengthening fiscal controls as well as the country's recovery capabilities in the short term could help improving tax efficiency. In 2016 for example, about 90 percent of tax revenue had not been recovered; about 70 percent of uncollected tax revenue over the period 2015–16 was in the ICT and forestry sectors. Exploring avenues to increase the excise tax rate on ICT can generate additional resources for human capital financing. Excise tax revenues continue to represent about 0.4 percent of GDP in CAR, with zero contributions from the ICT sector. In peer countries, like Rwanda, a 10 percent excise rate is applied on the ICT sector.

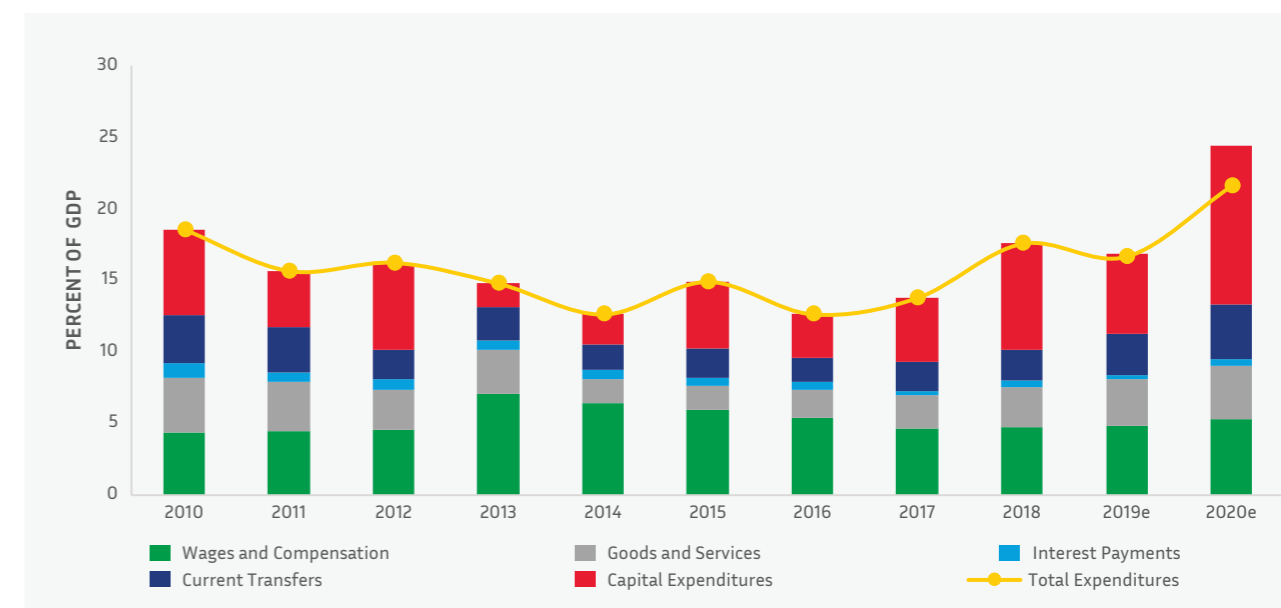
In the long term, broadening the tax base for human capital financing will entail tapping into the informal sector, including harnessing the potential of property taxes. The informal sector continues to represent a major source of domestic revenue losses. This hidden economy represents about 42.3 percent of the country's GDP, but its contribution to tax revenue is very limited. A community tax base mechanism could be a starting point to lay the foundations of a sustained partnership between local communities and the government to increase tax contributions of the informal sector. Furthermore, harnessing the potential of property taxes could generate an additional CFAF 12 billion (US\$22 million) on a yearly basis. This implies a strong political commitment to enforce compliance through the revision of outdated property tax laws, simplification of declarative procedures, and reduction of delays for obtaining a land title.

Investing in people represents a sustainable way to strengthen the social contract between government and taxpayers to mobilize more domestic resources. Although the security conditions remain challenging, there are a few opportunities the government could harness to build or strengthen the social contract with its citizen. Fatalities related to battles and violence against civilians have declined significantly in the second quarter of 2021. Government efforts with allies have helped improve security conditions in the provinces. Hope for a gradual return to normality and stability provides opportunities for the government to increase public expenditures in needed sectors. Demands for the provision of public services in sectors such as education, health, and SP are likely to increase as the population is gradually returning home, especially in remote areas. Hence, ensuring continuous public service delivery could help strengthen the social contract between government and citizen and ensure tax compliance. Strengthening the social contract will also entail the adoption of legal frameworks allowing the population and civil society to participate in the decision-making process at the community level.

Development partners have helped CAR channel resources toward financing human capital outcomes. The government has embarked over the last years in a set of public financial management reforms, supported by the IMF, the World Bank, the European Union, and other development partners. The World Bank approved a series of development policy financings (DPF) amounting to about US\$200 million between 2018–20. The latest series has supported the accumulation of human capital through two key prior actions: (i) the decentralization of the recruitment of teachers in academic inspection as well as their recruitment in the public administration; and (ii) the provision of a budget envelop in the country's budget law for targeted free health care in health facilities. The IMF and CAR authorities signed a new Extended Credit Facility (ECF) arrangement program,<sup>11</sup> which is expected to continue until 2022, but the program has been paused as it went off track.

Finding space within budget could also help increasing human capital financing in CAR but the scope of this measure is limited as the country's budget is already too low. CAR has experienced several episodes of conflict that resulted in massive looting, destruction of public offices and derailed the pace of human capital accumulation. As a result, rebuilding the country's infrastructure network (roads, schools, health facilities) while ensuring a minimum level of operating budget is challenging. The yearly budget is very low, less than \$728.8 million to help the country addressing its most growing needs. However, a comprehensive review of budget allocation that carefully prioritizes spending across all sectors and shifts resources from non-productive sectors to those with a high impact on human capital outcomes could be considered.

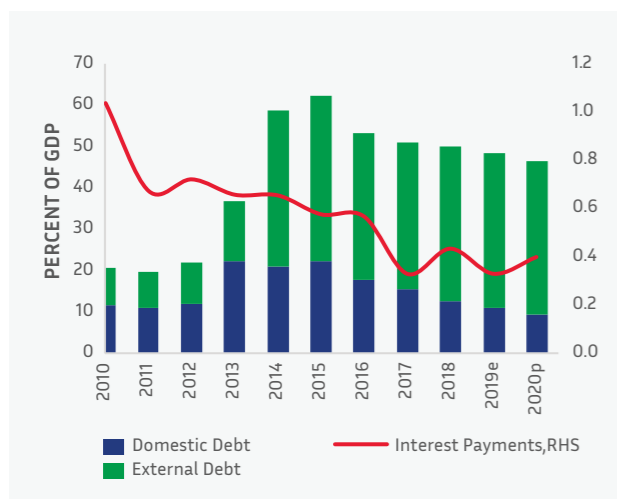
**FIGURE 2.18. THE COMPOSITION OF PUBLIC SPENDING, 2008–16**



Sources: CAR's authorities, IMF and World Bank staff estimates.

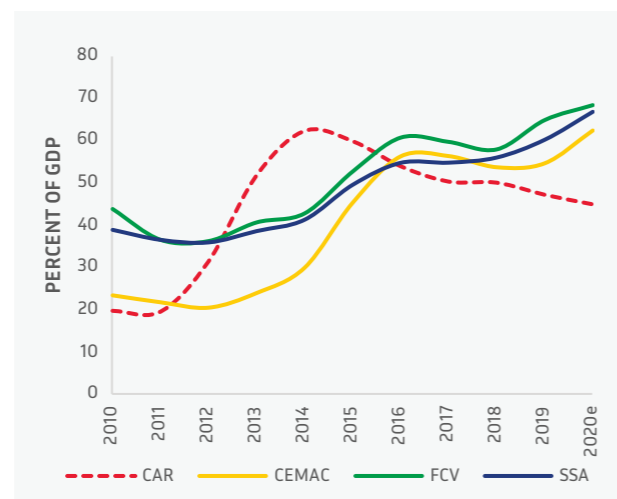
<sup>11</sup> The program focuses on a variety of reforms, including: adopting quantitative rules and performance criteria for better management of the primary fiscal balance; the wage bill; changes in the accumulation of public arrears; improvement in governance and legislation framework; and the use of digitalization in public administration to improve transparency and revenue collection.

**FIGURE 2.19. THE PUBLIC DEBT STOCK AND DEBT-SERVICE PAYMENTS, 2010–20**



Sources: CAR's authorities, IMF and World Bank staff estimates.

**FIGURE 2.20. GROSS PUBLIC DEBT HAS CONTINUED TO DECLINE RELATIVE TO REGIONAL PEERS**



Sources: CAR's authorities, IMF and World Bank staff estimates.

**Increased capital spending contributed to expenditure pressures in 2020.** Over the past five years, public spending was an average of 16.2 percent of GDP, up from 15.6 percent of GDP between 2010–14, mainly driven by higher capital expenditure (figure 2.18). Capital expenditure was estimated at 11.1 percent of GDP in 2020, up from 5.6 percent in 2019 as the government scaled up investment in health, education, and other social sectors to limit the community spread of COVID-19. Also, the government has committed to bridge the social infrastructure deficit with the rehabilitation of hospitals, schools, and so forth looted during the 2013 political crisis. Although the wage bill represents the second highest component of government expenditures, its evolution has been relatively stable over the past years. In 2019, the share of the wage bill in government expenditure was almost equivalent to its level in 2013, reflecting government commitment to avoid creating additional structural spending given CAR's low level of domestic resources. However, there is still scope for achieving fiscal adjustment through expenditure reduction without hurting priority spending and growth, as several pockets of inefficiency in public spending persist. This includes exceptional spending procedures, which continued to account for more than 5 percent of total spending in 2020. Enhancing revenue mobilization and ensuring a sound governance system to prevent wastage and improve efficiency and effectiveness of spending will be critical moving forward.

**CAR's external and overall debt continues to be at high risk of distress, limiting the country's ability to invest in its people.** After the 2013 crisis, public debt increased significantly to 63 percent of GDP in 2014 due to an accumulation of domestic arrears and GDP collapse. Debt has been decreasing since then and is projected to follow a downward path over the medium term, mostly driven by domestic arrears' clearance and the decline in external borrowing (figure 2.19). High public debt and high risk of debt distress negatively affect capital stock accumulation and services delivery, as well as civil servants' recruitment in education, health, and SP sectors.

## 2.3. CONCLUSIONS AND RECOMMENDATIONS

**CAR's economy held up better than expected despite uncertainty introduced by the COVID-19 pandemic.** Although real GDP growth decelerated from 3.1 percent in 2019 to 0.9 percent in 2020 due to COVID-19<sup>12</sup>, economic activity has remained positive. However, CAR needs to speed up its reform agenda for a better economic recovery, to create jobs and opportunities for its growing working forces. A strong economic recovery will be critical to translating structural changes in economic fundamentals to better tax revenue collection. The contribution of the agricultural sector to real GDP growth has been significant over the past years, but this sector still accounts for a high share of informal employment. As a result, the agricultural sector's contribution to tax revenue (income and profit tax) is low.

Although government revenue has increased since 2017, its level remains low relative to the need to finance human capital accumulation. Achieving a higher level of capital accumulation is costly and will require tremendous government efforts to mobilize domestic resources. Relying on external funding cannot be sustainable to finance the country's development agenda. Uncertainty about donor support, partly due to unexpected changes in the political context, could delay the level and speed of human capital accumulation. Grants continue to account for a high share of government revenue, which to some extent represents a major source of vulnerability. Although the country has made significant progress over the past years in reducing dependence on foreign grants, there is scope to accelerate and improve CAR's ability to leverage domestic resources.

**CAR could undertake bold policy reforms both in the short and medium term to improve its tax revenue mobilization for sustained human capital accumulation.** In the short run, there is a need to review and update sectoral elasticities as well as the tax bases for a better projection of CAR's DRM. Realism in tax revenue forecasts is critical to anchor public spending decisions over the medium and long term. Moving forward, there is need for CAR to: (i) **ensure promptness in VAT payment return** in order to strengthen taxpayer morale and promote private sector investment decisions; and (ii) **broaden the tax base through curtailing and monitoring tax exemptions, especially on VAT and corporate income taxes.** Revenue forgone due to tax exemptions represented about 3 percent of the country's tax revenue in 2016 and roughly 21 percent of the domestic primary deficit (World Bank 2019). The bulk of these exemptions are granted to private companies, often on an ad hoc basis. Reducing these exemptions, including revision of related tax policies, will require strong political commitments for real changes on the ground. Also, **increasing tax recovery rates through targeted audits** will be critical to increasing the level of domestic resources in the short run, as the gap between tax projections and realization remains huge and has widened over the last two years. Since 2010 for example, the tax gap has amounted to CFAF 84.4 billion, representing more than one year of civil servants' salaries in 2020 and about 65.5 percent of the level of domestic resources collected in 2020.

**Over the long term, there is a need to tax the informal sector and implement business-friendly reforms.** In 2019 the informal sector accounted for more than 42 percent of the country's GDP (World Bank 2019). Further, this sector is very difficult to net in terms of tax revenue. This growing hidden economy generates unfair competition to formal and well-established private companies, resulting in lost profits and cash flow and, therefore, profit taxes. Although reducing the size of this hidden and complex network economy is quite challenging, CAR could implement bold policy measures to mitigate the impact of informality. Business-friendly reforms could include simplifying procedures and eliminating transaction costs and constraints limiting the creation and development of local business. In addition, community-based taxation could be implemented to foster local partnerships, as well as partnerships between local communities and the government.

**Ensuring that CAR's fiscal policy is countercyclical will be fundamental for human capital accumulation even in periods of recession.** Over the past five years, CAR's fiscal policy has been procyclical, meaning that the country tends to spend more during periods of expansion and much less (or nothing) during economic downturns. Since human capital accumulation traces economic ups and down, the country could witness long episodes of zero human capital accumulation during long economic recessions. CAR should ensure that fiscal policy is countercyclical rather procyclical, which is critical for economic recovery and to maintain a minimum level of human capital accumulation irrespective of the business cycle. To this end, the country's macroeconomic framework should be improved to better monitor short-term economic development, leading in turn to more efficient fiscal policy that supports CAR's development outcomes.

**Government expenditures should be consolidated and streamlined to help reduce inefficient spending to create fiscal space and resources, which can be efficiently channeled toward social sectors.** Since the 2013 political crisis, efforts have been made to streamline government expenditures. A new expenditure execution manual was adopted to reduce the use of exceptional spending procedures. The commitment and validation of spending supported by the World Bank DPF series has been extended to 15 line ministries for better budget execution. In years to come, the introduction of an accounting and budget software "Simba" will help to reduce delays, streamline expenditures procedures, reduce the potential for human errors, and improve budget execution.



**TABLE 2.1. PROPOSED REFORMS**

Proposed reforms	Time frame	Action: What to do concretely	Expected impact	Institutions
Curtail and monitor tax exemption, especially on VAT and CIT	Short term	<ul style="list-style-type: none"> <li>Strengthen the committee in charge of tax exemption and undertake a revision of the investment charter</li> <li>Publish the list of all beneficiaries of tax exemption on the website of Ministry of Finance and Budget</li> </ul>	<ul style="list-style-type: none"> <li>Minimize revenue losses due to tax exemption</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of Finance and Budget</li> <li>Ministry of Trade</li> </ul>
Increase tax recovery rates through targeted audits and other verification measures	Short term	<ul style="list-style-type: none"> <li>Publish the list of all companies that are not up to date in their tax returns</li> <li>Strengthen capacity building of tax administrations to use their integrated tax information management system (SYSTEMIF) software to improve productivity</li> <li>Undertake a systematic rotation of civil servants in charge of audits (IGF), to reduce risk of corruption</li> <li>Explore avenues to introduce Electronic Billing Machine (EBM) in all formal businesses</li> </ul>	<ul style="list-style-type: none"> <li>Improve tax recovery</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of Economy</li> <li>Ministry of Finance and Budget</li> <li>Ministry of Trade</li> <li>Ministry of Industry</li> </ul>
Tap into the informal sector, implement business-friendly reforms	Long term	<ul style="list-style-type: none"> <li>Reduce the number of days it takes to start a business</li> <li>Enforce contracts</li> <li>Undertake discussions with communities to introduce a community-based taxation in the budget</li> </ul>	<ul style="list-style-type: none"> <li>Attract private sector investments</li> <li>Reduce revenue losses due to the informal sector</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of Economy</li> <li>Ministry of Finance and Budget</li> <li>Ministry of Trade</li> <li>Ministry of Industry</li> <li>Communities and Civil Society</li> <li>Economic and social council</li> </ul>
Harness the potential of property taxes	Long term	<ul style="list-style-type: none"> <li>Carry out a national land and property census with ICASEES</li> <li>Digitize declarative procedures</li> <li>Prepare a capacity-building program to support tax administration for better recording and monitoring of property taxes</li> <li>Reduce delays for obtaining land titles</li> </ul>	<ul style="list-style-type: none"> <li>Increase the contribution of property tax to domestic revenue</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of Economy</li> <li>Ministry of Finance and Budget</li> <li>Ministry of Industry</li> <li>Ministry of Housing</li> <li>ICASEES (National Institute of Statistics)</li> </ul>
Enhance tax policy and administration and modernize the country's tax system	Medium term	<ul style="list-style-type: none"> <li>Prepare and adopt a manual of administrative and financial procedures</li> <li>Strengthen internal control mechanisms and introduce risk-based management in public administration</li> <li>Strengthen inspection of services through audits and other verification measures</li> <li>Scale up the use of UNCTAD's integrated customs management system (ASYCUDA) in all customs offices and speed up migration to the ASYCUDA platform</li> </ul>	<ul style="list-style-type: none"> <li>Reduce fraud and corruption in tax administration</li> <li>Increase efficiency of tax and customs administration</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of Finance</li> <li>Customs department</li> <li>Tax Department</li> <li>Ministry of Economy</li> </ul>

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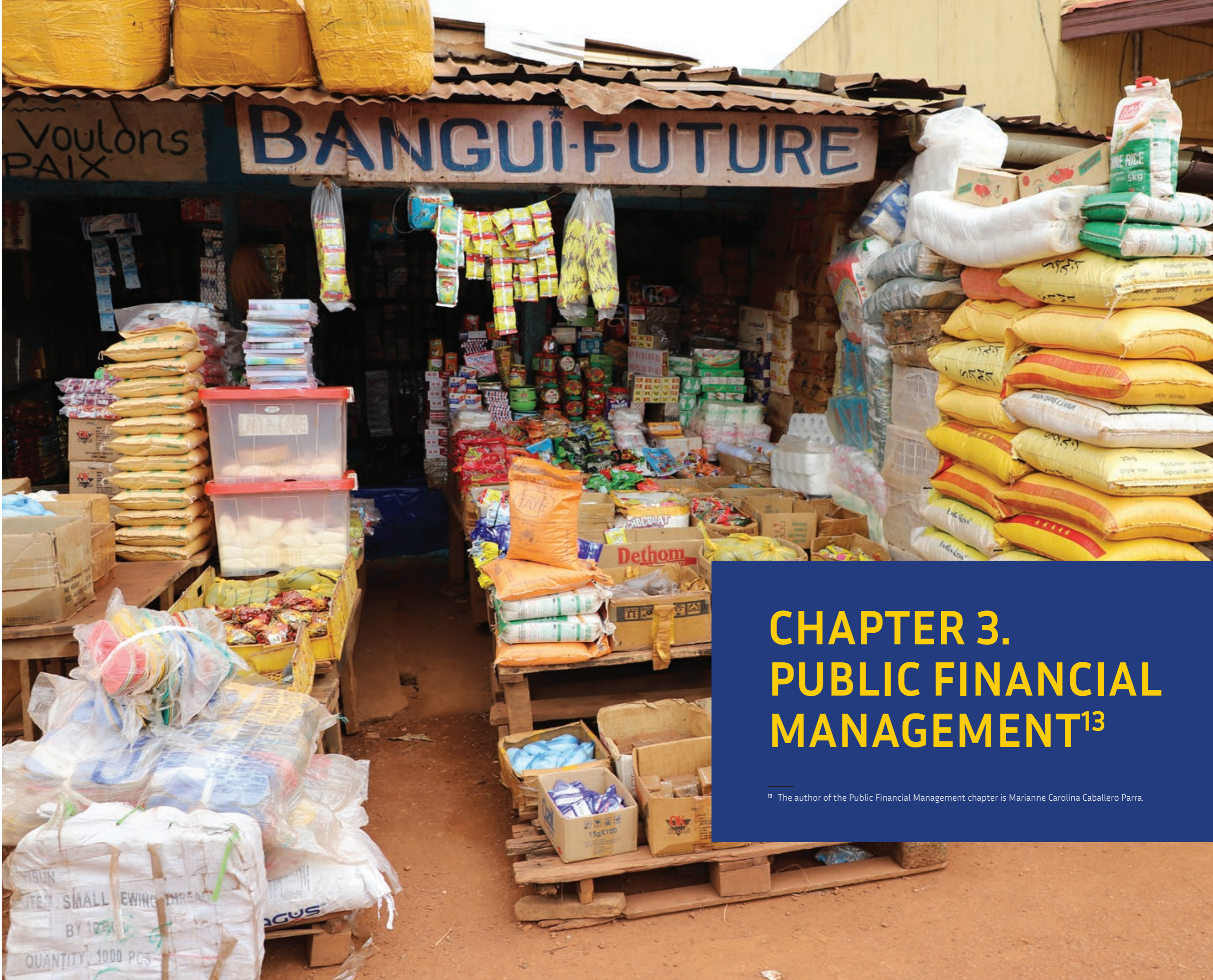
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## CHAPTER 3. PUBLIC FINANCIAL MANAGEMENT<sup>13</sup>

<sup>13</sup> The author of the Public Financial Management chapter is Marianne Carolina Caballero Parra.

## 3.1. INTRODUCTION

The Government of CAR (GoCAR) public financial management systems have come a long way since the 2013 crisis. After a period of large salary arrears, massive civil servant's absenteeism, and absence of effective financial controls, caused by the 2013 crisis, the GoCAR was able to restore core PFM functions over the following years and reach a phase of system consolidation.

However, considerable challenges remain that are impeding the proper delivery of social services nationwide. Despite advances, PFM systems in the social sectors still present failings that directly affect service delivery. The analysis found the following PFM-related binding constraints to health and education service delivery:

- **Poor budget planning and evaluation is causing poor allocative efficiency.** Without a thorough and consistent examination of the effectiveness of the respective ministries' budgets, it becomes almost impossible to argue within budget hearing for changes in budget allocation. The social ministries are not presenting evidence-based arguments that support their budget requests, nor are they presenting in time the procurement plans that would accompany their budget. Hence allocations are made mostly on the basis of previous allocations and no considerable changes are usually adopted.
- **Poor public procurement capacity is turning the purchases of key service-oriented goods, like textbooks and medicines, into a fiscal drain on the system.** Purchases in the goods and services sectors rarely follow legally required procurement processes. In the health sector, the deficiencies of public procurement of medicines led to the establishment of an autonomous agency that would later collapse in debt, driving external donors to develop alternatives to domestic procurement to provide support. In the education sector the high cost of textbooks, purchased without following proper channels, is highlighted as a constraint to budget efficiency and service delivery.
- **Poor human resource management practices are binding the deployment of civil servants outside of Bangui.** Although more civil servants need to be deployed to the rural areas, high rates of absenteeism remain a problem for those already posted. The combination of hyper-centralization of human resource (HR) administrative capacity, lack of local payment capacity, and lack of incentives to work outside of Bangui causes absenteeism. As explained in detail in the respective chapters, the quantity and capacity of HR outside of Bangui is a clear constraint to the quality of health and education services. These challenges are all related to the overarching problems of (i) the absence of local payment capacity, which means civil servants have to go to Bangui, or the nearest Bank Agency which is usually many hours away, to collect their salaries; (ii) the absence of an HR policy that rewards or recognizes civil servants appropriately when they are posted outside of Bangui; and (iii) the absence of an HR system that can help manage the long- and short-term career performance of civil servants. This latter system would also need to be operationally linked to the payroll system and have the ability to discern whether the civil servant is indeed in their post and react immediately if they are not.
- **The absence of local payment capacity also extends to the domestically financed SP sector, which continues to use antiquated payment systems.** For example, the higher education scholarships, which amount to about half of nationally funded SSN programs, are paid in cash in Bangui in the respective university using a list of beneficiaries. The rest of the cash transfers program uses costly mechanisms, financed by external donors, to reach areas outside of Bangui. If the domestically financed SP system were to expand, the payment system would need to be updated to be able to extend to areas outside of Bangui.
- **No public investment capacity will bind the sectors when/if the external funds diminish.** Interactions between domestically and externally funded public investment in social sectors affect the capacity to deliver domestically financed infrastructure. Like other countries highly dependent on external assistance, spending units have assumed the reality that most infrastructure is externally financed and hence focus mainly on other expenditures that would fall under that line, such as small maintenance works, vehicles, and office furnishings. This means that the domestic public investment system has not developed the capacity to manage infrastructure projects, but rather focuses on lower-cost short-term interventions that are unlikely to be transformational. This is reflected in CAR's public investment program, where multiple expenditure lines could hardly be called public investment. This situation, though arguably natural for the level of fiscal space in CAR, could create negative long-term effects on the country's ability to carry out its domestically financed investments.

## 3.2. RECENT HISTORY OF PUBLIC FINANCIAL MANAGEMENT REFORMS

Before the 2013 crisis, the GoCAR had made steady advances on the administration of their human and financial resources. Software to manage expenses (Ges'Co) had been developed and quarterly budget execution reports were being produced eight weeks after the end of each quarter. The implementation of the Treasury Single Account had started, and monthly cash flow plans were developed. Financial statements for the 2008 budget year were produced for the first time and submitted to the Court of Accounts in 2011. Payment of salaries through secure wire transfers was implemented. These advances were adding up to a more effective and transparent use of public resources (World Bank 2018).

The 2013 crisis halted advancements and severely impacted the GoCAR's financial management systems. By March 2014 the GoCAR had accumulated five months of wage bill arrears and fifteen months of unpaid pensions and suppliers' invoices. These arrears, coupled with the security situation, led many civil servants to abandon their posts, effectively handicapping public services like health and education all over the country, as well as core government operations like revenue collection<sup>14</sup> and the management and control of expenditures. The Treasury Committee was suspended, the Ges'Co application was not updated, and there were important delays in the production of budget reports. New civil servant recruits were being added to the payroll without inputting their information on the HR database, leading to a 16.9 percent increase in payroll between January and December 2013.

As the crisis subsided the GoCAR focused on reactivating core government functions by clearing their wage bill arrears. The arrears stemming from six months unpaid salary<sup>15</sup> of non-security civil servants were cleared.<sup>16</sup> The payment of salaries was aimed at restoring core government functions by incentivizing staff to return to their duty stations (World Bank 2018).

The payment of arrears to civil servants proved to be an important driver of the resumption of core government functions and services. By March 2014 only 10 percent of the customs directorate's staff had resumed work and none of the teachers that had abandoned their duties during the crisis had returned to work. By March 2015, 98 percent of the customs directorate staff had reported for work, and 89.4 percent of teachers that could<sup>17</sup> return to their post had returned. Importantly, an audit of the payroll was carried out which led to the removal of 2,873 non-eligible<sup>18</sup> civil servants from the payroll, along with an update of HR data of civil servants on the payroll system (World Bank 2018).

The imposition of emergency expenditure controls also proved fundamental and paved the way to rebuilding the financial management railings needed for the management of public resources. The Central Treasury Accounting Agency (*Agence Comptable Centrale du Trésor—ACCT*) was created, and a Central Accounting agent recruited. This was crucial for implementing verification procedures on expenditure accounting and disbursement, and for producing in-year and annual consolidated execution reports. Though the measure at first created considerable friction between different parts of the GoCAR and the ACCT, it was successful in limiting leakages during a time of high uncertainty.

By 2017 the country was in a new phase of stabilization which allowed the GoCAR to go from an emergency phase focused on reactivation of core functions, to one of strengthening of core capacities for resource management. In October 2016, the "2017–2021 National Plan for Recovery and Peace Building" was adopted, followed in November 2016 by a donor conference where partners pledged US\$2.2 billion<sup>19</sup> to the development of the country. The Public Expenditure and Investment Management Reform Project (*Projet d'Appui à la Gestion de Dépenses et Investissements et au Reformes—AGIR*) project was approved by the World Bank Board in June 2017 "to improve the management and transparency of public expenditures and public investments"<sup>20</sup> with an initial budget of US\$10 million, thus ushering a phase of strengthening core capacities.

<sup>14</sup> Note that this chapter does not analyze elements of DRM. Though DRM is an important element of public financial management, a decision was made to focus on expenditures, as they relate directly to the delivery of (social) public services.

<sup>15</sup> May to August 2014, June 2015, and September 2015.

<sup>16</sup> This was done through the financial support of the World Bank-financed Emergency Public Services Response (EPSR) project. The EPSR was designed to address the immediate crisis on the expenditure side while helping recover the GoCAR's capacity to gather and manage its own resources.

<sup>17</sup> Percentage of teachers who have resumed work in the districts where security has improved.

<sup>18</sup> Civil servants that were deceased, retired, and "other."

<sup>19</sup> Of which the World Bank pledged US\$500 million.

<sup>20</sup> Project Development Objective for the Public Expenditure and Investment Management Reform Project (P161730).

The GoCAR was then ready to begin the replacement of the decrepit Ges'Co system, reactivate the production of budget reports and key treasury management activities, support the supervision of the RCPCA, and improve public investment management (PIM). The GoCAR was able to invest<sup>21</sup> on core resource management functions and tools that would help return the GoCAR's performance to levels from before the 2013 crisis. Indeed, comparison of government competence before the 2013 crisis with the present is telling: the GoCAR can now produce more fiscal information and budget execution reports that it did in 2013 and it can pay its salaries reliably and on time. Yet, challenges from before the 2013 crisis persist: HR information continues to be disjointed from the salary system, procurement is riddled with inefficiency and opacity, and the public investment system is in its infancy.

### 3.3. DECENTRALIZATION, DECONCENTRATION, AND PUBLIC FINANCIAL MANAGEMENT

As of 2020, of the 19,530 civil servants working as civilians in the GoCAR, 68 percent of them were posted in Bangui, where 18 percent of the population lives.<sup>22</sup> The concentration of civil servants in Bangui reflects the lack of state presence in most of the country's territory. This in part due to consistent security threats outside of Bangui, but also related to a clear preference from civil servants to remain in Bangui where the public services and infrastructure are much better than in the rest of the country.

The 2019 peace accord includes commitments to decentralize resources outside of Bangui, in response to the complaints of citizens that have not reaped the benefits of a state highly concentrated in the capital. The accord's most tangible commitment to this end is the celebration of the first local elections in 25 years, expected to be held in the last quarter of 2021, as well as the approval of a decentralization law. The local elections would be crucial first step toward political *decentralization*, whereby the formal power structures of democracy could now reach localities. Nevertheless, the country would still need a better process through which to move resources and administration from the center (Bangui) closer to the service area (outside of Bangui); this would be a *deconcentration* process.<sup>23</sup>

A new Territorial Administration Law,<sup>24</sup> approved in December 2020, provides further competencies to the prefectures to influence the delivery of public services, and the law could be an opportunity to improve the regional management of services like health and education. Details of interaction between the ministries' deconcentrated units and the prefectures are yet to be spelled out, but importantly, ministries' must be prepared to change the way they work in the regions. Thus, this chapter considers relevant aspects of the deconcentration process while discussing PFM in human development sectors.

### 3.4. BUDGET PREPARATION, APPROVAL, AND EVALUATION

The preparation and approval of the national budget happens generally on the timeline and using the procedures set by law. The yearly process of budget preparation, including setting expenditure ceilings, calling for budget hearings, approving a final draft (for both recurrent and public investment budget), and submitting to the National Assembly, largely follows the schedule set by the 2018 Finance Law. Domestic revenue projections have resulted in a realization rate hovering above 99 percent since 2018, while debt management procedures have been carried out in line with the requirements of the existing IMF Extended Credit Facilities.

However, the influence of social sectors in the national budget process is limited, and generally follows a path-dependent process. Despite the existence of long-term sectoral plans, such as in the education sector, the respective social ministries' budget proposals mostly rely on the past years' allocations, while any major funding changes are expected to come from external funding. Although a three-year Public Investment Program is prepared by the Ministry of Economy, Planning and Cooperation (MEPC), this is mostly seen as a "wish-list" with few binding outcomes (see Public Investment section 3.6.1 for further details).

There is no programmatic evaluation of the domestically funded budgetary expenditures, but budget execution reports are published regularly. The most reliable substantive evaluation of the effectiveness of budget expenditures comes from the RCPCA Secretariat (see section 3.6.1 for more details), but these reports focus mainly on externally funded projects that make up the bulk of the RCPCA funding. The MFB has been regularly publishing quarterly budget execution reports since 2017, including details on social expenditures since 2017, and the MEPC has been publishing yearly public investment execution reports since 2018. No other ministry prepares a programmatic evaluation of their yearly expenditures.

Without a thorough and consistent examination of the effectiveness of the respective ministries' budgets, it becomes almost impossible to argue within budget hearing for changes in budget allocation. The social ministries are not presenting evidence-based arguments that support their budget requests, nor are they presenting in time the procurement plans that would accompany their budget. Hence, allocations are made mostly on the basis of previous allocations and no considerable changes are usually adopted.

### 3.5. BUDGET EXECUTION PERFORMANCE 2017–20<sup>25</sup>

The GoCAR's domestically financed budget<sup>26</sup> execution rates have been increasing since the 2013 crisis. The budget execution rate went from 68.7 percent in 2017 to 91 percent in 2020. Importantly, when we focus on operational expenses that exclude debt repayments and finance fees, we see much more solid levels of budget execution, reaching levels above 94 percent since 2018 (see figure 3.1 and box 3.1).

FIGURE 3.1. BUDGET EXECUTION RATES, EXCLUDING EXTERNALLY FINANCED PUBLIC INVESTMENTS, 2017–20



Source: Central African Republic, Ministry of Finance and Budget, 2018; 2019; 2020; 2021.  
Note: The operational expenses exclude debt payments and financial fees expenditures.

The social sectors have also seen improvements in the execution rates in the last four years, though the 2020 budget year exhibited setbacks for the health and SP sectors. All sectors have avoided arrears in their wage bill, but the education sector<sup>27</sup> has exhibited a generally higher execution rate than its peers among the remaining expenditures.<sup>28</sup> Notwithstanding, the health and social affairs sectors had both seen an upward trend in the

<sup>21</sup> With the help of the AGIR project.

<sup>22</sup> Based on payroll data from the Ministry of Finance.

<sup>23</sup> For the purposes of this PER we will focus mostly on *deconcentration* of resources.

<sup>24</sup> Most of the content of this law was originally on the first draft of the Decentralization Law. The proponents of the law decided to separate the two issues into two separate laws: the Decentralization Law, passed in February 2020, and the Territorial Administration Law, passed in December 2020.

<sup>25</sup> We focus on the 2017–20 period because the analysis is based on the MFB's Budget Execution Reports, which offer the most consistent and reliable information on budget execution. Moreover, although it is possible to obtain some information before the 2017 budget year, as mentioned on the recent history section above, core PFM functions were considerably challenged before that budget year, hence the systems that we are reviewing today are not comparable to those in place before 2017.

<sup>26</sup> In this chapter we focus on domestically financed expenditures, which are the GoCAR's budgeted and disbursed amounts excluding externally financed public investment. We will be explicit when we refer to externally financed expenditures. The terms "domestically financed expenditures/budget" and "expenditures/budget" are used interchangeably.

<sup>27</sup> The classification of sector is based on classifications in the MFB's Budget Execution Reports.

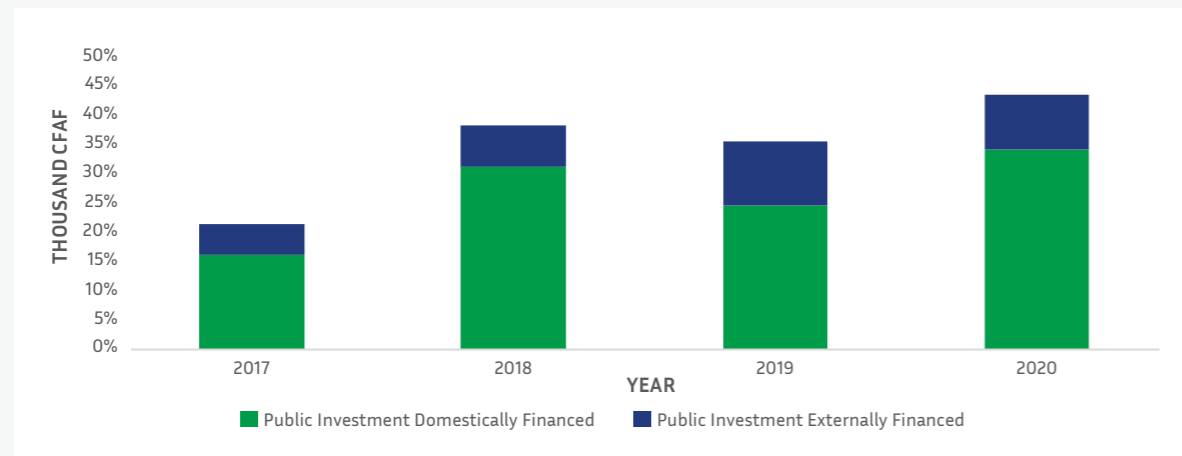
<sup>28</sup> The MFB does not include in the Budget Execution Reports the execution of the wage bill by sectors, but according to the respective ministries the wage bill execution has been 100 percent for the last four years. To sharpen focus on the performance of the budget, we then exclude the wage bill execution rate from most of the budget performance analysis.

execution rates since 2017 until the year 2020, when their rates fell to 71.4 and 50.8 percent respectively. For the case of the health sector, the fall in execution rates was driven by lower execution of transfers and grants and public investments, while the social affairs fall in execution rates was driven mainly by particularly low (43 percent) execution of transfers and grants expenditures.

### Box 3.1. A focus on domestically funded expenditures

Externally financed public investments are a fundamental component of CAR's development process. Externally funded public investment has comprised an average of 26.5 percent of total budgeted expenditures over the last four years (see figure B3.1), reaching as high as 34.2 percent of total budget in 2020.

FIGURE B3.1. PUBLIC INVESTMENT PROPORTIONS OVER TOTAL BUDGET, 2017–20



Source: Central African Republic, Ministry of Finance and Budget 2018; 2019; 2020; 2021.

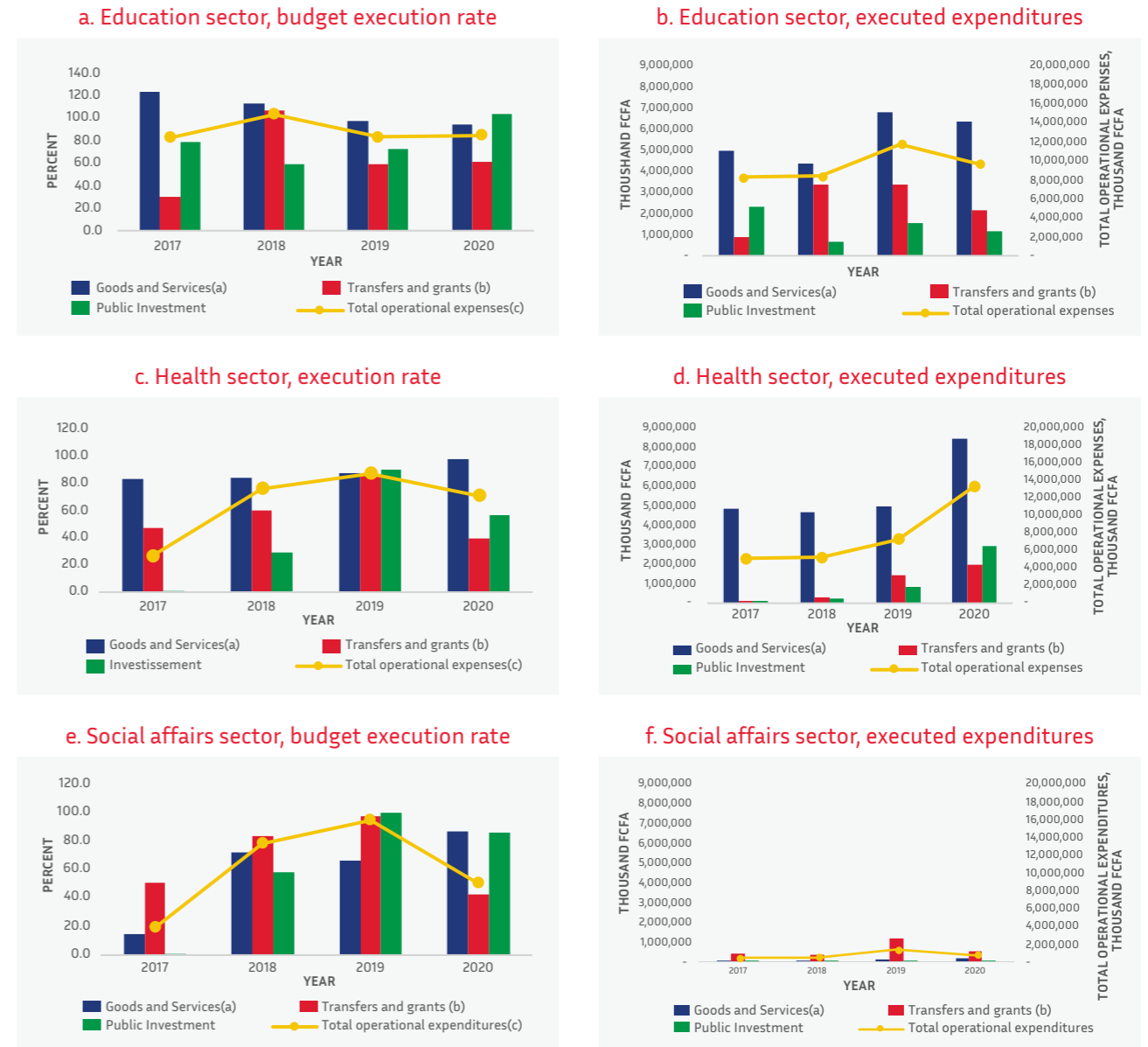
Domestically and externally funded public investment expenditures go through fundamentally different PFM systems in CAR and as such cannot be assessed concurrently. Though externally funded projects in CAR are not officially exempted from local financial controls, in practical terms, most control activities are not carried out by the government because they assume that the funders' processes will ensure sufficient control. In tandem, to ease implementation in a context of urgent needs and extremely low capacity, funders have tended to use exceptional procedures in CAR, which allow them to forgo the use of local systems. Hence, the bottlenecks to service delivery that could arise from, for example, slow or inefficient procurement processes, would not affect an externally funded project.

Local PFM systems need to be strengthened with the medium-term aim of using them for the execution of externally financed projects. The purpose of this chapter's analysis is to delve into the bottlenecks caused by the local systems on domestically funded service delivery. This means that alternative mechanisms set up by external funders that are not using the traditional expenditure control systems are not considered in this chapter.\*

\*Among the mechanisms excluded would be the mechanisms used to purchase the majority of publicly provided medicines, all of which use externally funded resources that do not go through the local traditional procurement system.

All sectors exhibit their highest execution rates in goods and services mainly because expenditures on this line are relatively predictable and don't require new procurement processes. The high levels of budget execution in goods and services (see figure 3.2) reflect the fact that this line includes the payment of contractual workers in core government functions, such as teachers. These payments are recurrent and are easily budgeted for and executed, that is, they are not burdened by in-year procurement processes that can delay execution, and they are generally given the same priority as the payment of salaries.<sup>29</sup>

FIGURE 3.2. BUDGET PERFORMANCE IN THE SOCIAL SECTORS, OPERATIONAL EXPENDITURES, EXCLUDING EXTERNALLY FINANCED INVESTMENTS AND PERSONNEL EXPENSES, 2017–20



Source: Central African Republic, Ministry of Finance and Budget 2018; 2019; 2020; 2021.

Note: The source excludes personnel expenditures. According to the respective ministries the execution of the personnel budget was 100 percent during the period.

(a) Before 2019 "Operating Expenses"  
(b) Before 2019 "Intervention Expenditures"

Public investment execution rates have been quite different between the sectors, with education exhibiting steady improvements, and health more volatile levels. The education sector's public investment budget execution rate went from 58.7 percent in 2017 to 103.7 percent in 2020 (figure 3.2, panel a), while the health sector has not been able to sustain a steady level of execution in public investment expenditures (figure 3.2, panel b).

We see the opposite behavior to public investment on the grants and subsidies line; that is, the health sector exhibits sustained improvements while the education sector's execution rate has recently stagnated. The steady increase in the health sector's budget execution on grants and subsidies shows higher government financing to the regional offices, as the line is mainly devoted to transfers to the regional offices. The 2020 drop in execution reflects an in-year change in budgetary priorities due to the COVID-19 pandemic. In the case of education, the volatile performance of the grants and subsidies line is mainly explained by the erratic payment of scholarships, which is the main driver of the budgetary line.

## 3.6. CORE PUBLIC FINANCIAL MANAGEMENT SYSTEMS

### 3.6.1. Public investment

#### Developments since 2013

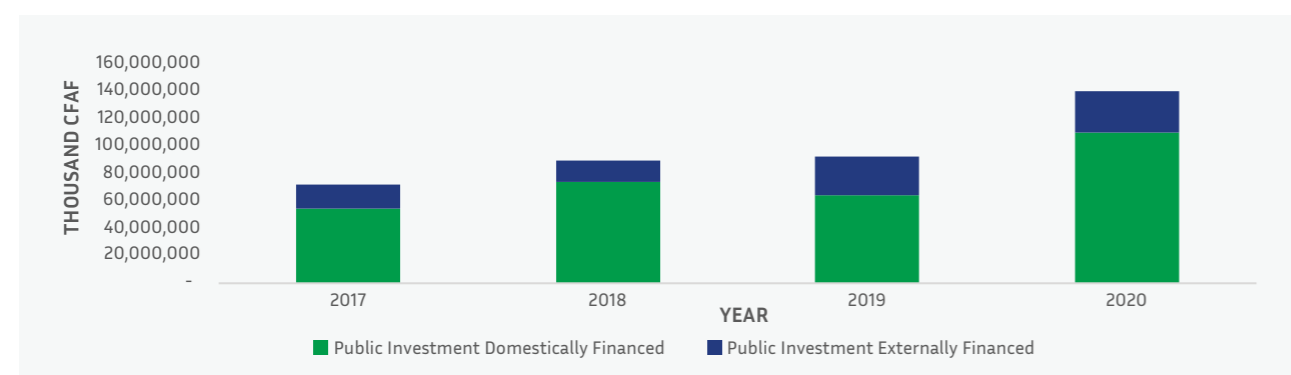
After the 2013 crisis, advances on PIM were limited as the fiscal space did not allow for capital expenditures. There had been no investment projects appraised between 2013 and 2015. To be clear: it is not that investment projects that were approved were not appraised, but rather that no investment projects were started during the period.

As the country stabilized the GoCAR focused on better reporting and planning of public investment expenditures. The MEPC<sup>30</sup> has so far delivered three reports on public investment execution; two reports on three-year public investment programs; and an assessment based on the IMF/World Bank's Public Investment Management Assessment (PIMA) framework (see box 3.2). In addition, technical and financial assistance has been provided to the operation of the RCPCA Secretariat, which was charged with monitoring implementation of the 2017–21 RCPCA. This was done under the logic that the RCPCA would be a guiding force for medium- to long-term investments in the country.

#### Current context

Most public investment in CAR is done through externally funded projects, which are monitored through the RCPCA mandate. Externally funded projects, which are assumed to be public investment, have constituted an average 76 percent of total public investment for the last four years (see figure 3.3). These projects are tracked and monitored by the RCPCA Secretariat as they are related to the commitments made on the RCPCA. The RCPCA Secretariat, with the support of the AGIR project, is regularly delivering implementation reports on the RCPCA and is currently implementing the use of KoBoToolbox<sup>31</sup> for the remote tracking of ongoing projects.

FIGURE 3.3. BUDGETED PUBLIC INVESTMENTS BY FUNDING SOURCE, 2017–20



Source: Central African Republic, Ministry of Finance and Budget 2018; 2019; 2020; 2021.

The PIMA assessment evidenced the extremely low capacity for managing domestically financed public investment in CAR. The domestically financed public investment system in CAR is led by the MEPC, specifically its General Directorate for Economic Planning (*Direction Générale de la Programmation Economique—DGPE*). Though the PIMA assessment considered the activities of the RCPCA Secretariat, most of it was focused on the operations of the MEPC, because the formal institutional framework deems this ministry at the helm of PIM. The results of the assessment were discouraging: all but three out of the fifteen elements assessed were marked as having medium practical effectiveness, and the rest were marked weak. Interestingly, though not uncommon, the institutional framework was deemed in much better shape, with the majority of elements scored as having medium effectiveness rather than weak (see box 3.2).

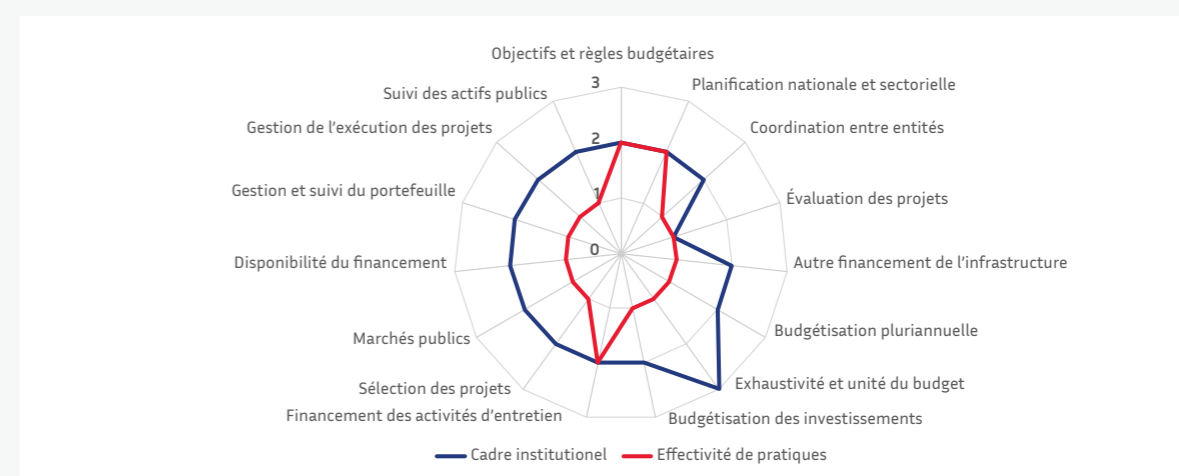
<sup>30</sup> Mainly through the AGIR project.

<sup>31</sup> See <https://www.kobotoolbox.org/>.

### Box 3.2. CAR PIMA assessment highlights

- **Budgetary rules:** These are set in accordance with the commitments made with the IMF and CEMAC, containing the deficit and the debt-to-GDP ratio, and controlling the debt trajectory.
- **National and sectoral planning:** The MEPC is responsible for the execution of national development policy. It houses the RCPCA, whose operationalization and essential articulation with sectoral strategies is the main challenge.
- **Coordination between entities:** To ensure good coordination between non-central entities, a law adopted in 2020 now regulates the governance of public enterprises and establishments. A law on decentralization is being finalized to update the current legal framework, which dates back to 1988.\*
- **Project evaluation:** A 2009 manual on the management and programming of public investments, which has not been used by the sector, defines the relevant concepts and procedures in terms of project management.
- **Other infrastructure financing:** The conditions for infrastructure development are guaranteed by the legal and regulatory framework, while a law governs public-private partnerships (PPP).
- **Multi-year budgeting:** This practice was instituted by an organic law of 2018. However, the provisions of this law have not been fully implemented.
- **Completeness and unity of budget:** The law of 2018 institutes the exhaustiveness and unity of the budget. The law provides, in article 22, that the budgeting of investments be distinguished in commitment authorization and payment appropriation.
- **Capital budgeting:** There is no regulatory or legislative provision that prioritizes the financing and execution of ongoing projects over new projects.
- **Financing of maintenance activities:** To ensure the sustainability of the infrastructure, maintenance and upkeep costs are considered. The budgetary nomenclature provides for budget codes for the upkeep and maintenance of works and equipment.
- **Project selection:** The selection of investment projects is made during the investment budget conference. The Letter Circular, sent to the sectors by the Prime Minister, sets out the priority sectors and four strategic pillars that serve as a reference.
- **Procurement:** Although there is a legal framework dating from 2008, which ensures openness and transparency in public procurement procedures, it lacks a digital platform dedicated to these markets. The revision in this area plans to integrate CEMAC procedures.
- **Availability of funding:** The principle of integrating external financing into the Treasury's single account was instituted with the operationalization of the account in 2017. A central and global commitment plan is maintained by the General Budget Directorate, but the sectoral departments do not have control over their own plans, either in their preparation or in their execution.
- **Portfolio management and monitoring:** The modification of investment projects during the execution phase, according to the distribution of credits between programs of the same ministry or institution or between allocations, is permitted.
- **Project implementation management:** Structural projects are mainly financed from external resources and executed according to the management rules of the donors.
- **Monitoring of public assets:** The normative framework for public financial management in CAR provides for asset accounting, but this is not yet practiced.

FIGURE B3.2.1. ASSESSMENT OF CAR PUBLIC INVESTMENT MANAGEMENT INDICATORS BASED ON PIMA METHODOLOGY



Note: Scores of 1–3 denote weak, medium, and strong capabilities.

Source: ZAC 2021.

\*Since, the decentralization and territorial administration laws were enacted in February and December 2020 respectively.

**Among the challenges, one bottleneck stands out within the process of selecting and budgeting projects: the initiation of new projects that take over funds needed to conclude others.** Although the 2018 finance law requires a differentiation between engagement authorizations and payment credits on the public investment budget, the practice has not been adopted. This means a public investment project could outspend the treasury availability through the year, hence creating a liability. Importantly, this liability spills through new and ongoing projects, and there is no regulatory or practical provision to protect the conclusion of ongoing projects over new ones. Consequently, new liabilities can be created while arrears are accumulated on ongoing projects (2AC 2021).

**Weak procurement planning at all levels causes erratic payments and physical advancements.** This challenge, which is a part of the overarching challenge of weak procurement systems, also affects PIM. Procurement plans are not developed in time or accurately, which then hinders in-year treasury management, eventually causing long delays in payments which halt constructions (see section 3.6.2, Public Procurement System).

**There are no decentralized public investment provisions, and regional equity is not considered in the planning.** There is no capacity outside of Bangui for public entities to contribute to or carry out any of the stages of PIM. In addition, the public investment program prepared does not reflect regional considerations. That is, the program does not note the location of the beneficiaries of projects and hence it is not possible to assess the regional impact it would have.

#### *Bottlenecks to service delivery*

**The interactions between domestically and externally funded public investment budget expenditures in social sectors are affecting the capacity to deliver domestically financed infrastructure.** Spending units have assumed the reality that most infrastructure is externally financed and hence focus mainly on other expenditures that would fall under that line, such as small maintenance works, vehicles, and office furnishings. This means the domestically financed PIM system has not developed the capacity to manage infrastructure projects but rather focuses on lower-cost short-term interventions that are unlikely to be transformational. This is reflected in the public investment program, where multiple expenditure lines could hardly be called public investment.<sup>32</sup>

**The challenge to enhance PIM systems is one of supply and demand.** The low capacity of the PIM system would not allow for a considerable scale up of the quality and level of domestically financed public (capital) investment (supply). At the moment there is little demand for enhancements of the PIM system as there are no allocations for more long-lasting public investment, that is, infrastructure.

**The absence of decentralized public investment planning limits base communities' ability to effectively influence local development.** Base communities<sup>33</sup> currently have no way of participating in the development of the public investment program. Their role in formulation of local development plans has been laid out in the 2020 Decentralization Law, but the mechanisms for these plans to influence said program have not been developed. Importantly, this means communities have no influence over the capital resources that could be allocated to improve the health and education of their members.

## 3.6.2. Public procurement system

### *Developments since 2013*

**The procurement system has not been at the forefront of GoCAR's reform agenda, and despite some technical assistance from the World Bank, much remains to be done to enhance the system's transparency and efficiency.** The AGIR project aimed to provide technical assistance to sensitize participants in the procurement process, as well as office and computer equipment and training and capacity building to strengthen the procurement processes. Also, the projects would establish a simple procurement monitoring system within the General Directorate for Procurement (*Direction générale des Marchés Publics*—DGMP) and in the procurement units of the targeted ministries, including health and education. Furthermore, support would be provided to the Public Procurement

Regulatory Agency (*Autorité de régulation des marchés publics*—ARMP) to undertake mandatory procurement audits. Some of this support, not all of which was provided as priorities and timelines shifted, helped deliver the Annual Procurement Plans for all ministries. AGIR support also allowed for some notices for public bidding to be published, and the 2017 and 2018 audits to be carried out; the audit for 2019 is ongoing. The audits show the extent to which inappropriate procurement practices are carried out.

### *Current context*

**The GoCAR's procurement system has very little capacity to meet minimum standards of effectiveness and transparency.** The system is comprised of the regulatory agency ARMP, the implementing agency DGMP, and the deconcentrated service agencies (*Services de Passation des Marchés publics*—SPMPs) (see box 3.3). The different roles between these agencies could be better legally defined, but more importantly, they are not well understood by agents in the process. The ARMP and the SPMPs exhibit very low capacity and can hardly be said to deliver their mission. Indeed, SPMPs are consistently bypassed within their own ministries and hence do not fully control or monitor all procurement processes with their entity. There is no capacity for procurement processes to happen outside of Bangui. Last, the whole system is ruled by a 2008 law that is in urgent need of an update, which could include elements like the online publication of bidding documents.

### **Box 3.3. Public procurement agencies and performance**

**The regulatory authority:** The Public Procurement Regulatory Agency (*Autorité de régulation des marchés publics*—ARMP) has an (ex post) regulatory role along with the leadership on policy and capacity building. The ex post regulation of procurement processes is carried out mainly through a Committee for the Management of Complaints (*Comité des Règlement des Différends*—CRD) that would rule on contentious cases. This CRD has not ruled on contentious activities in years, while the last known case still not ruled on dates from 2015. The CRD is currently for all practical purposes inactive due to a lack of qualified personnel and operating budget.

**The control authority:** The General Directorate for Procurement (*Direction générale des Marchés Publics*—DGMP) is housed at the Ministry of Finance and serves as the control authority, overseeing (ex ante) the larger part of procurement processes. The DGMP examines and approves procurement plans for spending agencies, including the type of procurement process selected (for example, single source versus open market). A review of the records of the DGMP in 2019 exhibited a worrisome use of “emergency” or extraordinary contracting procedures. Specifically, of the 80 opinions issued by the DGMP:

- 47 non-objections were granted for contracts by direct agreement due to “emergency” or “extreme emergency”;
- 9 non-objections were formulated for direct agreement procedures following unsuccessful tenders; and
- 24 objections were formulated, yet it was also noted that some contracting authorities exceed the refusal to grant authorization to change the method of procurement.

**The deconcentrated implementing authorities:** The Ministry of Health and the Ministry of Education host pilot deconcentrated service agencies (*Services de Passation des Marchés publics*—SPMPs). These SPMPs are expected to carry out the procurement processes not only for their respective ministries but also for a set of other ministries.\* These SPMPs were supposed to be financed by charging fees for their services but this capability has never been properly developed. Hence the units are left with no resources and their roles are mainly effectively taken over by the Resource Management Units of each ministry.

*Source:* 2AC, 2020.

\*The Ministry of Health handles 9 other ministries and the Ministry of Education handles 12.

<sup>32</sup> As an illustration, the Ministry of Health proposed the purchase of bug repellent nets as part of its public investment program (République Centrafricaine 2020).

<sup>33</sup> From the term “Comunités de Base” used in the decentralization law to refer to the non-formalized local communities that would then be represented by the formal local governments.



### *Bottlenecks to service delivery*

In the education sector, where domestic funding is the main source or service-oriented purchases, the low capacity and transparency of the public procurement system is leading to overpriced purchases. Goods and services exhibit the highest levels of budget execution within operational expenses, yet as mentioned above these purchases are rarely carried out through the legally required procurement processes. A good example of the consequences is mentioned in Chapter 3 on Education, where the high cost of textbooks is highlighted as a constraint to budget efficiency and service delivery.

In the health sector, the deficiencies of public procurement of medicines led to the establishment of an autonomous agency that would later financially collapse, driving external donors to develop other alternatives to provide support. The now-defunct national medicine supply unit (*Unité de Cessions des Médicaments—UCM*) was created in 1994 as a technical unit within the Ministry of Health. The UCM was then transformed into a statutory body (*établissement public*) with its own governance bodies. Its main sources of revenue were donor contributions and budget appropriations, through a dedicated fund. However, declining contributions and a high cost base (including labor costs) led to growing financial difficulties. UCM accumulated losses and significant bank debt and trade arrears, with liabilities reaching almost CFAF 2 billion in 2016. As a result of these problems, donors became less and less willing to support UCM. Currently, it is non-operational, although it retains significant assets (including two warehouses used by the Global Fund and the World Food Programme) and some personnel.

### **3.6.3. Human resources management**

#### *Developments since 2013*

The GoCAR has come a long way from a point of high absenteeism driven by salary arrears and security threats in 2013. By March 2014 the GoCAR had accumulated five months of arrears in addition to fifteen months of unpaid pensions and suppliers' invoices, creating a major disruption (absenteeism) in the provision of public services, due to weak motivation on the part of civil servants (World Bank 2020). Through support from the World Bank, arrears were cleared and civil servants steadily returned to their posts where the security allowed. During this time, and after, the GoCAR also focused on enhancing the management of its payroll and made efforts to control attendance.

The GoCAR has made important strides in consolidating its payroll management system. The payroll has been consistently audited since salary arrears were cleared in 2014. Moreover, the monthly process for the payment of the payroll has been made faster and more reliable as the payroll management system GIRAFFE has been made to directly connect to commercial banks. Last, mobile payments have been instituted as an option for civil servants who are paid through the participating commercial banks and agree to sign up.

#### *Current context*

The GoCAR's HR and payroll management systems are disjointed and have consistently been updated at different paces, resulting in significant information asymmetries. The update of HR information on the payroll system has been in GoCAR's reform agenda since 2013. At the time, new civil servant recruits were being added to the payroll without inputting their information on the HR database, leading to a 16.9 percent increase in payroll between January and December 2013. An update of the HR information was rolled out at the time of clearing the salary arrears of 2013, but the information was not kept updated. Advances have been slow—mainly because the HR system is a disorderly accumulation of civil servant's career information held in physical dossiers at the Ministry of Civil Service (*Minister du Fonction Publique*) with no reliable process for consistent updates. Consequently, the "interconnection of systems" has been done by updating as much information possible on the payroll management system GIRAFFE.

The payroll and HR systems are completely centralized, causing absences from posts whenever civil servants need any administrative HR service. No remote access to the systems has been developed and most modifications or additions to the information must be done through in-person requests in Bangui. This causes an obligation for civil servants to have to leave their posts and go to Bangui whenever any administrative issue arises. Note that formally the regional representations of the respective ministries (for example, the District Offices for Health)



should be the recipient of said requests, which they would then forward to Bangui for processing. Notwithstanding, civil servants have little trust in this system<sup>34</sup> and prefer to travel to Bangui to make sure the issues are resolved.

**Importantly the systems fail to provide any nuanced approach or incentives to posting civil servants outside of Bangui.** Many of these outside postings are in underserved areas, with no access to electricity, running water, and other public services, and have constant security threats. Civil servants hence have a clear preference for posting in Bangui or close to it. There is no incentive structure developed to address this justifiable preference, which partly drives absenteeism outside of Bangui. The civil servants with postings outside of Bangui are supervised by the respective ministry's deconcentrated departments, that is, health districts and school inspectorates, as well as the prefecture offices. Health districts, school inspectorates, and prefectures are entitled to supervise civil servants' performance, including attendance, and to report back to their respective human resources. However, the process through which an unjustified absence turns into a salary stoppage<sup>35</sup> can take three to six months, while the respective public service suffers from the absence (for example, the children are not taught).

#### **Bottlenecks to service delivery**

**The combination of hyper-centralization of HR administrative capacity, lack of local payment capacity, and lack of incentives to work outside of Bangui, causes absenteeism affecting the quality of education and health services outside of Bangui.** As explained in detail in the respective chapters, the quantity and capacity of human resources outside of Bangui is a clear constraint to the quality of health and education services. These challenges are all related to the overarching problems of (i) the absence of local payment capacity, which means civil servants have to go to Bangui, or the nearest Bank Agency which is usually many hours away, to collect their salaries; (ii) the absence of an HR policy that rewards or recognizes civil servants appropriately when they are posted outside of Bangui; and (iii) the absence of an HR system that can manage the long-term and short-term career performance of civil servants. This latter system would also need to have the ability to discern whether the civil servant is indeed in their post and react immediately if they are not.

**Moreover, the absence of local payment capacity extends to the domestically financed SP sector, which continues to use antiquated payment systems.** For example, the higher education scholarships, which amount to about half of nationally funded SSN programs, are paid in cash in Bangui in the respective university using a list of beneficiaries. The rest of the cash transfers program uses costly mechanisms, financed by external donors, to reach areas outside of Bangui. This means, if the domestically financed SP system were to expand, the payment system would need to be updated to be able to extend to areas outside of Bangui.

### **3.7. RECOMMENDATIONS**

#### **1. Influence the central budget preparation process through budget evaluation and budget policy papers.**

The GoCAR needs to strengthen the social ministries' capacity to evaluate the effectiveness of their own budgets and prepare budget proposals that include the learnings from these evaluations. As discussed in previous chapters the sectoral budgetary allocation needs to be improved, as well as the allocation of expenditures within sectors. In order to do this, the ministries must present the technical cases for such changes at the budget hearings, along with their respective procurement plans. The GoCAR must ensure that the ministries have the capacity to present these cases by developing the right capabilities in the respective ministries. This could be accomplished by charging the MEPC with improving sectoral planning capabilities.<sup>36</sup>

<sup>34</sup> Arguably justifiably, as the processes by which the regional offices would represent the civil servant are not clear.

<sup>35</sup> The process can take many forms, but they all include a local supervisor informing the central unit (in Bangui) of an unjustified absence and the central unit eventually contacting the MFB's Payroll Directorate (*Direction de Solde*) to stop payments. In its longest form, the Prefect will report to the respective ministry's Resources Management Directorate (*Direction de Gestion des Ressources*) of the civil servant's absence, which will in turn submit the claim to their local inspectors for corroboration, and once/if corroborated the Directorate will inform the Wage Bill Directorate. According to one of the Prefects this process can take from three to six months, as the central Directorates take their time in responding to the claims, which are made in the form of an official letter transported to the central unit. Importantly, the Prefect stated that all civil servants who have gone through salary stoppage have immediately reported back to work.

<sup>36</sup> Indeed, the MEPC has already been carrying out trainings on Sectoral Planning.

#### **2. Select and bring to maturity a domestically owned pilot infrastructure project.**

**The GoCAR needs to carry out pilot infrastructure projects in the respective sectors using the domestic public investment and procurement systems.** This would develop a space to learn and enhance capabilities fundamental to a sound PIM system. The sector ministries would work with the MEPC with the explicit goal of carrying forward certain pilot infrastructure projects. Innovative financing models could be explored, including one in which external funds are used but the use of local systems is required. Importantly, the pilot would require the involvement of each stage of the local systems and test their readiness for carrying out larger infrastructure projects.

#### **3. Select and fully train over the course of a year a class of civil servants involved in every step of the chain of procurement.**

**The GoCAR should consider a sector-focused approach, where the whole chain of procurement for a specific sector is strengthened.** Start with capacity building in the SPMPs of health and education and their respective resource management units. Then build capacity in the team within the DGMP that manages the sectors, and then the team at ARMP that would review the sectors. The objective would be to make sure that each step of the procurement chain works, but by intervening in sectors instead of trying to strengthen the whole system, at first. In addition, the capacity building interventions would also encourage enhancing the transparency of the process, prioritizing the publication of regulations, bids, and awards through the respective sectors networks. A milestone to this approach would be the yearly procurement plans which, if done optimally would be submitted and reviewed and published during the budget approval phase, and not after, as it is now the case. These interventions would be carried out with the dual objectives of (i) assuring compliance with the legal processes and (ii) enhancing the transparency of the processes.

#### **4. Carry out a pilot procurement process outside of Bangui.**

**The GoCAR should consider pilot procurement processes to be carried out by regional deconcentrated entities, outside of Bangui.** Developing the capacity for regional authorities (such as prefectures) and/or sectoral deconcentrated entities (such as health district authorities) to carry out procurement processes should be a priority as it could have considerable economic impact in the relevant localities. A way to start would be to select one or two prefectures for a pilot program where civil servants are trained and closely monitored by either the sectoral procurement units, the DGMP, or the ARMP.

#### **5. Develop a fiscally sustainable HR policy that incentivizes taking up postings outside of Bangui.**

**The GoCAR needs to develop an HR policy that will create incentives for health and education workers to accept and complete postings outside of Bangui effectively.** This means developing a policy that builds an incentive structure that considers financial and non-financial benefits. These could include limiting postings outside of Bangui to three years of service with the assurance that after these three years the civil servant will be offered a different, possibly easier, posting. It can also include diminishing the hardship conditions through low-cost services, such as relocation campaigns, where civil servants are offered transportation to and from their posting (or a central location near it) twice a year. Each sector should develop a policy appropriate to the situation of their workers, but they will need to work with the MFB and MEPC to ascertain the fiscal sustainability of the policy.

#### **6. Set up an effective human resource management information system (HRMIS), an attendance records system, and HR administrative hubs outside of Bangui.**

**For the above policy to be implementable the GoCAR needs to develop first an HRMIS and an effective attendance records system.** In order to manage the long-term performance of civil servants strategically, the respective ministries must first be able to manage details of the career track record of their health and education workers. For this an HRMIS needs to be developed, and this system needs to have a connection to the salary payment system GIRAFFE. Once this system is developed, and the policy above is rolled out, the ministries must have a method to ascertain attendance outside of Bangui and, crucially, to immediately react through the sanctions presented in the policy (for example, suspension of salary).

**In addition, the HR system created needs to have a deconcentrated capability, that is, the information can be modified by the appropriate entities outside of Bangui.** The deconcentrated units of the respective ministry—

such as the health district, education inspectorate, or protectorate offices—need to have access to the HR system, thus allowing civil servants to carry out HR administrative procedures on location. As such, development of the system needs to account for the limited infrastructure and capacities outside of Bangui.

**7. Explore payment solutions at the location of service delivery, including, but not limited to, mobile payments.**

**Last, the issue of local payment capacity needs to be addressed through innovative methods, including, but not limited to, mobile payments.** Mobile payment systems for salaries could also be extended to other payments, such as those related to SP. However, the introduction of mobile payments of government salaries and benefits needs to be accompanied by a broader national policy for the development of a mobile payments economy. That is, the roll out of mobile payment of salaries needs to think through how civil servants and beneficiaries will turn the payment into actual consumption in their communities when/if suppliers in the community don't use mobile payments. This entails both thinking through the cash-out methods, but also other measures to incentivize cash-in from agents other than civil servants, such as the mobile payment of public services such as electricity. In addition, the GoCAR needs to carry out a more active exploration of the establishment of new bank agencies outside of Bangui.<sup>37</sup>

**TABLE 3.1. PROPOSED REFORMS**

Proposed reforms	Time frame	Action: What to do concretely	Expected impact	Institutions
Strengthen the social ministries' capacity to evaluate the effectiveness of their own budgets and prepare budget proposals that include the learnings from these evaluations.	Short to medium term	<ul style="list-style-type: none"> <li>Prepare a learning program for the respective units with the aim of developing a budget policy paper by the time of the first budget hearing of 2022.</li> <li>Involve the MEPC in the learning program, especially the modules related to sectoral planning.</li> </ul>	<ul style="list-style-type: none"> <li>A higher and more efficient budgetary allocation for the respective ministries based on sound technical inputs.</li> </ul>	<ul style="list-style-type: none"> <li>Social Sector Ministries -Resources Management Directorate</li> <li>Ministry of Economy and Plan—Economic Programming Directorate</li> </ul>
Carry out pilot infrastructure projects in the respective sectors using the domestic public investment and procurement systems.	Short to medium term	<ul style="list-style-type: none"> <li>Each ministry selects an infrastructure project proposal to be presented in the 2022 budget hearings. This project proposal will be carried to maturity with the support of the MEPC, by the time of the 2022 budget hearings.</li> </ul>	<ul style="list-style-type: none"> <li>The units involved in the process will gain the know how needed to carry through other infrastructure projects.</li> </ul>	<ul style="list-style-type: none"> <li>Human Development Ministries -Resources Management Directorate</li> <li>Ministry of Economy and Plan —Economic Programming Directorate</li> </ul>
Strengthen the procurement chain with a sector-focused approach.	Short to medium term	<ul style="list-style-type: none"> <li>Select a group of individuals in the ministries' DPMPs, the DGMP, and the ARMP that will over the course of one year receive targeted trainings on procurement processing. The training will have the explicit objective of preparing the respective procurement plans by the date of the first budget hearing in 2022.</li> <li>Develop a procurement process training curriculum through the ENAM.</li> </ul>	<ul style="list-style-type: none"> <li>Train civil servants to carry out effective procurement processes.</li> <li>The 2023 budget will be informed by the respective procurement plans.</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of Health and Education's DPMPs</li> <li>DGMP and ARMP</li> <li>ENAM</li> </ul>

Proposed reforms	Time frame	Action: What to do concretely	Expected impact	Institutions
Develop an HR policy that will create incentives for health and education workers to accept and complete postings outside of Bangui effectively.	Short to medium term	<ul style="list-style-type: none"> <li>Select a policy lead for the education and health ministries and a focal point at the Civil Service Ministry.</li> <li>Prepare series of actions that could be included on the policy and delineate how these will be evaluated.</li> </ul>	<ul style="list-style-type: none"> <li>Increased recruitment and permanence in posts outside of Bangui</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of Health and Education's policy leads</li> <li>Ministry of Civil Service</li> </ul>
Develop an HRMIS and an effective attendance records system in human capital development sectors.	Short to medium term	<ul style="list-style-type: none"> <li>Create a working group to lead the development of the HR system and establish a work program.</li> <li>Ensure the system is operationally linked with the payroll system and any discrepancies are documented and addressed.</li> </ul>	<ul style="list-style-type: none"> <li>Effectively manage civil servants' long-term careers</li> </ul>	<ul style="list-style-type: none"> <li>Ministries of Education and Health</li> <li>Ministry of Civil Service</li> <li>ONI</li> </ul>
Local payment capacity needs to be addressed through innovative methods, including, but not limited to, mobile payments.	Short to medium term	<ul style="list-style-type: none"> <li>Create a working group to select and lead the initiatives of local payments to health and education workers. Delineate possible solutions and how these will be evaluated. Prepare working program.</li> </ul>	<ul style="list-style-type: none"> <li>Increase access to salary payments outside of Bangui</li> </ul>	<ul style="list-style-type: none"> <li>Ministries of Education and Health</li> <li>Ministry of Finance and Budget</li> </ul>

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<sup>37</sup> For example, the National Strategy for the Restoration of State Authority (*Stratégie Nationale de Restauration de l'Autorité de l'Etat en centrafricaine*) proposed establishing bank agencies within the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic (MINUSCA) bases outside of Bangui as a way to ensure their security. The initiative was never followed through.



## CHAPTER 4. EDUCATION<sup>38</sup>

<sup>38</sup> The authors of the education chapter are Cristelle Kouame and Pierre-Emmanuel Couralet. Boubakar Lompo, Aristide Elysee Houndetoungan and Oulimata Ndiaye provided valuable contributions.

## 4.1. INTRODUCTION

This chapter provides an overview of spending in CAR's education sector; analyzes the adequacy, efficiency, and equity of public spending in the sector; assesses teacher management; and provides recommendations to improve alignment of spending with sector needs. The chapter reviews the key characteristics and challenges of the education sector and its financing, with a focus on levels, sources, composition, and allocation, to derive recommendations on how to increase the adequacy, sustainability, and efficiency of education spending, which is critical to rebuild the sector. The analysis and recommendations build on the recent Education Sector Plan (ESP) 2020–2029 (MPSE, MPSTA, MSRTI, and MES 2020).

This chapter is structured into five sections which provide: (i) an overview of the education system including sectoral goals and policies; (ii) an analysis of education sector financing in CAR, with special attention to adequacy, efficiency, and equity considerations; (iii) an assessment of challenges with teacher management and strategic priorities for managerial improvement; (iv) a synopsis of financing needs and sustainability of education spending, and (v) recommendations. The analysis in this chapter focuses on actual government spending, and specifically spending of the four ministries of education. Lastly, data used for this chapter as well as their limitations are detailed in Appendix A1.5.

## 4.2. OVERVIEW OF THE EDUCATION SYSTEM

### 4.2.1. Sectoral Goals and Priorities

CAR's RCPCA-CEM 2017–2023 acknowledges education as a national priority and emphasizes its importance for renewing the social contract between the state and the population. Improving the provision of education, a critical determinant of the quality of human capital, aligns with the government's objectives for fostering social cohesion and peacebuilding through the provision of basic services throughout the territory. The government's vision for the education sector, derived from the RCPCA, is that all communities should have access to quality education, which will contribute to reducing regional disparities, identified as one of the root causes of conflict. The government plans to achieve this through the implementation of the Education Sector Plan (ESP) 2020–2029, adopted in May 2020.

The primary goal of the ESP 2020–2029 is to rebuild the education system and contribute to the development of a human capital that is productive and able to bring strong, inclusive, and sustainable growth. More specifically, the ESP is structured around four strategic axes: (i) increase equitable access to education and training; (ii) train, recruit, and deploy a large number of teachers throughout the country; (iii) improve the quality of education; and (iv) reform sector governance and increase funding for the education system (see figure A1.1 in Appendix A1.1).

Challenges related to the implementation of the ESP have been exacerbated by the COVID-19 pandemic and elections turmoil in 2020 and early 2021. The government's commitment for the first year of the plan has not been realized. First, the ESP has not received near its budget requirements. Budget allocation to the education sector (as a percentage of total government spending) was expected to increase from 13.3 percent in 2019 to 15.8 percent in 2021. Second, authorities were not able to implement key reforms related to teachers that were envisioned to begin in the 2020–21 school year.

### 4.2.2. Organization of the education system

#### EDUCATIONAL OFFER

CAR's formal education system uses a 3-6-4-3 structure from preschool education to the end of secondary education (see figure A1.2 in Appendix A1.1). Preschool education is offered for three years to children 3–5 years old. Basic education spans 10 years and is divided into 6 grades for primary education and 4 grades for lower secondary. Primary and lower secondary education are classified as universal education (*enseignement fondamentale*, F1 and F2) and cover ages 6–15. Three years of upper-secondary education follow, leading to the Upper Secondary Education Certificate (*Baccalauréat*). Higher education and research (HER) is divided into

three levels corresponding to the bachelors-masters-doctorate (*Licence Master Doctorat—LMD*) degrees: these programs last three, two, and three years respectively. Both secondary and higher education include technical and vocational education and training (TVET).

Total student enrollment in both public and private schools stood at 1.4 million in 2018–19 out of a population of around 4.7 million,<sup>39</sup> with a median student age of 17. The private sector plays a significant role and accounts for 18 percent of total student enrollment. As shown in table 4.1, private schools represented 67 percent of enrollment at the preschool level, 15 percent at the primary level, 29 percent in secondary general education, 12 percent in secondary TVET, and 21 percent in HER.

TABLE 4.1. STUDENT ENROLLMENT IN CAR, 2018–19

	N	% Private	% Girls
Preschool	36,943	67%	51%
Primary	1,168,377	15%	44%
Secondary (excluding TVET)	170,139	29%	37%
Secondary (TVET)	6,061	12%	24%
HER	16,450	21%	36%
<b>Total</b>	<b>1,397,970</b>	<b>18%</b>	<b>43%</b>

Source: EMIS 2018–19.

#### EDUCATION ADMINISTRATION

CAR's education system was the responsibility of four ministries of education until June 2021. The Ministry of Primary and Secondary Education (MPSE) is responsible for preschool, primary, and secondary education; the Ministry of Technical Education and Literacy (MTEL) for technical and vocational education and training, including literacy; and the ministries of Higher Education (MHE) and Scientific Research and Technological Innovation (MSRTI) are both responsible for the tertiary sector. Following recent formation of the new Central African government on June 23, 2021, the sector is now managed by two ministries: (i) the Ministry of National Education, which is the fusion of MPSE and MTEL; and (ii) the Ministry of Higher Education and Research, which is the fusion of MHE and MSRTI.

Eight other ministries as well as the Presidency of the Republic finance education activities until June 2021. The supervision of preschool education is shared between MPSE and the Ministry for the Advancement of Women's and Children's Affairs (*Ministère de la Promotion de la Femme de la Famille et de la Protection de l'Enfant—MPFFPE*), which currently is the main provider of early childhood education. Vocational education is provided by several other ministries, including the Ministry of Labor, Employment, Training and Social Protection (*Ministre du Travail, de l'Emploi et de la Protection Sociale et de la Formation Professionnelle—MTEFPS*) and the Office of the President of the Republic (in charge of the supervision of National Pioneer Youth centers). Lastly, education and training in agriculture are under the mandate of both the Ministry of Agriculture and Rural Development and the Ministry of Livestock and Animal Health.

The administration structure of CAR's education system is organized into three levels: central, regional, and school levels. The central level (that is, the ministry level) is responsible for policy making and the overall strategic coordination of the education sector. The second level is the regional level; it implements policies and coordinate education services. MPSE is the only ministry that has a deconcentrated governance structure with regional

<sup>39</sup> As per World Population Prospects 2019 revision.

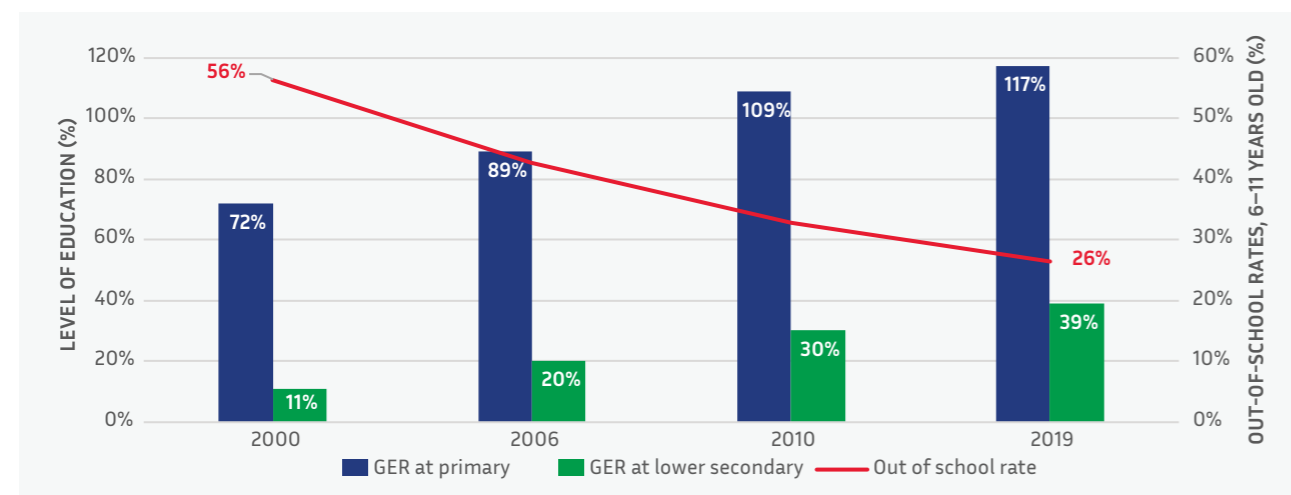
management units called school inspectorates (SI). There are in total 8 SI broken down into 21 school districts (*circonscriptions scolaires*) and 104 school subdistricts (*secteurs scolaires*). Each SI supervises in-service teacher training, inspection of primary and secondary schools, provision of textbooks, and school supplies. Lastly, schools are found at the third level and are responsible for delivering and coordinating teaching and learning services, as well as responsible for the maintenance of school buildings.

### 4.2.3. Key education performance indicators

#### HISTORICAL CONTEXT

CAR has made some progress in ensuring access to education for all school-age children and adolescents since 2000. Estimates from the Multi Indicator Cluster Surveys (MICS) show that the gross enrollment rate (GER) at the primary level stood at 72 percent in 2000 and increased to 109 percent in 2010 and to 117 percent in 2019 (see figure 4.1). However high GER rates in 2019 do not reflect universal access to primary education, but rather high repetition rates, delayed entry, and a large proportion of over-age children (see section 4.2.3). At the lower secondary level, improvements have been much weaker with a GER increase from 11 percent in 2000 to 39 percent in 2019, reflecting low transition from primary education to lower secondary. Finally, there has been a reduction of the out-of-school rate among students ages 6–11, from 56 percent in 2000 to 26 percent in 2019.

**FIGURE 4.1. GER TRENDS BY LEVEL OF EDUCATION AND OUT-OF-SCHOOL RATES AMONG STUDENTS AGES 6–11 SINCE 2000**



Sources: MICS 2019 (authors' calculation); MICS 2000, 2006, 2010 (CAR EBESP project appraisal document).

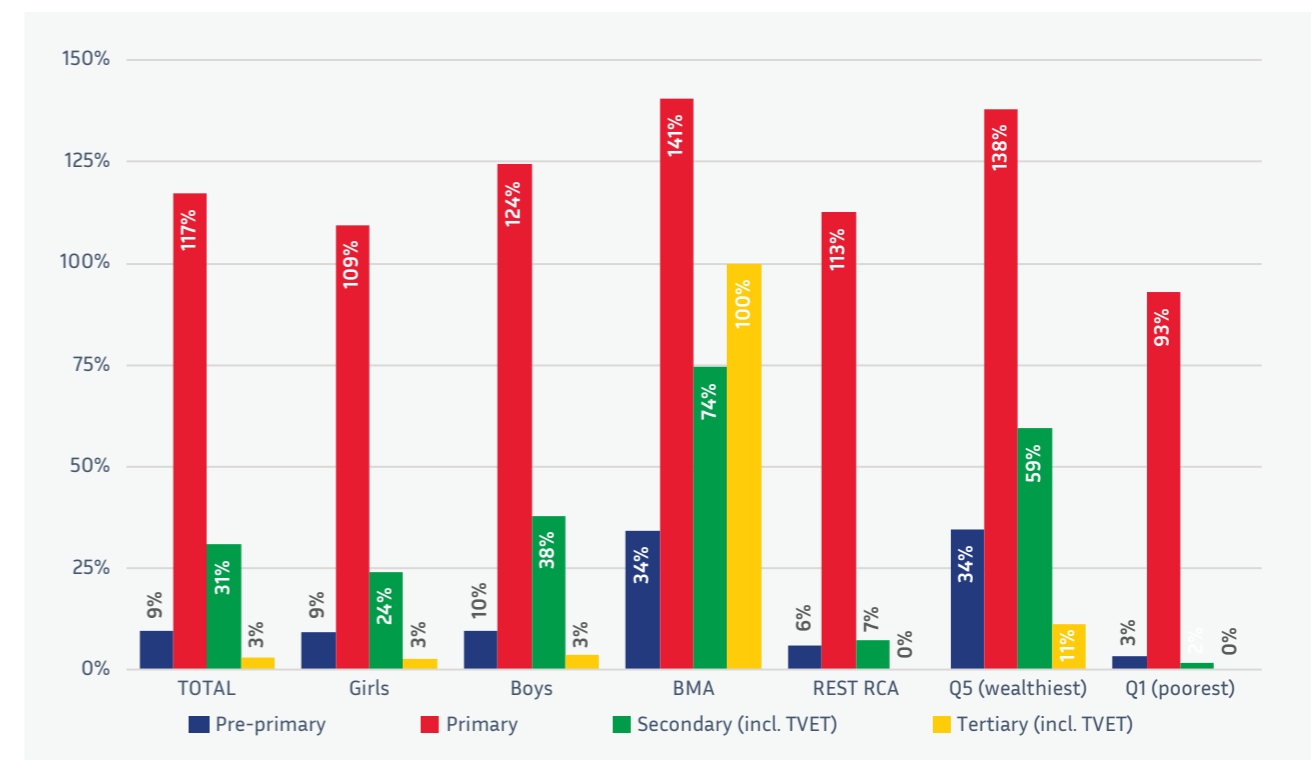
CAR's limited progress over the past 20 years can be explained by the multiple and prolonged periods of conflict that have further weakened an already low-performing education system. Since gaining its independence, CAR has completed just two peaceful transitions of power, one in 1993 and one in 2016. The country's most recent major conflict began in early 2013, leading to the formal system ceasing to function for two years in most regions of the country. In 2020, the COVID-19 pandemic led to the closure of schools from March 2020 until the start of the school year in October 2020; and a few weeks after returning to school, learning was again interrupted by pre- and post-election unrests in late 2020. Many schools were forcibly shuttered, occupied, or damaged in 11 out of 16 of the country's prefectures. As a result of these successive cycles of violence and conflict, CAR was not able to achieve the Millennium Development Goals in 2015 and is not on track to achieve the education targets of the Sustainable Development Goals in 2030 (SDG 4).<sup>40</sup>

<sup>40</sup> Target 1 of SDG 4 states that "By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes." See <https://sustainabledevelopment.un.org/sdg4>.

#### ACCESS AND EQUITY OF ACCESS TO EDUCATION

As of 2019, access to education remains inequitable and limited at all levels of education, with poorer children, girls, and students living outside of Bangui areas especially affected. The GER stood at 117 percent at the primary level, but only 9 percent at the pre-primary, 31 percent at the secondary (including TVET), and 3 percent at the higher education level (including TVET) (see figure 4.2). Access is lower among girls, children living outside Bangui Metropolitan Area (BMA), and children from poorer households. Girls register a lower GER at all levels of education (for example, 109 percent at the primary level in comparison to 124 for boys; see figure 4.2). Children living in BMA register a GER of 141 percent at the primary level as opposed to 113 percent in the other regions of the country. Furthermore, the gap in access to education between children from the poorest quintile and richest quintile is wide and increases with each level of education—the GER is 9 percent for the poorest and 83 percent for the richest quintile at the lower secondary level.

**FIGURE 4.2. GER BY LEVEL OF EDUCATION, GENDER, AND AREA OF RESIDENCE**



Sources: MICS 2019, authors' calculation.

Approximately half a million children and youth ages 6–18 in CAR are not in school, with girls being the most disadvantaged. As shown in table 4.1, about 26 percent of children ages 6–11, 24 percent of those ages 12–15, and 49 percent of youth ages 16–18 were out of school in 2019. The incidence of being out-of-school tends to be higher among girls than boys across all age groups.<sup>41</sup> As highlighted in the Skills Training and Youth Employability ASA phase II (P171903), these high out-of-school rates could be explained by the following factors: (i) the prolonged periods of conflict, which have resulted in the displacement of many children and youth and a large number of refugees (see above); (ii) the supply and demand-side constraints linked to accessing education (see below); (iii) the poor quality of education as reflected by high repetition rates, large proportion of overaged students, and low returns of education (see below); and more recently (iv) school closures due to the COVID-19 pandemic.

<sup>41</sup> Out-of-school rates are 30 percent for girls compared to 23 percent for boys among ages 6–11, 30 percent for girls compared to 18 percent for boys among ages 12–15, and 64 percent for girls compared to 33 percent for boys among ages 16–18.

**TABLE 4.1. OUT-OF-SCHOOL CHILDREN AND YOUTH AGES 6–18, BY GENDER**

Age group		Total	Girls	Boys
6-11	%	26%	30%	23%
	N	210,780	119,152	91,628
12-15	%	24%	30%	18%
	N	125,765	78,419	47,346
16-18	%	49%	64%	33%
	N	164,565	107,659	56,906
6-18	%	29%	35%	23%
	N	501,110	305,230	195,881

Source: MICS 2019 and WPP 2019, authors' calculation

In CAR, there is a mix of critical demand and supply-side constraints to accessing and completing basic education. On the supply side, CAR has: (i) an insufficient number of schools and a huge deficit of classrooms at the primary and secondary levels (see section 4.3.3); and (ii) a huge lack of qualified teachers, especially outside Bangui, which proves to be a major bottleneck in terms of access to education (see section 4.4). On the demand side, there are multidimensional barriers in accessing and completing basic education. Low enrollments, especially at post-primary, can be primarily explained by households' financial constraints and low returns to education. Moreover, social and gender norms are unfavorable to girls' schooling. Appendix A1.1 presents the detailed assessment on these constraints.

## EDUCATIONAL OUTCOMES

### Learning outcomes

The quality of education, as measured by learning outcomes, is extremely poor. According to the 2006 CONFEMEN Educational System Analysis Program (*Programme d'Analyse des Systèmes Éducatifs de la CONFEMEN—PASEC*<sup>42</sup>) assessment—the last regional assessment in which CAR participated—the country ranked the lowest, both in French and mathematics, among the 10 French-speaking African countries that participated, with scores of 23.8 out of 100 in French and 28.8 out of 100 in mathematics.<sup>43</sup> More recent results from the 2018–19 Early Grade Reading Assessment (EGRA) carried out in the Bangui SI provide evidence that learning outcomes are still very low;<sup>44</sup> 57 percent of students in grade 2, 41 percent in grade 3, and 20 percent in grade 4 could not read a single familiar word in one minute. The low test scores could reflect, in part, the near-total lack of understanding of the French language used for teaching (on the contrary, Sango is spoken by almost all Central Africans as *franca lingua*).

### Repetition, dropout rates, and overage

High repetition and dropout rates are also reflective of a poor quality of education and result in a high proportion of overaged Central African students. Repetition rates were 21 percent at both primary and lower

<sup>42</sup> CONFEMEN stands for *Conférence des Ministres de l'Éducation des États et Gouvernements de la Francophonie* (Conference of the Ministers of Education of Francophone Countries).

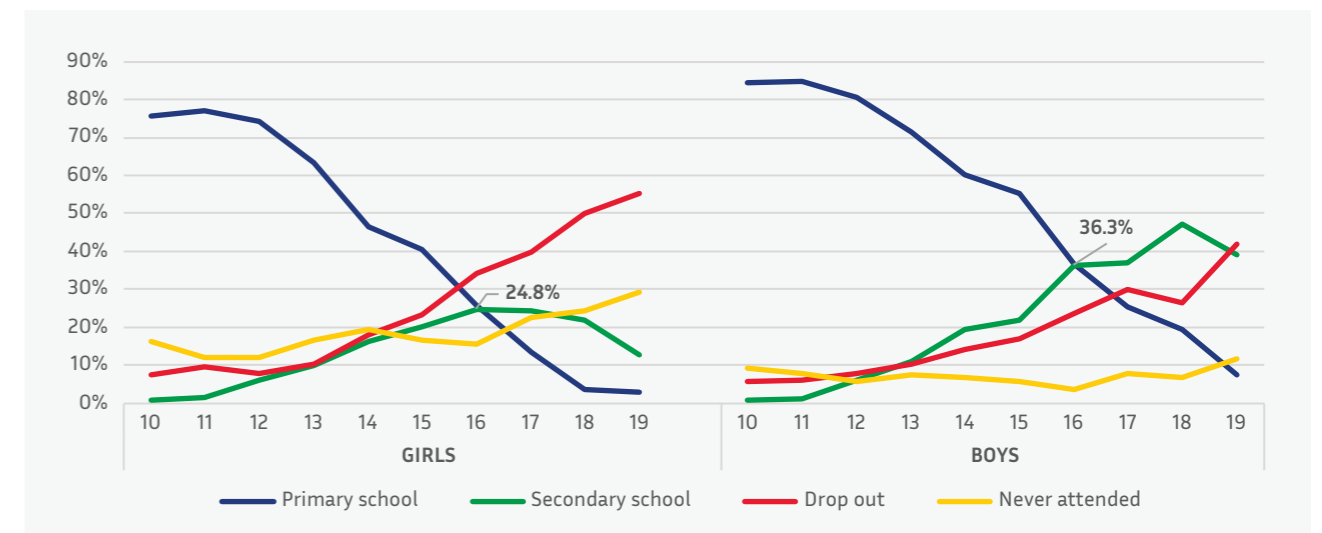
<sup>43</sup> The average score of the 10 countries participating in this evaluation was 38.5 out of 100 in French and 40.5 out of 100 in mathematics.

<sup>44</sup> The results of this test are only representative for the Bangui SI. However, as this SI is less disadvantaged than the rest of the country according to all the socioeconomic and educational indicators, the results of this EGRA test must be considered as an upper bound of the level in the other regions.

secondary levels—higher than most African countries such as Ghana (1.8 percent at primary) and Cameroon (12.1 percent at lower secondary).<sup>45</sup> Dropout rates are also high and increase with each level of education, standing at 6 percent, 12 percent and 15 percent at the primary, lower, and upper secondary levels, respectively.<sup>46</sup> High repetition and dropout rates are largely attributable to (i) poor learning conditions as shown by high student-classroom ratio (SCR); (ii) the relative high proportion of community teachers who are often unqualified with little or no pedagogical training; and (iii) unprepared children due to abysmal early childhood development and poor child health (see Chapter 5), including stunting and malnutrition (malnutrition is a major cause of absenteeism and attention deficit in the classroom).

As a result of the very low quality of education and long periods of school closure, a high proportion of Central African students are overage (figure 4.3). There are as many students age 16 (31 percent) enrolled in primary school as in secondary school, whereas the official age to enter lower secondary is 12 years. This is an issue for both girls and boys; however, only 50 percent of girls are in school at age 16 (25 percent in primary and 25 percent in secondary) compared to 73 percent for boys (37 percent in primary and 36 percent in secondary). Being overage contributes to having many children and youth out of school.

**FIGURE 4.3. SCHOOL STATUS, AGES 10–19, BY GENDER, ALL CAR**



Sources: MICS 2019, authors' calculation.

### Completion rates

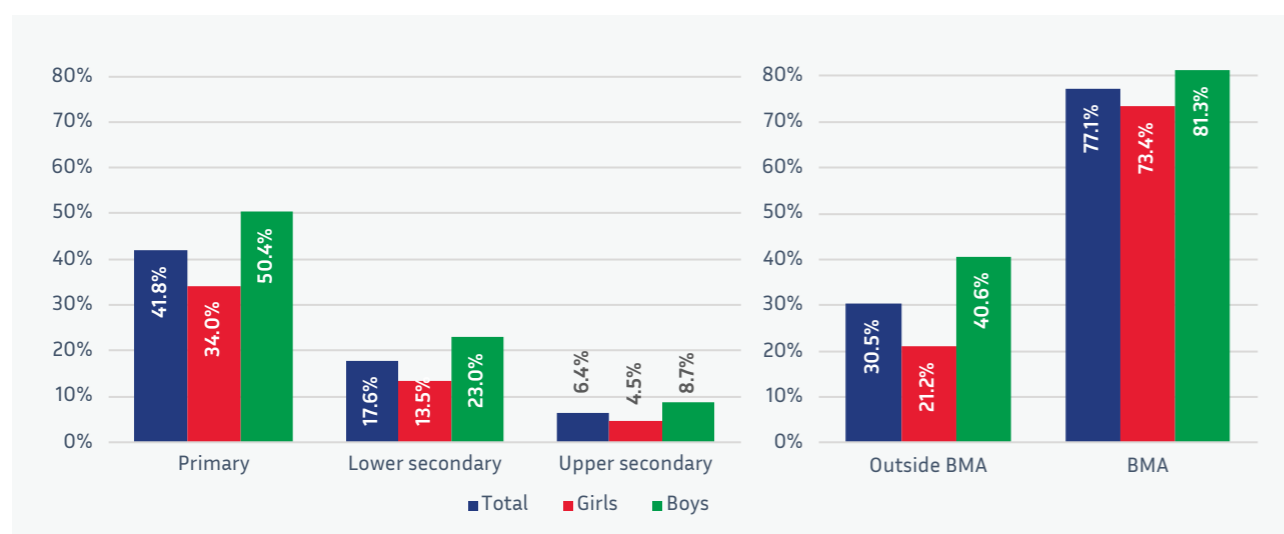
Completion rates are low at all levels of education, especially for girls and those living outside of BMA. As shown in figure 4.4, completion rates at all levels of education by gender (left) at primary and by area of residence (right) indicate that only 42 percent of students ages 16–18 in CAR had completed primary education and only 6 percent of students ages 20–22 had completed secondary education. Only 34 percent of girls ages 16–18 had completed primary education and 13 percent of girls ages 20–22 had completed lower secondary education; completion rates stand respectively at 50 percent and 23 percent, respectively, for boys of the same age groups. Completion rates are even lower among students living outside Bangui, where only 31 percent of students ages 16–18 complete primary education compared to 77 percent of students living in Bangui. Compared to the average for SSA countries, completion rates in CAR are significantly lower. On average, only 59 percent of students in CAR complete primary education as compared to 69 percent in the region; and secondary completion rates stood at 14 percent in CAR compared to 44 percent in SSA (2018).<sup>47</sup> This leaves CAR significantly behind when it comes to progress toward the achievement of universal primary and secondary education.

<sup>45</sup> Sources: Authors' calculation based on EMIS 2018–2019 for CAR and UNESCO Institute of Statistics (UIS) for other countries.

<sup>46</sup> Source: Authors' calculation based on MICS 2019.

<sup>47</sup> Figures based on data from EMIS 2018–2019 and UNESCO Institute for Statistics estimates.

**FIGURE 4.4. COMPLETION RATES AT ALL EDUCATION LEVELS BY GENDER (LEFT) AT PRIMARY AND BY AREA OF RESIDENCE (RIGHT)**



Sources: MICS 2019, authors' calculation.

Note: Completion rate calculated on age groups 2 years older than the official definition, that is, ages 16–18 instead of ages 14–16 for primary.

### Literacy rates and educational attainment of the labor force

Literacy rates are extremely low among youth and many of them lack the basic skills needed to engage into productive labor market activities. As indicated in table 4.3, estimations based on MICS 2019 show that only approximately 24.9 percent of women ages 15–49 were able to read a simple and complete sentence compared to 47.5 percent of men in the same age group. Literacy rates are also low for the younger cohort (see table A1.1 in Appendix A1.1). The educational attainment of youth remains very low as per estimations based on the *Enquête Nationale sur les Monographies Communales* (ENMC) 2018. About 22 percent of the youth ages 15–24 had no formal education, only 44 percent had some primary education, and only about 1 percent had been beyond secondary education. Given these low educational attainments, the youth population will most likely lack basic skills in literacy and numeracy if this issue is left unaddressed.

**TABLE 4.2. LITERACY RATES AMONG WOMEN AND MEN AGES 15–49, BY AREA OF RESIDENCE**

	Women	Men	Ratio W/M
Bangui Metrop Area	68.7%	81.9%	0.84
Rest of CAR	13.2%	37.2%	0.35
Urban areas (-BMA)	33.4%	59.0%	0.57
Rural areas	7.6%	30.4%	0.25
<b>Total</b>	<b>24.9%</b>	<b>47.5%</b>	<b>0.52</b>

Source: MICS 2019, authors' calculations

Note: All persons with minimum lower secondary education are assumed to be literate



## INSTITUTIONAL CHALLENGES AND SECTOR MANAGEMENT

### Institutional challenges

Governance of the education system is fragmented across several ministries and is too centralized to be effective in a large and sparsely populated country. The number of ministries in charge of education has changed six times from 2012 to 2021: three ministries in 2012–13, only one in 2014, two in 2015–16, again only one in 2017, three in 2018, four in 2019–20, and finally two since June 23, 2021. The 2019 Peace Agreement led to the formation of an inclusive government, including different political affiliations and armed groups and a proliferation of ministries and central administrative structures. For example, there were two ministries (MES and MSRTI) responsible for higher education, research, and innovation in 2018–20. These subsectors are interdependent and concentrated in CAR's only public university, the University of Bangui. In addition, MTEL hardly exercises supervision over the many players engaged in vocational education and training (see section 4.2.2). The lack of coordination between the various ministries and the private sector has been highlighted in the National Strategy for Technical Education and Vocational Training in the Central African Republic (SNETFP).<sup>48</sup>

The fragmentation of the governance of the system has created duplication of roles with limited qualified human resources (HR) to manage the sector and support schools. At the central level, until May 2020, all four ministries except MTEL were coordinated by one Permanent Secretary (*Directeur de Cabinet*). All four ministries also rely on the General Directorate for Studies, Statistics, and Planning (*Direction générale des études, des statistiques et de la planification*—DGESP), under the MPSE, to produce the Education Management Information

<sup>48</sup> According to SNETFP, employers' organizations "are not very active in the area of training, which accounts for one of the main weaknesses in the governance of the system" (AFD 2018: 7). "[T]here is neither a coordination entity between these different training centers nor dual supervision with the ministry in charge of vocational education and training, as is the case in other countries" (AFD 2018: 31).

System (EMIS), rendering the statistical units under the other ministries redundant. At the decentralized level, the ESP highlighted (i) the lack of autonomy of SI in the management of the education system, in particular for the recruitment, monitoring, and supervision of teachers, and the organization of end-of-year exams;<sup>49</sup> (ii) the lack of administrative buildings, which limits the implementation of monitoring and supervision activities of schools; and (iii) the unequal size of school districts and subdistricts, which range from 25–71 public primary schools per school subdistrict in the North SI to 3–10 in Bangui SI.

### Sector management challenges

**CAR's current education sector management is weak and driven by critical constraints in teacher management and payment.** First, HR management is inadequate and characterized by irregular pre-service training, absence of regular and sustainable recruitment practices, and inefficient deployment (see section 3.4). Second, providing and accessing salary payments remains a major challenge in CAR. While this later issue affects all public civil servants, teachers are among the most affected as many of them are posted in rural areas and must then travel long distances to be able to receive their salaries in one of the provincial capitals with a bank (see section 3.4). Lastly, the EMIS is lacking critical data needed for decision making and geo-referencing of schools for infrastructure development. It relies on a questionnaire that is manually completed by school administrators, uses centralized data entry, and lacks a system for quality control.

**The prolonged period of conflict has fragilized the government's capacity to deliver education services, which contributed to poor management of the sector.** Education service delivery in a FCV context tends to collapse in the event of crises or emergencies and takes a long time to recover. Even though the MPSE has had an emergency unit (*Cellule d'Urgence*) in place since 2017, there are no effective mechanisms to ensure continuity of education in case of emergencies and the system takes a long time to respond to the needs of the affected students. For example, following the flood in October 2019 in Bangui, temporary classrooms (*Espaces temporaires d'apprentissage et de protection de l'enfant—ETAPE*) were installed but only several weeks after the construction of the IDP camps. Moreover, blackboards were still missing in most temporary classrooms as of March 3, 2020. The situation is still more complicated when emergencies occur outside Bangui.

## 4.3. EDUCATION SECTOR FINANCING

### 4.3.1. Education spending

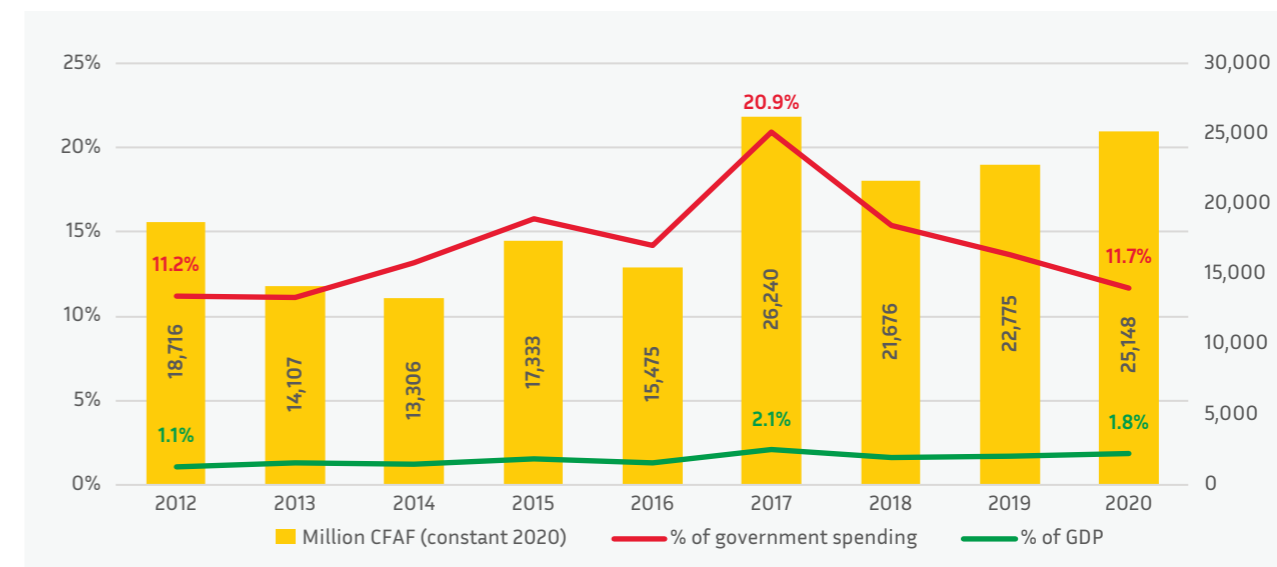
The share of actual government expenditure allocated to education stood at 11.7 percent in 2020 and has increased by only 0.5 percentage points since 2012. As shown in figure 4.5, actual government spending on education as per the four ministries directly in charge of the sector represented 11.2 percent of total government spending in 2012 (CFAF 13,644 million; US\$25.2 million), reaching 20.9 percent in 2017 (CFAF 24,700 million; US\$45.5 million) and falling to 11.7 percent in 2020 (CFAF 25,148 million; US\$46.4 million).<sup>50</sup> During the same period, government spending as a proportion of GDP remained below 2 percent on average. Besides these ministries, there are also eight other ministries and the Presidency of the Republic that engage in education activities (see section 4.2.2). Spending on education as per these entities represented CFAF 370 million on average in absolute terms, equivalent to about 0.3 percent of total government expenditure, between 2012 and 2017. However, from 2018 onwards, these additional education expenditures increased sharply to reach CFAF 3,201 million (or 2.4 percent of total government expenditure) in 2018 and CFAF 2,727 million in 2019. This sharp increase is entirely due to the expenditures of the Ministry of Security, Immigration and Public Order.<sup>51</sup>

<sup>49</sup> Discussions with School Inspectorate (IA) officials in December 2019 highlighted the fact that the current organization is very much centralized: exam papers are prepared in Bangui but are marked at the IA (except for the *baccalauréat* exam).

<sup>50</sup> The implementation of the CAR RCPCA-CEM could explain the sharp increase in total public spending (including in education) in 2017 compared to previous years. In November 2017, the government convened a donor conference in Brussels where CAR's technical and financial partners (TFPs) pledged US\$1,700 million for the 2017–19 period, out of which 43 percent had been disbursed in June 2019 (IMF 2020).

<sup>51</sup> This spending amounted to CFAF 2,858 million and CFAF 2,400 million in 2018 and 2019, respectively, whereas they had never exceeded CFAF 350 million before. The spending was mainly intended for the Police Academy and the Gendarmerie Academy in order to train more officers to strengthen security. Such funds were earmarked for school operation and student scholarships; the highest expenditures included food (CFAF 630 million in the Police Academy and CFAF 830 million in the Gendarmerie Academy) and clothing (CFAF 300 million in the Police Academy and CFAF 430 million in the Gendarmerie Academy). However, these expenditures were very low (or even nonexistent) before 2016.

FIGURE 4.5. TRENDS OF ACTUAL GOVERNMENT SPENDING ON EDUCATION, 2012–20



Sources: Calculations based on data from the Ministry of Finance and Budget (Ges'Co 2012–20) and the World Economic Outlook (2020). Note: Expenditures are for the four ministries of education.

### 4.3.2. Financing sources

Education funding comes from three main sources: (i) the government budget, (ii) external financing from technical and financial partners (TFPs), and (iii) contributions from parents.

#### Government budget

The share of actual total government expenditure allocated to the ministries of education stood at about 12.7 percent on average during the period 2012–20,<sup>52</sup> but it remains insufficient to address the sector needs. At least since 2015, more than half of public primary teachers are community teachers<sup>53</sup> and are not paid by the government budget, but by households or TFPs. Furthermore, funds are budgeted to provide schools with learning materials via SI, which are in turn responsible for dispatching these materials to schools. However, these funds are both insufficient and not always executed, especially for schools that are outside major cities. Evidence collected from field visits conducted during the elaboration of the ESP and consultations held with MPSE officials indicate that most schools do not receive operating funds and lack the basic teaching and learning materials, and sometimes even the school furniture, to function adequately.

#### Technical and financial partners: project grants, credits, and budget support

The actual share of total education sector external financing and the total education budget are low in comparison to other sectors—transport, SP, and gender. As shown in figure 4.6, the actual share of total external financing (the sum of project grants and credits) allocated to the education sector stood at 1.6 percent in 2018, 4.4 percent in 2019, and 5.4 percent in 2020. This share is very low compared to the transport sector (25.8 percent), and lower than the health sector share (7.9 percent). External financing as a proportion of total actual public spending on education increased from 4.9 percent in 2018 to 11.9 percent in 2019 to 18.2 percent in 2020 (see table A1.2 in Appendix A1.1).<sup>54</sup> The focus of TFP support was largely on school construction and rehabilitation, teacher training, and quality improvements in general, with a strong focus on primary education (see table A1.3 in Appendix A1.1). By

<sup>52</sup> This excludes allocation to the sector in 2017 (20.3 percent), which is an outlier, considering that allocation to the education sector has never exceeded 14.9 percent since 2012.

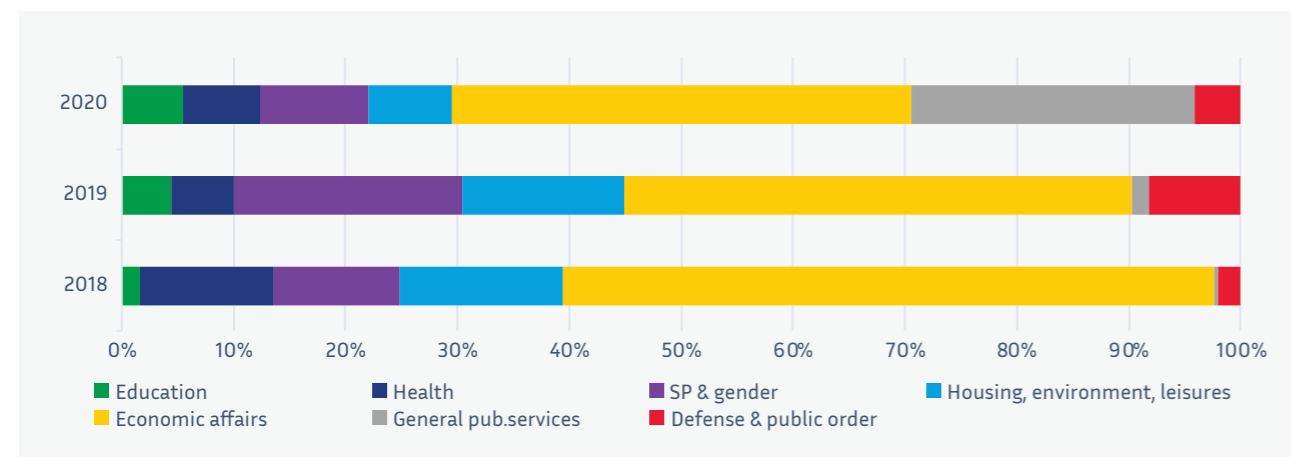
<sup>53</sup> Based on EMIS, 53 percent of primary teachers were community teachers in 2015–16 and this proportion grew to 58 percent in 2018–19.

<sup>54</sup> These patterns can be explained by the delay in implementation of the Emergency Basic Education Support Project (EBESP) in 2018, and the COVID-19 pandemic, which led to additional emergency funds for the system.



comparison, in 2018 CAR stood below the average for SSA countries (4.9 versus 9.2 percent) and below the average for low-income countries (12.1 percent).<sup>55</sup> Finally, although TFP funding is useful to fill gaps in public spending, it is often volatile and unreliable; for example, it completely disappeared in 2013 due to the political crisis.

**FIGURE 4.6. DISBURSED EXTERNAL FINANCING—PROJECT GRANTS AND CREDITS, 2018–20**



Source: Authors' calculations based on data from the MoEPC.

In addition to project grants and credits, TFPs also provide the education system with indirect financing via budget support. Indeed, most of the budget support directly paid to the government through the MFB is conditional on specific indicators, some of which are linked to the education system and intended to support reforms. This is the case of the budget support<sup>56</sup> from the World Bank and the European Union. The World Bank series of DPFs supports reforms on teacher recruitment and deployment. Over the 2018–19 period, budget support was conditional on the adoption of a ministerial decree to decentralize teacher recruitment at the SI level for the next five years. For the period 2021–22, budget support will be conditional on establishing a national registry of all graduate student-teachers (see Appendix A1.1). The European Union's budget support for the period 2017–19 was also conditional on six triggers related to the education sector (see Appendix A1.1). However, it should be noted that these indicators are related to governance reforms and then do not involve large government funding commitments; they therefore do little to increase education funding.

### Household financing

While there are no estimates of household financing in the country's education system, the high proportion of community teachers and near absence of school operating funds suggest it is significant. The recent household surveys (see Appendix A1.3) do not provide information on the education expenditures of households, which is a serious constraint that should be addressed in future surveys.<sup>57</sup> Parents cover not only direct costs such as tuition fees, school operating costs, and basic materials, but also indirect costs such as transportation and accommodation, which could be especially high in a low-density country such as CAR. Furthermore, in practice a significant proportion of primary schools operate as community schools, given that the government does not provide funds to pay for operating costs and the remuneration of community teachers. Since the beginning of the COVID-19 pandemic, parents have also started paying for the salaries of secondary temporary teachers in areas outside Bangui (see section 4.4). Finally, a significant proportion of students are enrolled in private schools (see Table 4.1.) that do not receive any subsidies from the government.

<sup>55</sup> Estimates for the SSA and LIC averages are based on UIS 2018 data.

<sup>56</sup> However, it should be noted that the budget support from the *Agence française de développement* (AFD) is not conditional on specific indicators. According to an AFD expert, the agency suggested allocating almost all of the €10 million granted for 2019 (€9.7 million) to salaries and pension arrears, and €300,000 to audits of public entities.

<sup>57</sup> As part of the upcoming Human Capital and Women and Girls empowerment project (P171158), a study on tuition fees will be carried out and this should provide some information about financing by families.

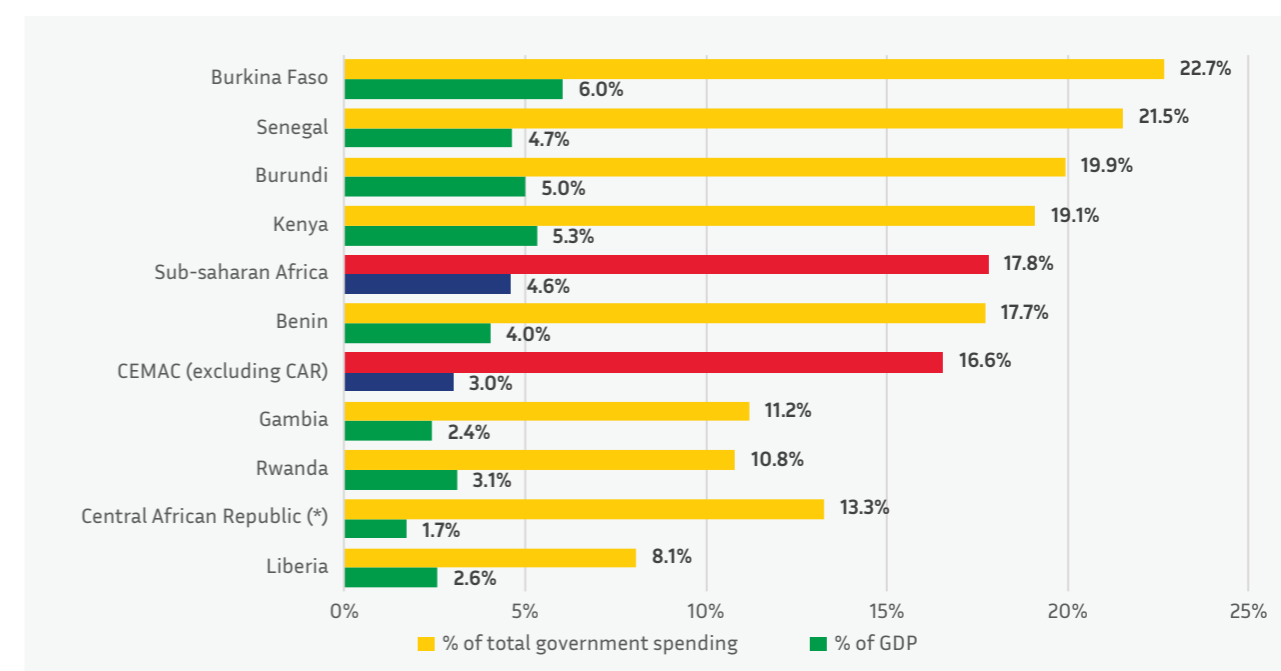
### 4.3.3. Adequacy of spending

The adequacy of the education sector financing in CAR is measured based on the following key parameters: (i) government spending on education as a share of GDP and total government spending compared with the recommended benchmark; (ii) availability of government-paid teachers (further discussed in section 4.4); and (iii) classroom and textbooks availability.

#### Budget allocation to the education sector

Government spending on education as a share of total government spending is below recommended levels for countries that have not yet achieved universal primary education (Bruns et al. 2003). As per GPE recommendations, such countries should allocate 20 percent of government spending to the education sector, but CAR's government devoted only 13.3 percent on average over the period 2018–20. In comparison, the SSA average is 17.8 percent and countries such as Burundi, Kenya, Senegal, and Burkina Faso allocated between 19 and 23 percent of their total government spending to education. Government spending on education in CAR is also very low in comparison to other SSA countries as a share of GDP; it was 1.7 percent of GDP on average over the period 2018–20, whereas the average for SSA is of 4.6 percent (see figure 4.7).

**FIGURE 4.7. ACTUAL GOVERNMENT SPENDING ON EDUCATION CAR AND COMPARATORS, 2018–20**

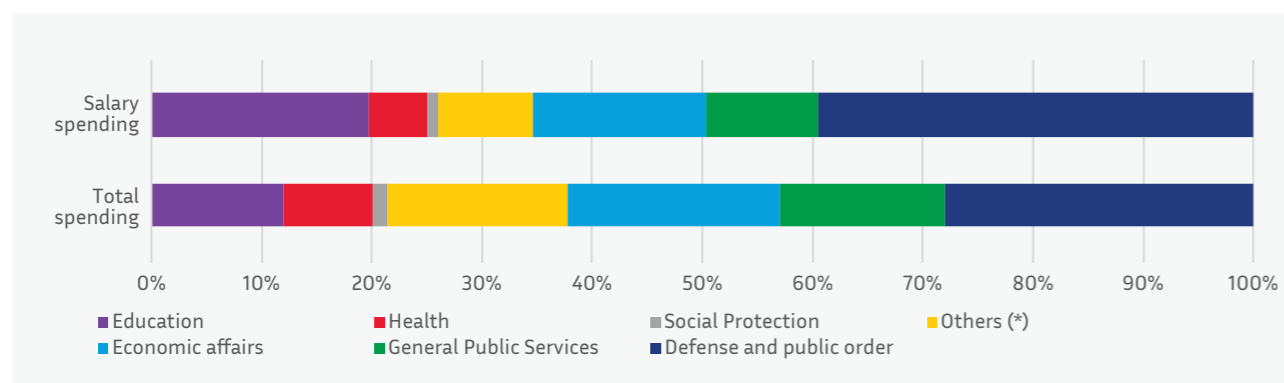


Sources: Ministry of Finance and Budget (2018–20) for CAR and World Development Indicators (accessed 10/2021) for other countries. Note: Numbers for CAR are averages between 2018 and 2020.

Despite education being a stated government priority, as stipulated in the RCPA-CEM, CAR devotes only half as much of its budget on education as on defense and public order spending. Based on the classification of spending by ministry,<sup>58</sup> the level of public spending on defense and public order stood at 28 percent over the last two years (2019–20) in comparison to 21.4 percent for social sectors, of which only 11.9 percent for education (see figure 4.8). This inter-ministerial spending distribution raises concerns, given that the current allocation to the education sector is not enough to match its needs. Instead, the burden of funding for schooling is shifted onto extremely poor households. Given that household financing for community schools and private schools is probably at its peak (see section 4.3.2), government spending on education should increase.

<sup>58</sup> Appendix A1.2 presents the five broad categories: social sectors, defense and public order, economic affairs, general public services, and others (environment, housing, culture, justice, youth and sport).

**FIGURE 4.8. ACTUAL GOVERNMENT SPENDING BY SECTOR, AVERAGE 2019–20**



Source: Authors' calculations based on data from the MoEPC  
 (\*) Justice, youth and sports, environment, housing, and culture

An international comparison of government spending per student<sup>59</sup> as a share of GDP per capita indicates that CAR spends less than the average for SSA at both primary and secondary levels. As shown in table 4.4, CAR spends 3.5 percent of GDP per capita (CFAF 9,140) on each student at the primary level, which is a third lower of the SSA average (11.7 percent), and it spends 7.2 percent of GDP per capita on each student at the secondary level, which is far below the SSA average (22.1 percent). However, at the tertiary level, public spending amounts to 189.9 percent of GDP per capita, which is above the SSA average of 132.3 percent.

**TABLE 4.4. GOVERNMENT SPENDING PER STUDENT BY LEVEL OF EDUCATION, CAR AND COMPARATORS, 2019**

	Per student spending		Per student spending (% of GDP pc)		
	CFAF	As a multiple of spending on primary	CAR	SSA average	LIC average
Preschool	985	0.1	0.4%	n.a	n.a
Primary	9,140	1.0	3.5%	11.7%	10.3%
Secondary (excluding TVET)	18,954	2.1	7.2%	22.1%	23.2%
Secondary (TVET)	20,098	2.2	7.6%	n.a	n.a
HER	501,908	54.9	189.9%	132.3%	171.5%

Source: Calculations based on data from the Ministry of Finance and Budget (Ges'Co 2019) and EMIS 2018–19 for CAR; Edtast for SSA and LIC average (2012–15).

Note: Preschool enrollment and spending include those of the MPFFPE.

### Inadequacy in the provision of schools and classrooms

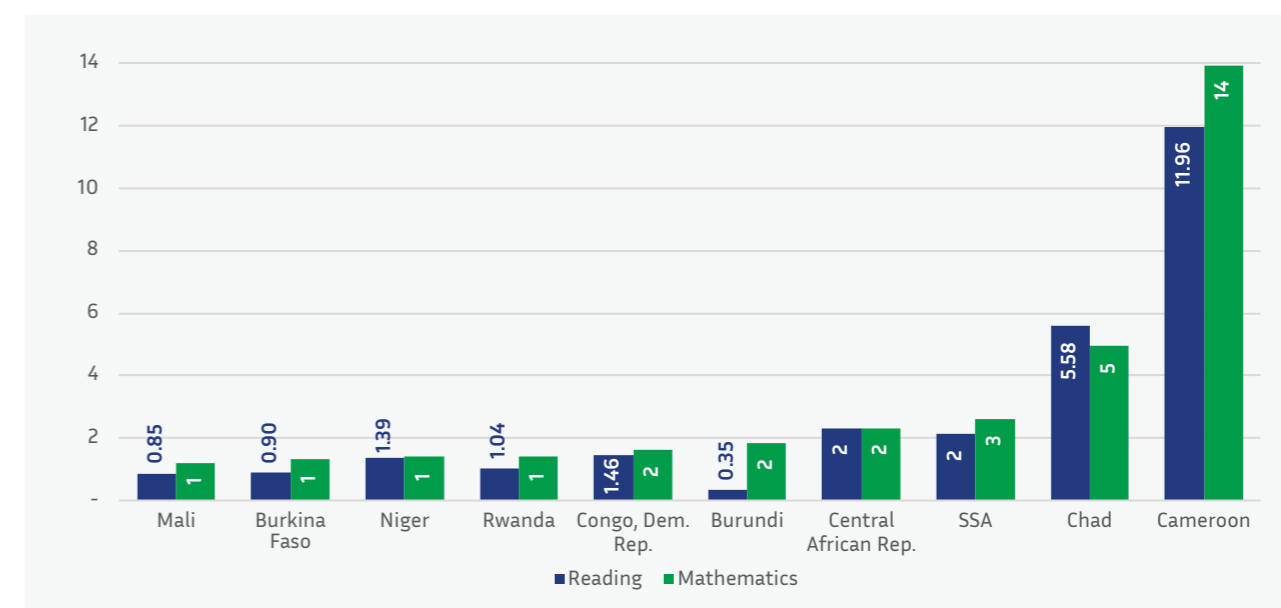
**Lack of schools and shortage of classrooms in good condition<sup>60</sup> especially outside urban areas, mirror inadequacy of capital spending.** Current government capital spending is not enough to provide adequate learning and teaching environment to students and reduce SCR to reasonable levels. About a third of classrooms in public primary schools are not in 'good condition' (see section 4.2.3) and there is only one classroom in good condition for every 147 students in public primary schools (see Figure 4.9.) and for every 158 students in public secondary

schools, on average. Moreover, many students travel long distances to reach the nearest primary school and even longer to reach secondary schools.

### Inadequate production and distribution of textbooks

**CAR faces serious challenges with textbook availability and distribution to schools.** CAR has difficulty in providing schools with the minimum quantity of textbooks necessary for instruction. Officially, primary schools should be provided with textbooks so that each student has three textbooks (reading, math, and biology) and one history and geography (HG) textbook is available per two students. However, textbook-to-student ratios at the primary level are above the national official ratios, averaging 1:2 for reading and mathematics textbooks. In grade 6, the ratio is high and reaches 1:15 for history and geography textbooks and 1:46 for biology textbooks. As shown in figure 4.9 below, CAR stands at the same level as the SSA average for reading (1:2) and below for mathematics (1:3) textbooks. Furthermore, there are also challenges with distribution of textbooks to schools. In 2019, 365,660 textbooks were acquired at a high cost, but they were not yet disseminated to schools as of May 2020. An appropriate textbook policy to ensure adequate distribution, conservation, and storage of textbooks to schools across the country especially in remote areas, has not been defined yet.

**FIGURE 4.9. RATIOS OF STUDENTS TO TEXTBOOKS AT THE PRIMARY EDUCATION LEVEL**



Source: Edtast consulted in May 2021.

**Unit costs of textbooks purchased by CAR are high compared to international benchmarks, suggesting inadequacy of spending on textbooks.** In 2018 and 2019, textbooks acquisition amounted to CFAF 2.245 billion (or US\$3.8 million), at an overall cost per textbook ranging from US\$7 to US\$9. In projects funded by USAID or the World Bank (Mozambique, Liberia, Mali, Kenya, and so forth), the unit cost (including distribution) was always below US\$1.5, often close to US\$1.<sup>61</sup> The high costs of textbooks in CAR can be explained by the lack of an appropriate textbook policy framework, which accounts for the choice of outsourcing the design and printing of textbooks to an international publishing company. Outsourcing prevents economies of scale and leads to the acquisition of textbooks at exorbitant prices due to high copyrights costs. In addition, some procurement bottlenecks such as targeted request for proposal could explain the selection of one specific, expensive, international publishing company – a practice often symptomatic of corruption.

<sup>59</sup> Total expenditure by level of education in relation to the number of students enrolled in public and private schools in 2019.

<sup>60</sup> As registered in the EMIS.

<sup>61</sup> Central African Republic: ESP 2020–2029.

### 4.3.4. Efficiency of spending

The analysis on efficiency of spending on education sector efficiency is based on an assessment of (i) allocative efficiency, (ii) technical efficiency issues, (iii) internal efficiency issues, and (iv) external efficiency issues.

#### ALLOCATIVE EFFICIENCY OF SPENDING

##### Functional allocation

Intra-sectoral government spending in the education sector is highly skewed toward higher education at the expense of preschool, secondary education including TVET, literacy, and non-formal education. As shown in table 4.5, the share of the education budget allocated to higher education and research, represented 37.3 percent on average during the period 2018–20. This share is very high in comparison to the average for SSA countries (23.1 percent) and LIC (23.7 percent; see figure A1.4). On the contrary, the share of the education budget allocated to general secondary education (14.4 percent), TVET (0.6 percent), and preschool education (0.2 percent) is very low. Primary education takes almost half of the actual education spending, standing at 47.6 percent on average during the same period. This share is in line with the GPE recommendation of at least 45 percent of the education budget<sup>62</sup> for spending on primary education in countries that, like CAR, have not yet achieved universal primary education. Note that an algorithm was used to separate spending by subsector, which is discussed further in Appendix A1.2.

TABLE 4.5. ACTUAL GOVERNMENT SPENDING ON EDUCATION BY SUBSECTOR, 2018–20

	— 2018 —		— 2019 —		— 2020 —	
	Million CFAF	% total spending	Million CFAF	% total spending	Million CFAF	% total spending
Preschool	33	0.2%	36	0.2%	39	0.2%
Primary	9,353	45.2%	10,679	47.9%	12,497	49.7%
Secondary (excluding TVET)	2,861	13.8%	3,225	14.5%	3,731	14.8%
Secondary (TVET)	98	0.5%	122	0.5%	193	0.8%
HER	8,347	40.3%	8,256	37.0%	8,709	34.6%
<b>Total</b>	<b>20,693</b>	<b>100%</b>	<b>22,319</b>	<b>41%</b>	<b>25,169</b>	<b>100%</b>

Source: Calculations based on data from the Ministry of Finance and Budget (Ges'Co 2018–2020)  
Note: Preschool expenditures include those funded through the MPFFPE

Government spending on preschool education is almost nonexistent even though this subsector has the potential to provide the highest return on investment of all subsectors (UNICEF 2019). Investment in preschool education is especially cost-effective as it increases primary school intake, strengthens efficiency (reduction of repetition), and improves learning and equity (Jaramillo and Mingat 2008). However, during the period 2018–20, the proportion of the education budget<sup>63</sup> allocated to this subsector stood at only 0.2 percent on average (see table 4.5), reflecting the limited public provision of preschool education. In 2019, GER at the preschool level was only 9 percent, and in 2018–19, according to data from the EMIS, only one third of the 322 preschools<sup>64</sup> in the country were publicly owned and accounted for one third of the total preschool student enrollment. The government is committed with the ESP to expanding access to quality pre-primary education and progressively

<sup>62</sup> See <https://www.globalpartnership.org/content/gpe-funding-model-requirements-matrix>.

<sup>63</sup> Includes sending by the MPFFPE.

<sup>64</sup> Only six located in Bangui are managed by the MPSE, while the others were managed by the MPFFPE.

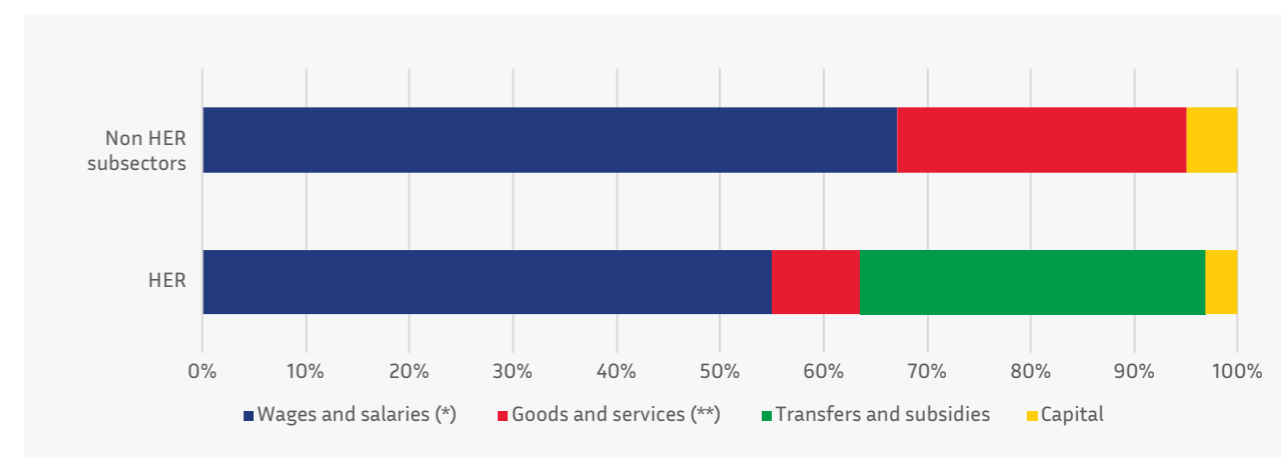
increase spending on preschool education, in line with the UNICEF-recommended target of 10 percent of the education budget.

Despite the high needs for skills development among the youth population, CAR spent less than one percent (0.6 percent) of the education budget on TVET over 2018–20 on average, and spending on literacy and non-formal are nonexistent (see table 4.5). This puts CAR well below the SSA average (5.1 percent) and the low-income group average (5 percent) (Rawkins 2019). Allocating such a small share of the education budget to TVET is inefficient given the high unmet demand for skills training as measured by the high proportion of out-of-school youth and extremely low levels of literacy among the youth. Moreover, investment in TVET, especially in FCV contexts, can help reduce the chance of further conflict by ensuring youth have real employable skills and are able to find work with those skills (Pompa 2014). There are no official recommendations on the appropriate share of education spending to allocate to TVET and literacy. However, as highlighted in the Skills Training and Youth Employability ASA (Phase II), it appears necessary that CAR gradually increase spending, just like Rwanda (with 14 percent). This spending will help to absorb the high inactive youth population, who missed opportunities due to the prolonged period of conflicts and poor quality of education, and will contribute to peacebuilding.

##### Economic allocation

Government spending on education has been heavily geared toward current expenditure, with extremely limited space made for capital expenditures. Between 2018 and 2020, only 4.3 percent of government expenditure on education was allocated to capital spending. This low level of capital spending reflects the excessive reliance of the government on TFPs to finance investments in the education sector. Over the same period, the majority of CAR's spending on education was allocated to wages and salaries, followed by spending on goods and services. Figure 4.10 below shows the economic composition of public spending on education for two broad levels of education, HER and non-HER (from preschool to secondary including TVET). Overall, spending on personnel accounted on average for 62.6 percent of government education spending in 2018–20 whereas spending on goods and services averaged 20.9 percent during the same period. Furthermore, the share of spending dedicated to salary expenditures varies by level of education: 67.1 percent on average at the non-HER level of education versus 54.9 percent on average for HER during 2018–20. Lastly, the share of non-salary spending in current expenditure is often regarded as a proxy of spending for the quality of education because it is generally associated with expenditures for textbooks and other learning materials. In CAR, the level of non-salary current expenditure stood at 35.4 percent on average, but it consisted mainly of expenditures for (i) non-means-tested scholarships and food subsidies at the tertiary, which raises efficiency and equity concerns; and (ii) office supplies and building maintenance, with limited expenditures for learning materials (see section 4.3.3).

FIGURE 4.10: GOVERNMENT SPENDING ON EDUCATION BY ECONOMIC CLASSIFICATION, AVERAGE 2018–20



Source: Calculations based on data from the MFB (Ges'Co 2020).

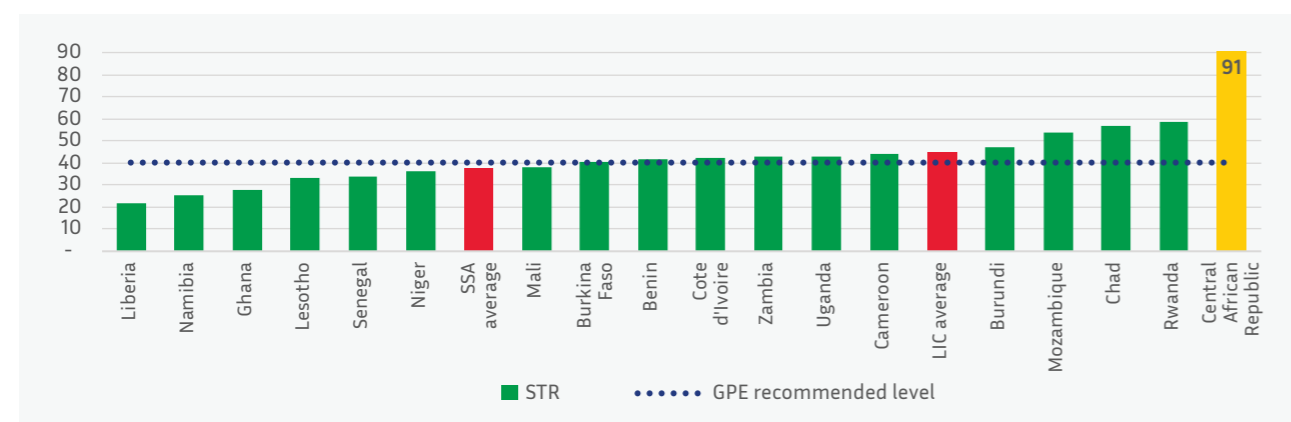
Note: HER budget includes ENI's spending.

(\*) include temporary and contractual teachers; (\*\*) exclude temporary and contractual teachers

## TECHNICAL EFFICIENCY OF SPENDING

Student-teacher ratios (STR) in CAR at the primary level are the highest in the world. CAR's STRs (considering all teachers, including community ones) are very high with 91 and 101 in 2018–19 for all primary schools and public ones, respectively. Figure 4.11 presents the STR in primary schools for selected countries in SSA: it is 37 on average for SSA, 43 in Burundi, 28 in Ghana, and it does not exceed the threshold of 60 in any country for which WDI data is available. The STR in CAR is more than twice the GPE-recommended level (40:1) to ensure adequate learning and teaching conditions. The STR in CAR is much higher in public primary schools (101 in 2018–19) compared with private schools (60).<sup>65</sup>

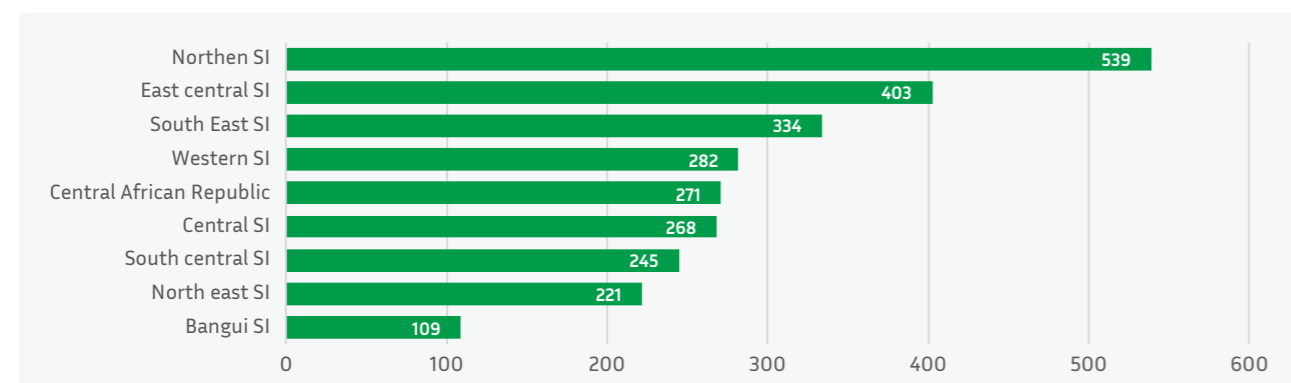
**FIGURE 4.11. STR AT THE PRIMARY EDUCATION LEVEL, CAR 2019 AND PEERS (AVERAGE 2016–19)**



Source: WDI consulted on May 2021.

High and unequal STRs at the primary level reflect a shortage of teachers and weak capacity to deploy government-paid teachers. The high share of public spending on education that goes to wages and salaries only allows a 271:1 ratio of students to government-paid teacher of at the primary education level. As shown in figure 4.12, there are huge variations across SI, which reflect the limited capacity of the government to provide and deploy government-paid teachers in public schools outside Bangui. The number of students per government-paid teacher ranges from 109 in Bangui SI to 539 in the Northern SI. These differences are mainly explained by differences in the proportion of community teachers: it is low in Bangui (5 percent in 2018–19) and much higher in the rest of the country (70 percent).

**FIGURE 4.12. STR AT THE PRIMARY LEVEL WITH ONLY GOVERNMENT-PAID TEACHERS, 2018–19**



Source: Authors' calculations based on EMIS 2018–19.

<sup>65</sup> It is lower in Bangui than in the rest of CAR (80 versus 93), mainly because the share of the private sector is higher in Bangui than in the rest of the country.

## INTERNAL EFFICIENCY OF SPENDING

Repetition and dropout rates are quite high both at the primary and secondary levels, which points to internal inefficiencies, leading to low completion rates. The combination of high repetition and low completion rates point to a substantial waste of financial resources, including dedicating classrooms and teachers each year to repeaters. Aside from financial reasons, a lower repetition rate would have the main effect of reducing dropout rates, STR, and SCR. Consequently, this will contribute to improving teaching and learning conditions, and therefore increase the quality of education. Moreover, CAR's education system has not been effective at providing students with the necessary basic competencies as shown by extremely low learning outcomes.

CAR is characterized by a high proportion of over-age students. One quarter of grade 1 students were over-age of at least two years, that is, eight years old or older. The proportion of over-age in grade 1 signals that students do not necessarily start primary school on time whereas starting on time several benefits such as increased likelihood of completing the education cycle and achieving higher lifetime earnings. Early investment in education is one of the three core tenets of education investment because it allows the foundational skills to be acquired early in childhood, which make a lifetime of learning possible (World Bank 2011). Moreover, given high repetition rates at all education levels and interruptions to schooling due to political and security events, the proportion of over-age children continues to grow and by 2019 about half of lower secondary students (grades 7–10) were at least four years behind the theoretical age for the grade they were attending.

## EXTERNAL EFFICIENCY OF SPENDING

CAR is caught in a “low-skill, bad-job trap” (Snower 1994) whereby very low skills are reflected by the extremely low literacy rate of those who reached grade 6 but have not been beyond primary education (24 percent and 16 percent of men and women age 25–49, respectively). The country suffers from two interrelated issues: (i) limited availability of skilled labor and (ii) a labor market with limited job opportunities for graduates. Under such a situation, external efficiency analysis is of limited interest. However, note that the performance of the CAR's education system is still below what could be expected given the low level of public spending, as evidenced by the extremely low literacy rates of Central Africans who have attended primary school.<sup>66</sup> As shown in table 4.6 below, only 12 percent of women and 22 percent of men ages 15–49 who have attended the last grade of primary school (but have not been beyond primary education) are literate. These proportions do not vary much by area of residence, indicating that completion of primary school does not ensure that individuals acquire literacy anywhere in CAR. In addition, the quality of primary education does not seem to have improved recently since the literacy rates of the younger cohort (ages 15–24) who reached grade 6 are still lower than those of the older cohort (see table A1.7 in Appendix A1.2).

**TABLE 4.6. LITERACY RATE AMONG POPULATION AGES 15–49 WHO REACHED GRADE 6 BUT HAVE NOT BEEN BEYOND PRIMARY EDUCATION**

	Women	Men	Ratio W/M
<b>Grade 6</b>			
Grade 6	12.4%	22.0%	0.56
BMA	11.7%	25.3%	0.46
Rest of CAR	12.7%	21.5%	0.59
Urban areas	16.4%	25.0%	0.66
Rural areas	11.2%	20.6%	0.54
15–24 years-old	9.0%	18.8%	0.48
25–49 years-old	15.6%	24.1%	0.65

Source: MICS 2019, authors' calculations

<sup>66</sup> Literacy rates reflect both the access to education and the outcomes of the education system. Individuals who never attended school are most often illiterate, and the number of years of schooling needed to be literate is a proxy of the quality of education.

### 4.3.5. Equity of spending

The equity of public spending and the role of the government is assessed based on: (i) the affordability of education, (ii) inequity in the provision of formal education, (iii) lack of provision of second chance opportunities for out-of-school children and youth, and (iv) inequality in access to education in terms of gender gaps.

#### Affordability of education

Schooling in CAR is not free and the cost of education is often an insurmountable barrier for poor families. At the primary and secondary levels, students and their families are charged school fees to help offset school operating costs and salaries of community teachers. These fees include insurance costs, administrative costs (report and ID cards), exams fees, and community teachers' salaries. Estimates based on information provided by the MPSE indicate that these fees range between US\$3 and US\$10 per student per year, depending on the grade attended. Moreover, there are also indirect costs (uniforms, transportation, textbooks, accommodation) and opportunity costs that constitute a burden for many families. However, there is not yet government spending on family aid programs or scholarships to enable poor families to send their children to primary and secondary schools. Scholarships and tuition fees payment for girls will be piloted under the Human Capital and Women and Girl's Empowerment project (P171158) to help address these challenges.

#### Inequity in the provision of formal education

Huge disparities in STR and SCR across school inspectorates point to inequity in the provision of primary education (see section 4.3.4). Children living outside Bangui, especially in rural areas, are disadvantaged both in terms of provision of government-paid teachers and adequate classrooms. The number of students per government-paid teacher is extremely high in the Northern SI (539), East central SI (403), and South east SI (334) as opposed to Bangui SI (109). The number of students per classroom in good condition is also higher in the Northern SI (203), and Central SI (150) than in Bangui SI (119) and South eastern SI (113).

The provision of TVET and general secondary education is very limited and unevenly distributed across the country. This uneven provision raises serious equity issues as many youths have few opportunities to acquire the skills that match their needs and desires. Due to the low population density of the country, the sparse road and transport network, and the very limited provision of secondary education (which is mainly concentrated in big urban areas), rural families often incur high accommodation costs in order for their children to attend secondary school in the nearest city or even in Bangui. As there are no scholarship programs in place for secondary students, this has created strong inequality among the youth according to whether or not they have families who can host them in these cities and parents who can finance their accommodation.<sup>67</sup> Among the sixteen prefectures of CAR, seven do not have any public or private upper-secondary schools that offer training courses in sciences (including the three prefectures in the Fertit region in the Northern part of the country<sup>68</sup>) and six do not have any secondary schools that offer training courses in economics (of which five also do not have any training course in sciences). When they do have access to a secondary school, many Central African students do not have any other choice than specializing in literature. Finally, formal TVET is offered only in seven schools, with five of them located in Bangui with only 6,061 students enrolled, representing respectively 2.2 percent of total enrollment in lower secondary education and 8.2 percent of those in upper secondary education.<sup>69</sup>

Public spending on HER is highly inequitable benefitting only a small share of students, mostly from wealthy families. As shown in table A1.6 (Appendix A1.6), spending on HER reflects (i) wages and salaries for slightly more than half; and (ii) social expenditures for over a third (mostly scholarships)—that is, 13.5 percent of the total actual education budget (Primature Comite d'Organisation du Forum National sur l'Education, 2008). The country's high spending on tertiary education benefits only a minority of individuals as the gross tertiary enrollment rate was estimated at 3.5 percent based on EMIS 2018–19. This is a trend that ultimately favors the children of wealthier families and families living in Bangui where secondary and higher education are highly concentrated. The large

<sup>67</sup> Note that CAR does not have boarding schools except for few vocational training centers that are under the mandate of the Presidency.

<sup>68</sup> Bamingui-Bangoran, Vakaga, and Haute-Kotto.

<sup>69</sup> As per UIS. These proportions place CAR roughly at the same level as the average for SSA countries for lower secondary education (1.8 percent) and a little below for upper secondary (13.5 percent).

scholarships awarded to tertiary students are not based on household wealth, given difficulties by the MES to enforce this criterion. Moreover, 61.7 percent of these scholarships are used to finance studies outside CAR. See Appendix A1.4 for more details on higher education spending.

#### Lack of provision of second-chance opportunities for out-of-school children and youth, including displaced children and youth

Although many school-age children and youth are out-of-school and/or displaced, there are limited second chance opportunities programs. There are approximately over half a million children and youth ages 6–18 who are out of the school system. Among them, there is a large number of displaced children who had their schooling disrupted and often interrupted. Yet, government spending on skills training for out-of-school youth (literacy programs, accelerated learning programs,<sup>70</sup> non-formal education, job training) is nonexistent (see section 4.3.4). Non-formal vocational education and training is extremely limited, with centers that are hardly functioning, in extremely bad condition, and with at best obsolete and inadequate training equipment and tools.<sup>71</sup> Agricultural training is almost nonexistent in CAR, although the majority of the workforce is employed in this sector and the majority of youth will still be there in the short and medium term.<sup>72</sup>

#### Gender gaps

Girls lag behind boys in both school enrollment and educational outcomes. Estimations based on MICS 2019 indicate that CAR had approximately 8.1 girls for every 10 boys enrolled in primary education, and around 6.4 girls for every 10 boys enrolled in lower secondary education. In addition, dropout rates are highest among adolescent girls—reaching 15 and 18 percent at the lower and upper secondary levels respectively, when compared to 10 and 11 percent for boys. Consequently: (i) girls are more likely to be out of school than boys (see figure 4.3); (ii) completion rates are extremely low, particularly for girls (figure 4.4); and (iii) literacy rates are even lower for young women—approximately 30 percent of young women ages 15–24 were able to read a simple and complete sentence compared to 48 percent of young men in the same age group (see table A1.1, Appendix A1). To address equity concerns raised by the girls' relatively low participation rates and education outcomes, the government has elaborated a comprehensive strategy for girls' education as part of the ESP, which will contribute to improving their educational outcomes and hence their empowerment.<sup>73</sup>

## 4.4. HUMAN RESOURCE MANAGEMENT

The major bottleneck to accessing quality education in CAR is the huge deficit of qualified teachers, which is the result of weak and inadequate teacher management. The key challenges include: (i) limited capacity of existing teacher training institutes to meet the demand for training; (ii) erratic provision of pre-service training, especially in the 10 regional teacher training centers; (iii) irregular and lack of sustainable recruitment practices; (iv) lack of incentives and control mechanisms to deploy teachers and administrative staff outside Bangui metropolitan area (BMA); and (v) difficulties in ensuring teachers' access to salaries. To address these challenges, the government has elaborated a set of comprehensive and integrated reforms (as part of the ESP) for improving education service delivery across the country (see box 4.1).

This section provides: (i) a succinct description of categories of teachers in CAR; (ii) an assessment of teachers' training system; (iii) challenges in terms of teacher recruitment and deployment; and (iv) an analysis of the public wage bill, specifically with regards to teachers' costs.

<sup>70</sup> The government is committed to expanding the provision of accelerated learning programs (ALPs) for those whose schooling has been disrupted and often interrupted. ALPs are being piloted under the World Bank-financed Emergency Basic Education Support Project targeting areas with high number of IDPs. These programs are expected to be scaled under the upcoming GPE-financed Education Sector Plan Support Project.

<sup>71</sup> Training centers also have a significant lack of teaching materials and tools for practical training. The technical high school of Bangui has machines which date from 1969. The girl vocational school raises funds from students to buy raw materials for practical lessons.

<sup>72</sup> The education system does not offer opportunities for all these youth to acquire the skills that would enable them to have more productive and remunerative agricultural activities.

<sup>73</sup> The approach is outlined under Axis 1.2 of the ESP. See figure A1.1, Appendix A1.1.

### Box 4.1. ESP's strategic priorities to improve teacher management

Addressing the challenge of the teacher workforce is one of the main priorities in the ESP 2020–2029. Under Axis 2 of the ESP, “Train, recruit massively, and deploy teachers throughout the country,” the government has elaborated a set of comprehensive and integrated reforms for improving education service delivery across the country. These reforms can be grouped into two main categories:

**1. Recruit a large number of teachers** to address the huge shortage of government-paid teachers, which would require:

- **Implement a plan to recruit all graduate student-teachers as contractual teacher and/or civil servant teacher.** This will allow the quick recruitment of the existing stock of graduate student-teachers that are yet to be onboarded into the civil-service teacher workforce and the reinstatement of the virtuous practice of systematically recruiting all new graduate teachers into the civil service.
- **Increase and deconcentrate teacher training capacities** to provide pre-service training and in-service training, including training of community teachers.
- **Create new additional civil-servant teacher ranks** that will allow recruitment of teachers with lower qualifications such as community teachers.

**2. Improve teacher management** to ensure equitable service delivery, which would require:

- **Set up effective deployment and incentives mechanisms** to encourage teachers to begin working or return to their duty station in remote areas.
- **Modernize teachers' payment methods** to address difficulties in sending salaries close to the civil-service teachers' duty stations.
- **Remunerate community teachers** as a short-term solution in order to lessen the burden on poorer communities.
- **Set up a human resource management information system (HRMIS)** to ensure successful implementation of the reforms related to teachers.

### 4.4.1. Categories of teachers in the education system

There are two types of teachers in CAR: government-paid teachers and community or NGO-paid teachers. Government-paid teachers consist of permanent teachers, contractual teachers at the primary level, and temporary teachers at the secondary and tertiary levels. Community or NGO-paid teachers are teachers hired by parents to make up for the lack of government-paid and trained teachers in primary schools and preschools (see Appendix A1.3 for further details). Overall, the Central African education system relies to a large extent on (i) community teachers at the preschool and primary levels, constituting a heavy burden on poor families; and (ii) temporary teachers at the secondary and tertiary levels. Table 4.7 presents the main categories of teachers in public schools by level of education in CAR.

**TABLE 4.7. CATEGORIES OF TEACHERS IN PUBLIC SCHOOLS BY LEVEL OF EDUCATION, 2018–19**

	- Preschool -		- Primary -		- Secondary G. -		- Second. TVET -		- Tertiary -	
	N	%	N	%	N	%	N	%	N	%
Permanent	48	17%	2,972	30%	718	34%	104	36%	289	69%
Contractual/ temporary	13	5%	681	7%	1,401	66%	182	64%	127	31%
Community	220	78%	6,175	63%	n.a	n.a	n.a	n.a	n.a	n.a
<b>Total</b>	<b>281</b>	<b>100%</b>	<b>9,828</b>	<b>100%</b>	<b>2,119</b>	<b>100%</b>	<b>286</b>	<b>100%</b>	<b>416</b>	<b>100%</b>

Source: EMIS 2018-2019, authors' calculations

Permanent teachers are the minority at all levels of education except the tertiary level. They account for only around a third of the teacher workforce at both primary and secondary levels and 17 percent at the preschool level. At the primary and preschool levels, they are supplemented by graduates from teacher training institutes who are awaiting integration into civil service and are hired on a renewable annual contract basis (see section 4.4.3), and, most importantly, by community teachers, often untrained and without any qualification, hired and paid by parents and NGOs. In 2018–19, contractual and community teachers represented 7 percent and 63 percent of the teacher workforce in public primary schools, respectively (see table 4.7). At the secondary and tertiary level, temporary teachers represented around two thirds and one third of the teacher workforce in general secondary and TVET schools and at the University of Bangui, respectively. Lastly, less than one in five primary teachers (19 percent) was a woman in 2018–19 and the proportion is even lower at the secondary (11 percent) and tertiary (8.4 percent). Appendix A1.3 presents details for each category of teachers.

### 4.4.2. Teacher training system

The teacher training system consists of two national teacher training colleges to deliver pre-service training for primary and secondary teachers, respectively, and 10 regional teacher training centers to provide in-service training and pre-service training for *instituteur adjoint* or *maître d'enseignement*. The training college (*Ecole Normale des Instituteurs—ENI*) located in Bambari has the capacity to train 150 *instituteurs* per year. The 10 training centers (*Centres Pédagogiques Régionaux—CPR*) located across the country can train a total of 500 *maitres d'enseignements* per year. The training college for secondary teachers and education managers (*Ecole Normale Supérieure—ENS*) is located in Bangui; it has the capacity to train 240 secondary teachers (both general and technical education) per year. Furthermore, the MPSE does not yet have a pre-service training program for preschool teachers; but the MPFFPE has been training on average 80 preschool instructors (*moniteurs*) per year since October 2018.

Existing ENI, ENS, and CPRs are insufficient to meet the demand for training, and enrollment into these institutes has not only been irregular but also very centralized:

1. **The current total teacher training capacity falls far short of CAR's needs for the next decade:** to reach an STR of 50 by 2030 in public primary schools, it will be necessary to quadruple the current number of teachers (to about 16,082; see section 4.5.1), which will include trained community teachers.
2. **There is no fixed budget line to ensure regular pre-service training for maîtres d'enseignement.** The enrollment of student-teachers in CPRs has been erratic since 2009 because the government never covered the costs of pre-service training. These trainings are therefore completely dependent on TFPs, which do not have a long-term financing plan. As a result, there was no enrollment of student-teachers in CPRs in 2011, 2012, 2014, 2020, and 2021.<sup>74</sup>
3. **Admission into ENI and ENS tends to be very centralized.** Until 2019, the entry exam to enroll into ENI was managed by the Central level<sup>75</sup> and many student-teachers enrolled in the CPRs and ENS come from BMA.

Recruiting a large number of teachers will require an increase in the capacity of ENI, ENS, and CPRs to provide pre-service and in-service teacher education, especially outside Bangui. To address these challenges the government policy as laid out in the ESP involves:

1. Increasing the number of ENI, ENS, and CPRs to train a total of 3,920 teachers (pre-service and/or in-service) per year by 2030 (in comparison to 1,070 as of 2019).
2. Decentralizing teacher training for primary and lower secondary school teachers, and creating training programs for preschool teachers. This decentralization will allow to train existing community teachers in proximity to their duty stations so that they can be converted progressively into *agent d'éducation* who are

<sup>74</sup> The GPE-financed project ESPSP was suspended due to the security situation and could not finance training of teachers in 2011, 2012, and 2014. In 2017, training was not provided due to delays in the EU funding. Finally in 2020 and 2021, training was not provided due to lack of financing from TFPs as most projects (in particular those financed by the EU and GPE) have closed.

<sup>75</sup> The World Bank-financed Second Consolidation and Social Inclusion Development Program (P168474) 2018–2019 supported reforms on decentralization of primary teacher recruitment and deployment through the introduction of the five-year commitment policy.

recruited and paid by the government either as contract teachers or civil servants.<sup>76</sup> The decentralization of training is also expected to improve teacher deployment (see section 4.4.3).

3. Transforming the mandate of ENIs whereby they will not only train primary teachers but also preschool and lower secondary teachers. This will allow the MPSE to offer pre-service training program for preschool teachers, which is currently nonexistent, as well as recruit and train lower secondary teachers outside of Bangui and improve their deployment later on.
4. Transforming the mandate of CPRs whereby the CPRs will not only train *maîtres d'enseignement* but also community teachers (*agents d'éducation*) and temporary lower secondary teachers.

### 4.4.3. Teacher recruitment and deployment

#### TEACHER RECRUITMENT

There have been no regular and sustainable teacher recruitment practices in place since 2009, and approximately 4,032 graduate student-teachers were awaiting integration into civil service as of May 2021. Graduate student-teachers are no longer integrated systematically into civil service. Following the 2016 presidential election, the government put in place a recruitment plan in which 1,500 people will be recruited yearly, with a quota of 300–400 recruits for the education sector (both teachers and other education personnel). This quota is lower than the number of teachers who graduate each year from ENI, ENS, and CPRs; but, in addition, recruitment between 2016 and 2020 was effectively carried out only twice for the education sector. Instead of being systematically recruited into civil service, until December 2020, (i) some graduates from ENI and CPRs were hired as contractual teachers<sup>77</sup> and (ii) some graduates from ENS were hired as temporary teachers. Despite a large number of newly recruited teachers (1,360 primary and secondary teachers<sup>78</sup>) preceding the December 2020 presidential elections, there are still 1,256 *instituteurs*, 2,133 *maîtres d'enseignement*, and 643 secondary teachers (see table A1.8 in Appendix A1.3) who have graduated from a training institute but have not yet been integrated.

To address this rather unfair and inefficient situation, the government is committed to implementing as a first step a plan to recruit as contractual teachers and/or civil servant teachers, all graduate student-teachers awaiting integration (see box 4.2 for more details). The following should be noted:

1. This recruitment plan is a prerequisite to rebuild the education system. First, politically and according to the rules of the CAR administration, it is not possible to recruit new teachers independent of their rank until those already trained have been recruited. Second, it is legitimate, and socially and morally right, to proceed in this manner, as it fulfills the state's commitment to these student-teachers from before they entered training institutes.<sup>79</sup> Lastly, it would be inefficient not to recruit already trained teachers given the high shortage of teachers.
2. This recruitment plan represents only a small part of the overall strategy designed to address the shortage of qualified teachers. More significant, for example, is the massive training of community teachers and their recruitment as *agent d'éducation*, which provides them with a more stable teaching rank (see box 4.1).

<sup>76</sup> Both options are considered in the ESP.

<sup>77</sup> This is a tri-party contract as it involves three ministries, namely Education, Finance, and Civil Service. However, communities are not part of this process despite efforts made to involve them. The same contract was offered to both ENI and CPRs graduates.

<sup>78</sup> The number of new recruits was expected to reach 1,700 teachers by the end of 2021.

<sup>79</sup> Overall, CAR is a country where the political and security condition is extremely fragile and volatile. Care must be taken to maintain the existing fragile balance. Therefore, there must be consideration of the political demands of various groups such as graduate student-teachers awaiting integration, as their claims are legitimate from the point of view of CAR administrative law.

#### Box 4.2. An update of the ESP's recruitment strategy for all graduate student-teachers

One of the key and pressing strategies put forth in the ESP is implementation of a plan to recruit all graduate student-teachers as contractual and/or civil servant teachers. In the initial plan, the government would have reverted in 2024 to the virtuous practice of systematically recruiting as contractual teachers and/or civil servant teachers all student-teachers. This plan was derailed in light of recent events (teachers strikes and the heat of presidential elections). Therefore, a revised five-year plan is proposed under this PER and is expected to begin in 2023. This plan accounts for the latest wave of recruitment that happened between December 2020 and February 2021.

Overall, the government should recruit a number of teachers each year for five years (2023–27) that corresponds to the total number of new graduates plus one fifth of the stock of graduates from previous years still waiting to be integrated in 2022. Recruitment of these graduate student-teachers will be done by order of seniority, beginning with those who graduated in 2009. When this stock is exhausted in 2028, recruitment will exclusively concern new graduates. See Appendix A1.3 for further details.

The implementation of this plan will require:

- Restoring and securing all budget lines dedicated for paying contractual and temporary teachers (see 4.3.4).
- Identifying and making a registry of all graduate student-teachers awaiting integration into civil service who are still interested in working as teachers and who will likely be recruited as contractual and/or civil servants.
- Offering a contract to all these graduate student-teachers (those awaiting integration into civil service) and new graduate student-teachers starting in September 2023 (beginning of the school year).

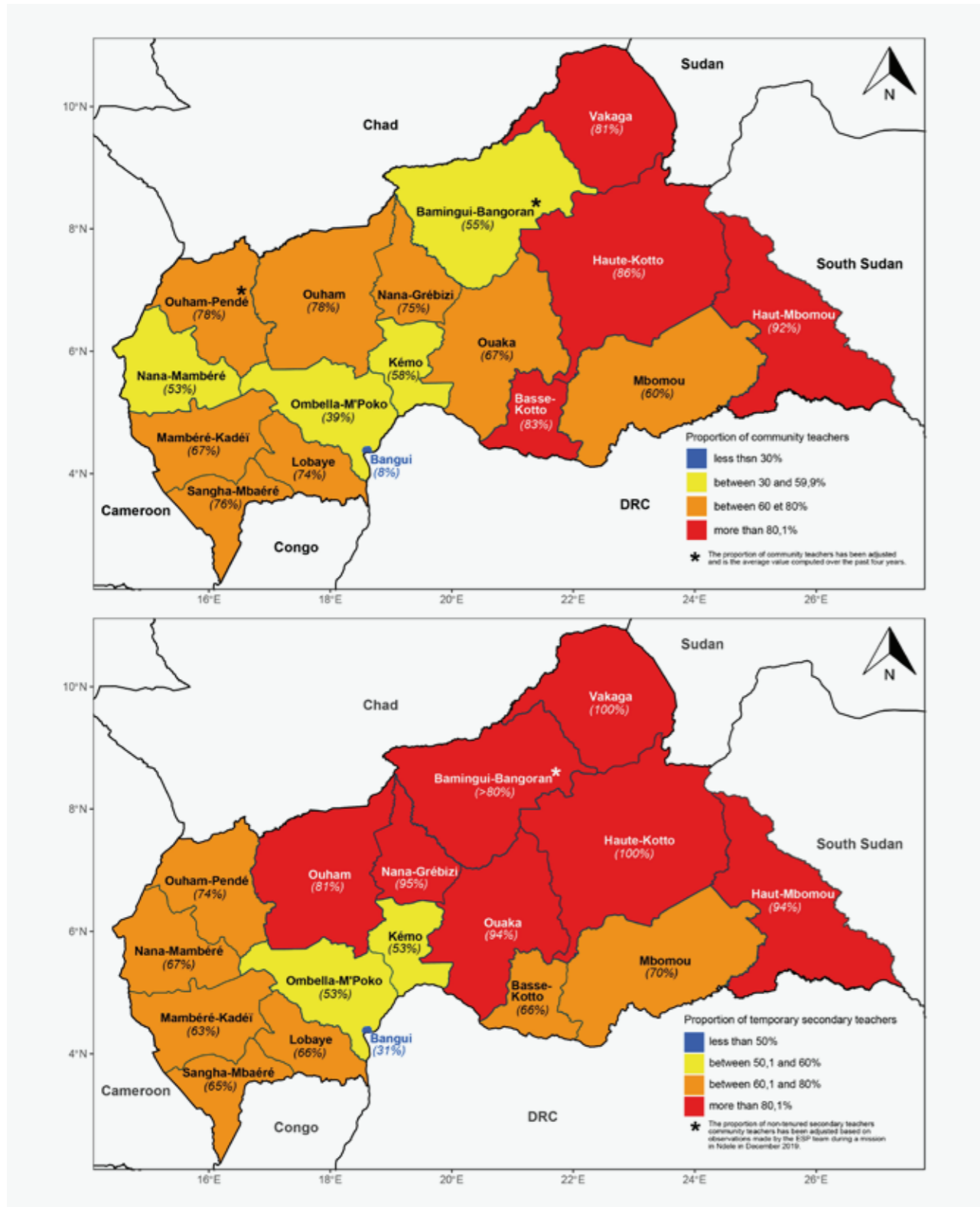
Lastly, the IDA-financed CAR First Resilient and Inclusive Institutions for State Effectiveness DPF 2021–2022 (P175173) will help lay the foundations for successful implementation of the ESP's recruitment strategy for all graduate student-teachers (see Appendix A1.2).

#### TEACHER DEPLOYMENT

The proportion of community and temporary teachers is a lot higher outside Bangui metropolitan area, both in primary and secondary schools. Based on the payroll data, there are many prefectures without a single permanent teacher, mostly in the North-eastern and Eastern parts of the country (for example, there is no permanent teacher in public primary schools of Vakaga prefecture). The situation is even worse at the secondary level, as there is no single permanent teacher in 4 out of the 16 prefectures (Vakaga, Haut-Mbomou, Haute-Kotto, and Sangha-Mbaere). In addition, there are less than 10 permanent teachers at the primary and the secondary level in three and four prefectures, respectively.<sup>80</sup> Furthermore, government-paid teachers are sometimes not at their duty station, which is perceptible to some extent through the differences between teachers recorded in the EMIS (supposed to be at their duty station) and teachers recorded on the payroll and budget (see table A1.9 in Appendix A1.3). Making matters worse, the recent integration of teachers was carried out without putting in place a mechanism to deploy teachers, especially in hard-to-reach areas. In addition, budget lines used to hire contractual and temporary teachers have been cancelled, which will worsen the current situation as many secondary schools outside Bangui will be without teachers. As shown in figure 4.13 below, in 2018–19 the proportion of community teachers was as high as 92 percent in the Haut-Mbomou prefecture, compared to only 8 percent in Bangui. In secondary schools, the proportion of temporary teachers was 100 percent in both Vakaga and Haute Kotto, compared to only 31 percent in Bangui.

<sup>80</sup> These prefectures are Haut-Mbomou, Haute-Kotto, and Basse-Kotto for the primary level and Kemo, Nana-Mambere, Ombella Mpoko, and Ouham-Pende for at the secondary level.

**FIGURE 4.13. PROPORTION OF COMMUNITY TEACHERS (LEFT) AND TEMPORARY TEACHERS (RIGHT) BY PREFECTURE, 2018–19**



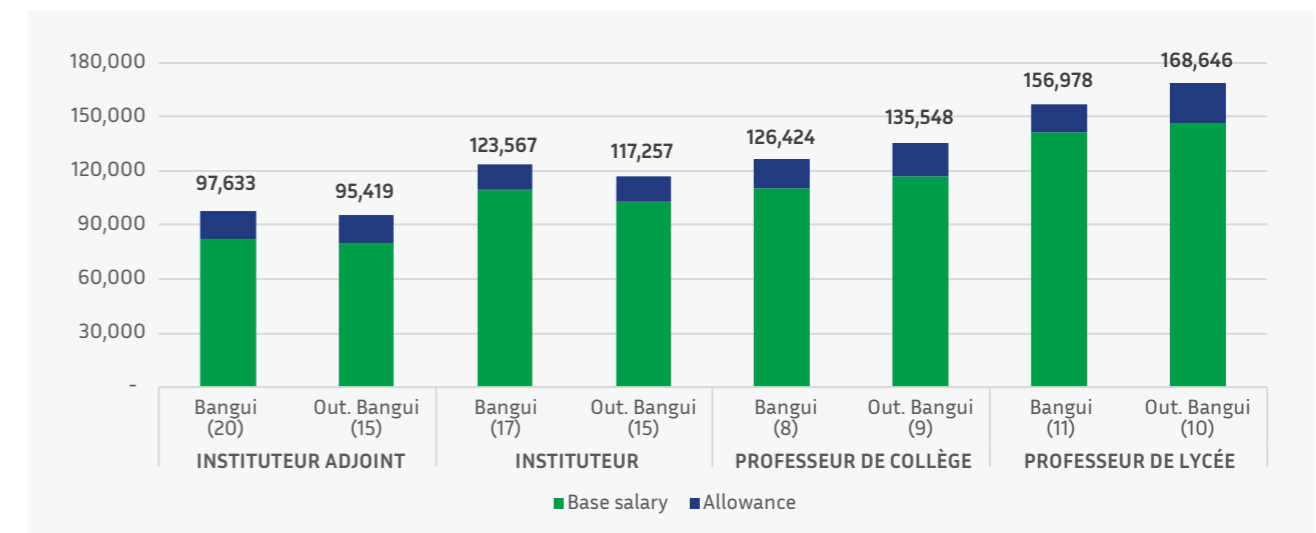
Source: EMIS 2018-2019, authors' calculations

Several factors contribute to the relatively large proportion of unqualified primary and secondary teachers outside Bangui. These factors are among others: (i) the volatility of the security situation and unfavorable conditions related to housing outside Bangui; (ii) the lack of incentives for teachers to be deployed outside Bangui and the weakness of control mechanisms to monitor deployment; (iii) the difficulties in accessing salary payment outside urban cities; and (iv) the centralized recruitment of student-teachers in ENI until 2019 and the fact that

most student-teachers come from Bangui (especially at ENS, including the regional CPRs) and are reluctant to accept a position elsewhere. Challenges mentioned under (i) and (iv) have been discussed above and those under (ii) and (iii) are presented below.

The government's ability to deploy teachers outside of BMA is weak due to the absence of incentives and monitoring mechanisms. There are no special allowances granted to teachers who work in remote areas. Tertiary teachers benefit from a housing allowance while they all live in Bangui, but primary and secondary teachers who work outside Bangui do not benefit from this allowance. Also, as shown in figure 4.14, there are no significant differences in teachers' salaries between those working in Bangui and outside Bangui. Teachers of the same rank earn more or less similar salaries wherever the location of their duty station. For example, a *maître d'enseignement* working in Bangui earns on average CFAF 97,633 per month, which is close to what *maître d'enseignement* working outside Bangui (CFAF 95,419) will also earn.

**FIGURE 4.14. TEACHER AVERAGE GROSS MONTHLY SALARY (CFAF) BY REGION AND TEACHING RANK IN 2020**



Source: Authors' calculations based on the Ministry of Finance and Budget data

Many teachers must travel long distances to collect their salaries in one of the provincial capitals with a bank, which contributes to high teacher absenteeism. The collapse of the postal and banking networks outside of Bangui since the 2000s makes it difficult to pay teachers' salaries.<sup>81</sup> This is one of the reasons why it is difficult to maintain teachers in their respective postings. There is no data on teacher absenteeism of teachers; however, evidence collected during school visits conducted during the elaboration of the ESP between 2019 and 2020 show that teachers are often absent for several days (even weeks) to go collect their salaries. Teacher absenteeism can be seen to some extent through the differences between teachers recorded in the EMIS (supposed to be at their duty station) and teachers recorded on the payroll and budget (see table A1.9 in Appendix A.1.3). Since 2019, the MFB has been actively piloting the Patapaye mobile payment system to enable paying civil servants' salaries through mobile money. A current limitation of this payment system is that it excludes contractual and temporary teachers paid by the MFB. Community teachers do not have logistical difficulties in receiving their salaries, but their pay is very low and highly irregular. Absenting themselves is often the only way to put pressure on poor families until they receive compensation.

The shortage of government-paid teachers must be addressed together with improvement in teacher management policy. As highlighted in the ESP, improvement in management policy can be achieved through:

1. **Setting up effective deployment mechanisms and incentives, which are critical to ensure equitable service delivery.** This policy requires developing a deployment plan including strategies to encourage teachers to begin working or return to their duty station in remote areas, such as:

<sup>81</sup> Source: CAR Education Sector Strategy (2008), CAR Education Interim Plan (2014–2017).



- a. Extending the five-year commitment policy recruitment to all teachers (pre-primary to secondary levels). This commitment policy states that after their training, graduate student-teachers will teach for at least five years within the SI where they took the entrance exam to teacher training college or center. This policy constitutes a measure to ensure availability of teachers in all SI.
- b. Decentralizing the organization of the entrance exam to CPRs and ENIs, which will allow to train teachers in proximity to schools where they will be posted once recruited.
- c. Incentivizing permanent teachers to spend several years in remote areas by offering bonuses and attractive career plans, such as granting them opportunities to upgrade their teaching rank. Note that financially incentivizing permanent teachers to take up positions outside Bangui is only a minor measure of the overall strategy to address shortage of teachers in schools<sup>82</sup> (see section 4.5.1).
- d. Eliminating unilaterally decided transfers, which often arise as a result of favors from individuals in higher positions (for example, ministers) for particular teachers. This is another measure that will ensure availability of teachers in all SI.
- e. Monitoring teachers' presence in their duty stations by involving communities and the SI, and by providing appropriate sanctions to address absenteeism.

2. **Modernizing payment methods to address teachers' difficulties in accessing salaries close to their duty stations.** In addition to Patapaye, other means are also being explored and may prove to be complementary, such as payment via post offices, trusted third parties (such as churches), and others.<sup>83</sup>

3. **Setting up a HRMIS to ensure effective monitoring of teachers.** The HRMIS (mentioned in Chapter 3) specifically for the education sector will cover all teachers whether they are civil servants. Specifically, it will (a) link teachers' salary payment from the MFB's payroll system to their presence in their respective duty station; (b) link teacher deployment to the school mapping system that will be put in place under the EMIS; (c) be accessible and used by SI to allow close monitoring of teachers; and (d) provide detailed information (including pedagogical training received) on all categories of teachers. Both the Education Sector Plan Support Project (P173103) and the Public Sector Digital Governance Project (P174620) are expected to support the establishment of the HRMIS.

### 4.3.4. Wage bill management

The government finances salaries of permanent teachers, contractual teachers, and temporary secondary teachers via two different mechanisms: the standard payroll system and specific budget lines under "goods and services." The payroll system is used to pay permanent teachers every month over 12 months based on the public service pay scale; whereas salaries spending for primary contractual teachers and secondary temporary teachers are currently considered "goods and services" spending under the budget. Awarding such contracts is a way for the government to employ (contractual and temporary) teachers without significantly increasing the apparent value of the wage bill. The first wave of contractual agents started in 1985. The public Treasury ensures payment every three months for a nine-month contract for contractual teachers and once a year for secondary temporary teachers (based on a nine-month allowance). In 2020, the costs of contractual and temporary teachers amounted to CFAF 2,611 million, accounting for 15.8 percent of the education wages and salaries spending and 70.8 percent of total government costs for all contractual and temporary employees. However, following the latest integration of teachers, the MFB cancelled the budget lines used to hire contractual teachers and temporary teachers, without a plan in place to make up for the deficit of teachers especially outside Bangui. As the system cannot function without these teachers, this is likely going to increase the proportion of community teachers. Parents have started paying the salaries of contractual and temporary teachers in some SI.

<sup>82</sup> The existing teacher cadre, especially *instituteurs*, will remain the minority of the teacher workforce and will constitute a very small proportion of teachers who will work in remote areas.

<sup>83</sup> This issue will be further addressed by establishing: (i) a working group to regularly report on the options tested; and (ii) an action plan to search for site-specific solutions based on a detailed mapping of the country.

**Accounting for 24.1 percent of total public sector employment and 20 percent of the public wage bill over the period 2017–20, the education sector is the second largest sector of employment in public administration, after defense and public order sector.** The overall public sector wage bill in CAR as a percentage of GDP remained stable from 2017 (4.8 percent) to 2020 (5 percent), but the education wage bill as a percentage of this bill has decreased from 26.2 percent in 2017 to 18.2 percent in 2020.<sup>84</sup> This large relative decrease is driven mostly by both (i) the limited number of recruits in comparison to departures in the education sector<sup>85</sup> until December 2020; and (ii) the high number of recruits in the defense and public order sector.<sup>86</sup> As a result, the number of employees for the education sector on the payroll decreased from 6,908 in 2017 to 6,506 in 2020 (that is, by 6 percent), whereas the number of employees in the defense of public order sector increased from 11,364 to 15,670 during the same period (that is, by 38 percent; see table 4.8). The public wage bill can be considered moderate given that it stands below the SSA average (7.1 percent of GDP in 2019<sup>87</sup>). Even including the costs of contractual and temporary employees would put the overall wage bill at only 5.3 percent of GDP in 2020. It would be necessary to carry out a more detailed diagnostic of the wage bill using information on the wage premium in the public sector, and the value of the salary scale index point which remained unchanged since 2000.<sup>88</sup>

**TABLE 4.8. WAGE BILL AND SIZE OF PUBLIC SERVICE IN CAR (2017-2020), TOTAL AND EDUCATION SECTOR**

	2017	2018	2019	2020
<b>Total public wage bill</b>				
% of GDP	4.8%	4.7%	4.8%	5.0%
Million CFAF	57,400	58,967	63,747	68,566
Total public employees (#)	26,372	26,843	27,654	31,035
Average monthly wage bill per employee (CFAF)	181,380	183,061	192,097	184,108
<b>Education wage bill</b>				
% of total public wage bill	21.3%	21.1%	19.4%	18.3%
Million CFAF	12,230	12,460	12,339	12,574
<b>Education employees (#)</b>				
% of total public employees	26.2%	25.6%	23.7%	21.0%
Number	6,908	6,863	6,551	6,506
Average monthly wage bill per employee (CFAF)	147,531	151,299	156,961	161,060

Source: Calculations based on data from the Ministry of Finance and Budget (Payroll 2017–2020) and the World Economic Outlook (2020).

<sup>84</sup> The level of the education wage bill (in 2020 constant prices) increased from CFAF 12,994 million in 2017 to CFAF 12,574 in 2020, which corresponds to a 3.2 percent decrease over the period.

<sup>85</sup> Estimations based on the payroll indicate that between 2017 and 2020, the number of new recruits stood at 357 in 2018 and 310, whereas departures amounted to 380 in 2018, 331 in 2019, and 351 in 2019.

<sup>86</sup> The number of employees increased from 11,364 in 2017 to 15,670 in 2020.

<sup>87</sup> IMF estimates 2019.

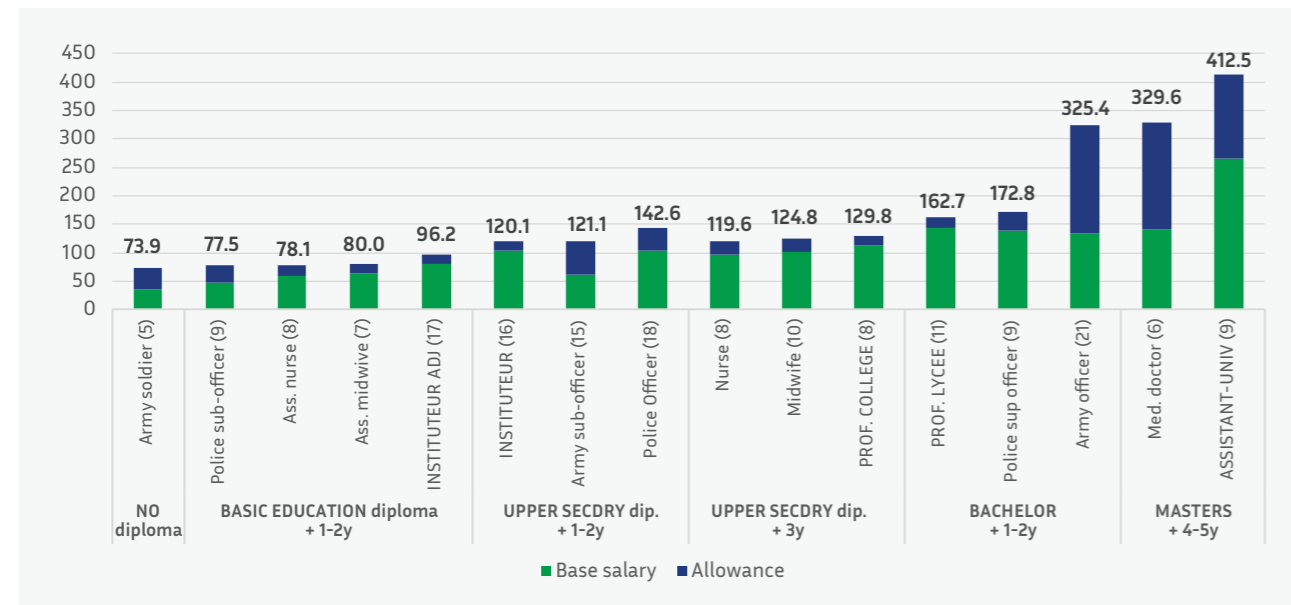
<sup>88</sup> "For example, if the wage bill is high because of a large share of public employees, measures on employment—such as attrition—can be effective in providing short-term relief. Alternatively, if the wage bill is high because government wages are high relative to the private sector, containing compensation can be a strategy to enhance the efficiency of spending (IMF, 2016f). Indeed, compensation measures are usually part of any wage bill reform as, on average, public sector wages are often higher than private wages for comparably skilled workers—with the wage premium being lower for AEs (at around 5½ percent) compared to EMs and LIDCs (at around 12¼ percent) (IMF, 2016a; and IMF, 2016f)." See IMF 2019.

**Permanent teachers are paid at a higher rate than health sector employees with the same level of qualification.** Figure 4.15 presents the average gross salary of employees for three selected sectors (defense and public order, education, and health) organized by level of qualification:

1. The provision of allowances is not standardized across the administration as the proportion of allowances relative to total gross salary is lower for primary and secondary teachers in comparison to other sector employees. In 2020, allowances constituted about 13 percent of *instituteurs* and *professeurs de collège* total pay on average, whereas it stood at 49 percent and 19 percent for an army sub-officer and a nurse respectively.
2. The gross salary of a *maître d'enseignement* is significantly higher than other professions of an equivalent qualification, which is not the case for other categories of teachers. On average, a *maître d'enseignement* earns CFAF 96,157 per month whereas an assistant nurse earns only CFAF 78,090 per month (19 percent less). However, *instituteurs* and *professeurs de lycée* are paid less than their peers in the defense and public order sector. A police officer earns on average CFAF 142,638, whereas an *instituteur* with the same level of qualification (even a little higher) earns a relatively lower amount CFAF 120,084.

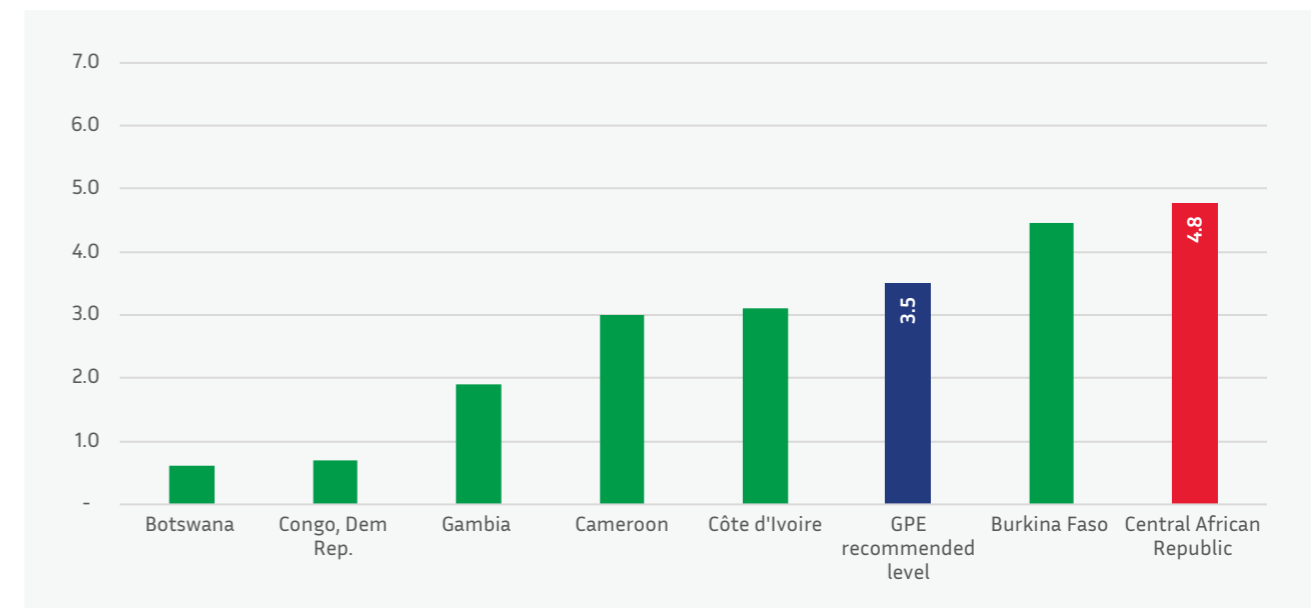
3. Temporary teachers at the secondary education level provide 15 hours of teaching per week and receive a lump sum payment equivalent to CFAF 270,000 per year. At best, they receive this amount from the government in a single payment at the end of the school year. At the University of Bangui, temporary teachers usually receive CFAF 4,500 per hour, which is paid at the end of an academic year
4. Finally, UNICEF-supported NGOs pay community teachers a salary equivalent to CFAF 315,000 per year, but communities rarely reach half that amount and often much less in rural areas<sup>89</sup> and they are paid irregularly.
5. In comparison with other SSA countries with a comparable level of development, CAR has both a low number of government-paid teachers per capita and a relatively high salary level for them at the primary level. On one hand, CAR has a very low ratio of 1 government-paid teacher per 1,000 people in comparison to countries like Botswana (6 per 1,000), Burkina Faso (4 per 1,000), and Cameroon (2 per 1,000). On the other hand, the average primary teacher salary, expressed in multiples of per capita GDP, stands at 4.8 in CAR, which is above the SSA average (3.76), the average for low-income countries (3.85), and the GPE recommended level (3.5). The low number of government-paid teachers relative to the population further justifies the needs to increase teacher recruitment in CAR to ensure the expansion in education coverage, reduce the financial burden on families, and improve learning conditions.

**FIGURE 4.15. AVERAGE GROSS SALARY (IN '000 CFAF) FOR SELECTED PUBLIC EMPLOYEES IN 2020**



Source: Authors' calculations based on the Ministry of Finance and Budget data (Payroll 2020).  
Note: Numbers into brackets within the occupations indicate average years of experience.

**FIGURE 4.16. PRIMARY TEACHER SALARY AS MULTIPLES OF GDP PER CAPITA, CAR AND SELECTED SSA COUNTRIES**



Source: Compilations based on country studies and PERs. For CAR, authors' calculations based on payroll data (2020).

**Permanent teachers' salaries are significantly higher than salaries of contractual and temporary teachers, and a fortiori community teachers.** As shown in table A1.10 in Appendix A1.3:

1. Upon integration into civil service, permanent teachers (that is, *instituteurs* and *instituteurs adjoints*) received an initial gross salary of CFAF 1.1 million and CFAF 1.0 million per year, respectively. Moreover, salaries of these teachers increase as they progress up the career ladder.
2. In contrast, contractual teachers receive a fixed allowance equivalent to CFAF 540,000 per year. Not only it is almost half the average base salary (minimum value) of a permanent primary teacher, even though they have the same level of qualification, but also it is lower than the monthly gross salary of an army soldier whose position does not require a diploma. Contractual teachers should be paid in theory every three months by the public Treasury, normally upon producing a certificate of service duly signed by the school principal, the head of school subdistrict, and the SI. But they rarely receive their salary as planned and are not paid regularly given the observed arrears.

**The large differences between the salaries of permanent teachers and community teachers and temporary teachers justify the creation of new lower-cost teacher ranks to realize needed massive recruitments.** The strategy to address the shortage of teachers is expected to create new lower-cost teacher ranks to be able to recruit a massive number of teachers and reduce the burden on poor families (see box 4.3 below). At the primary level, most new recruits will be community teachers who are already in public schools. Specifically, they will be trained in close proximity to their duty station and offered a more stable status as *agent d'éducation* who expected to be paid by the government.

<sup>89</sup> For example, visits and focus groups with parents and community teachers in Ndele indicated that a community teacher often can receive CFAF 1,000 to 15,000 per month, for a period of 9 months.

### Box 4.3. Five additional civil service teaching ranks to be created to absorb the new recruits

As part of the proposed teacher recruitment policy under the ESP, five additional civil servant teaching ranks are expected to be created. These new teaching ranks will provide better and more stable jobs to community, temporary, and preschool teachers. They will be paid at a higher rate than the current community and temporary teachers, and will contribute to managing changes in the wage bill. Furthermore, the existence of different teaching ranks (new and old)—and therefore different salary rates—for the same position will be better accepted if it is possible to progress from one teaching rank to another. Teachers starting out with a lower teaching rank should be able to gradually move up the career ladder. In addition, mobility between different positions—and functions—is necessary to better respond to the changing needs of the national education system and is an incentive for teachers willing to move up the career ladder.

These new additional teaching ranks are: *agent d'éducation*, *professeur polyvalent du secondaire*, and three ranks for the teacher workforce at the preschool level.

At the primary level, *agent d'éducation* is reserved for community teachers that will receive 1–3 years in-service training at CPRs and could be hired by the government upon graduation. Their initial gross salary is expected to be set at CFAF 40,000 per month for 12 months. This compensation is significantly less than for the two existing teaching ranks at the primary level, and lower than the starting salary of an army soldier (without qualification), but significantly higher than the maximum compensation that a community teacher can expect (table A1.10).

At the secondary level, *professeur polyvalent du secondaire* will be reserved for temporary secondary teachers (those who intend to become permanent teachers) and existing *instituteurs*. They will benefit from multidisciplinary in-service training in CPRs during school holidays, over two years, and will obtain an intermediate rank and associated salary between that of an *instituteur* and that of a *professeur de collège*. These teachers are primarily intended to teach in local lower secondary schools (*collèges de proximité*).

There are currently no teaching ranks at the preschool level. As the government develops this subsector, it is expected to set up three teaching ranks that will mirror the primary level ranks: *instituteur*, *maître d'enseignement*, and *agent d'éducation*.

## 4.5. FINANCING NEEDS AND SUSTAINABILITY OF PUBLIC SPENDING ON EDUCATION

This section presents the financing needs of the education sector based on the recently adopted ESP 2020–2029 and assesses its fiscal implication and sustainability. Financing needs for the education sector presented in this section are based on the simulation model developed for the ESP 2020–2029. However, the results of the simulation carried out as part of the ESP have been updated to reflect the strong impact of the COVID-19 pandemic and 2020–21 elections turmoil on the government revenues and education sector, including school closures and loss of learning opportunities and delays in implementation of planned ESP interventions (school and teacher training, institute constructions, teacher training, and so forth). To accommodate the two shocks: (i) the realization of the ESP targets originally planned for 2029 have been postponed by one year and are now set to be achieved by 2030; and (ii) the values of some parameters and selected targets have also been modified (see Appendix A1.4). Overall, the level of financing needs depends on a set of agreed targets and scenarios that are deemed feasible and attainable over the next decade. Under this PER, only the results of the updated baseline scenario of the ESP projections are presented. These results constitute the median scenario. Appendix A1.4 presents targets and assumptions made under the baseline scenario and discusses succinctly three other scenarios that were developed as alternatives.

### 4.5.1. Financing needs of the education sector

Financing needs are measured based on the following key elements: (i) evolution of student enrollment over the period 2022–30; (ii) number and composition of the teacher force needed to provide teaching and learning and STR to be achieved in 2030; (iii) number of classrooms needed to accommodate students and SCR to be achieved in 2030; (iv) goods and services needed to ensure quality of education, including learning and teaching materials and textbooks; and (v) transfers and potential demand-side interventions such as scholarships (especially for girls) and second chance opportunities programs for out-of-school youth.

#### NUMBER OF TEACHERS NEEDED IN PUBLIC SCHOOLS BY 2030

One of the main objectives of the education strategy is to enable the education system to transition from the current situation to a desired outcome where schools are run by qualified and government-paid teachers. The current situation is characterized both by (i) a shortage of teachers given high STR and (ii) a high proportion of untrained teachers. As shown in table 4.9 below, to achieve this transition, it would be necessary to train and recruit a very large number of teachers in order to move from 12,621 teachers in 2018–19 to 30,192 teachers in 2030–31 in public schools at all levels of education.<sup>90</sup> A set of complementary reforms related to teacher management as outlined in box 4.1 will need to be implemented to ensure achievement of this objective. Overall, addressing the shortage of teachers while reducing the proportion of unqualified teachers requires:

1. Increasing the number of teachers present in schools to decrease high STR and cope with the expected increase in enrollment at all levels of education; and
2. Converting the significant number of existing community teachers who are untrained with no qualification at both primary and preschool levels into *agent d'éducation* (that is, trained teachers with a more stable status).

TABLE 4.9. NUMBER OF TEACHERS IN PUBLIC SCHOOLS, 2018–19 VERSUS 2030–31

	2018–2019			2030–2031		
	Teachers (#)	% permanent teachers	STR	Teachers (#)	% permanent teachers	STR
Preschool	281	17%	43	5,445	88%	30
Primary	9,828	30%	101	16,082	89%	50
Secondary (exc. TVET)	2119	34%	54	7,375	100%	50
<b>Secondary (TVET)</b>	<b>393</b>	<b>42%</b>	<b>19</b>	<b>1,290</b>	<b>61%</b>	<b>35</b>
<b>Total</b>	<b>12,621</b>			<b>30,192</b>		

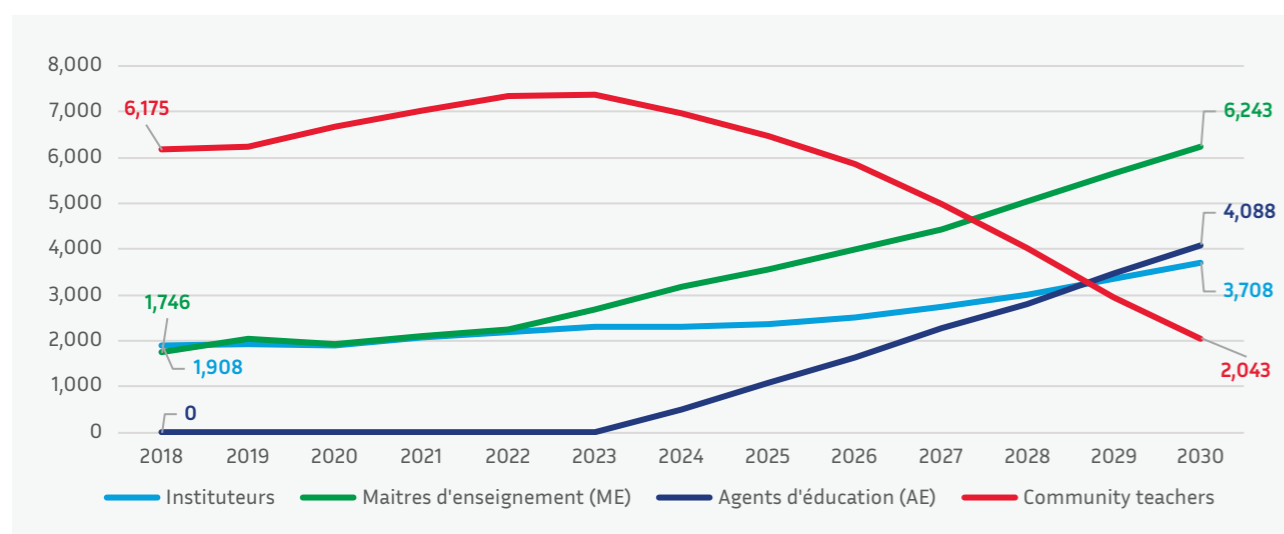
Sources: ESP Simulation Model revised in 2021 and EMIS 2018–2019.  
Note: Number for TVET is for both public and private schools.

At the primary level, reducing the STR in public schools from 101 in 2018–19 to 50 in 2030–31, will require having 16,082 teachers at the beginning of the 2030–31 school year (see table 4.9). In 2018–19, the total number of teachers in public primary schools was close to 9,830, but only 3,655 were trained teachers. This number will have to more than quadruple to reach a modest STR of 50 in 2030. As shown in figure 4.17, this outcome can only be achieved by training a large number of *maitres d'enseignement* (N = 6,243 in 2030) and *agent d'éducation* (N=4,088 in 2030) in regional CPRs.<sup>91</sup> The baseline scenario ensures to move from a situation where 30 percent of teachers were permanent teachers in 2018–19 to a situation where 88 percent are in 2030–31.

<sup>90</sup> Note that the number of private sector teachers will also have to increase (the SM's assumption is that the share of private education will remain constant at about 20 percent over the decade) and these teachers are often trained in public training institutes.

<sup>91</sup> The number of trained *instituteurs* will also increase, but less rapidly.

**FIGURE 4.17. BASELINE SCENARIO—PROJECTED CHANGES IN THE COMPOSITION OF THE TEACHER WORKFORCE AT THE PRIMARY LEVEL (PUBLIC SECTOR ONLY)**



Sources: ESP Simulation Model; EMIS 2018–2019.

Training the required number of secondary teachers by 2030 will be as challenging as training teachers at the primary level, and thousands of preschool teachers will be needed to develop preschool subsector. Expanding the provision of secondary general education while achieving a relatively high STR of 50 will require having nearly 7,375 teachers by 2030–31 in public schools while there were only 718 permanent teachers and 1,401 temporary teachers in 2018–19 (see figure A1.5 in Appendix A1.4). Moreover 5,445 public preschool teachers would be needed to achieve a 95 percent gross intake rate to the last grade of preschool with a STR of 30<sup>92</sup> at the beginning of the 2030–31 academic year, whereas there were only 61 in 2018–19 (see figure A1.6 in Appendix A1.4).

As envisioned by the government, the strategy to address the teacher shortage at the primary level would be a hybrid model. As shown in figure 4.17, on one hand the system will continue to rely on the existing teacher cadre (*instituteurs*) but they will remain the minority of the teacher workforce representing about 18 percent of teachers hired between 2020 and 2030. On the other hand, a large proportion of community teachers (75 percent) will be trained, provided with adequate pedagogical skills, and recruited as *agent d'éducation* either on a contractual or civil servants basis. These regularized community teachers (*agent d'éducation*) are expected to represent about 40 percent of teachers hired between 2020 and 2030 and they will be paid by the government instead of poor parents.

#### NUMBER OF CLASSROOMS/PUBLIC SCHOOLS NEEDED BY 2030

The total number of classrooms required to improve access and learning conditions in public schools at all levels of education (except tertiary) at the beginning of the 2030–2031 school year stands at 16,187, whereas there were only 7,682 classrooms in good condition in 2018–2019. As shown in Table 4.10, existing classrooms are overcrowded, with on average one classroom in good condition for every 148 students in public primary school and 158 students in public secondary school, respectively, in 2018–2019. Based on the simulation model, it is estimated that 3,942 and 3,950 classrooms will need to be constructed and rehabilitated, respectively, in order to improve access and reduce SCR from 101 in 2019 to 65 in 2030 in public primary schools. In secondary education (excluding TVET), it is estimated that 3,229 and 412 classrooms will need to be constructed and rehabilitated, respectively, to accommodate an increased number of students in public secondary schools and reduce the SCR from 158 in 2019 to 95 in 2030.

<sup>92</sup> In the report *A World Ready to Learn*, UNICEF (2019) recommends a maximum STR of 20 in pre-primary education. Considering the starting point (STR = 43 in the public sector) and the limited resources available, however, the target has been set at a lower level (access/quality trade-off), closer to the Sub-Saharan average in 2018.

**TABLE 4.10. NUMBER OF CLASSROOMS BUILT OR REHABILITATED OVER THE PERIOD 2021–30 AVAILABLE IN 2030 IN PUBLIC SCHOOLS**

	SCR "good condition"		Number of classrooms by 2030–2031		
	2018–2019	2030–2031	Built	Rehabilitated	Total
Preschool	79	45	3,537	318	3,855
Primary	148	65	3,945	3,950	7,895
Secondary (exc. TVET)	158	95	3,229	412	3,641
Secondary (TVET)	65	60	730	69	799
<b>Total</b>			<b>11,441</b>	<b>4,749</b>	<b>16,190</b>

Sources: ESP Simulation Model revised in 2021; EMIS 2018–2019.

#### 4.5.2. Implications for government spending on education

The country's economic growth has been revised downward for 2020 from 5.0 percent to 0.0 percent due to the COVID-19 pandemic and elections turmoil. However, the current forecast projects real GDP growth to recover to 3.5 percent in 2021 and to average 4.7 percent in 2022–30.

Achieving the baseline scenario requires progressively increasing total public spending on education, as a proportion of GDP, from the average value of 1.9 percent during 2018–20 to 3.3 percent in 2030. This proportion will remain below the SSA's average in 2018<sup>93</sup> (4.6 percent), but it will require increasing spending on education as a percentage of total government spending (see section 4.5.3). This also has implications for the evolution of spending by category and by subsector as described below. The breakdown of public spending on education into current and capital expenditures and by subsector are presented in table A1.13 and table A1.14 in Appendix A1.4, respectively.

Capital expenditures as a proportion of total spending on education are projected to gradually increase whereas the share of salaries and wages expenditures would decrease. On one hand, capital expenditures would account on average for about 26.6 percent of total public spending on education during the 2021–30 period. This high proportion is explained by the huge construction and rehabilitation needs across all subsectors. On the other hand, the wage bill (including salaries of contractual, temporary teachers, and community teachers) will more than double (in constant prices) from CFAF 18.7 in 2021 to CFAF 42.3 billion in 2030, due to the large number of teacher recruitments. However, the share of salaries and wages expenditures in total spending on education is expected to decrease from 61.3 percent in 2021 to 59.3 percent in 2030.

The proportion of public spending on education allocated to primary education is expected to stand at 38.3 percent on average during the 2021–30 period,<sup>94</sup> whereas the share allocated to preschool and secondary education will significantly increase. Indeed, the expanded provision of preschool education, which is currently at a nascent stage, will require increasing the proportion of spending to this subsector from 0.2 percent in 2020 to reach 12 percent of the education budget in 2030. Moreover, the expansion of secondary education, in line with achieving SDG targets,<sup>95</sup> will necessitate dedicating about 32.9 percent of the education budget to this subsector in 2030 (28.9 percent for general education and 4.0 percent for TVET). Note also that the high level of spending on preschool and secondary education is partly due to high capital expenditures required to build and rehabilitate a large number of classrooms (in comparison to the primary subsector). When considering only

<sup>93</sup> But higher than the CEMAC countries average, exclusive of CAR, during the same period (3 percent).

<sup>94</sup> This share is a little below the GPE recommended level (45 percent), but the rationale behind this proportion is provided by the following points.

<sup>95</sup> SDG 4 targets universal completion of primary and secondary education by all girls and boys by 2030. Target 1 of SDG 4 reads as follows: "By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes" (UNESCO 2020).

current expenditures, the share of expenditures allocated to primary education decreases less rapidly, from 38.5 percent in 2021 to 36.4 percent in 2030 (average of 38.5 percent over 2020–30).

**Lastly, containing spending in the higher education and research subsector is projected to reduce HER spending from 29.1 percent of the total education budget in 2021 to 17.2 percent in 2030.** Nevertheless, despite this high reduction in the proportion of total education spending, the level of HER spending will increase by 31 percentage points over the 2021–30 period.

### 4.5.3. Financing gap

**When adopting the ESP, the government committed to increasing the proportion of spending on education in total government spending from 13.3 percent in 2019<sup>96</sup> to 20.1 percent in 2026 (the recommended GPE level) and 23 percent in 2029.** Following the COVID-19 pandemic and 2020–21 elections turmoil, it appeared necessary to revise the final target to 22 percent (instead of 23 percent as originally planned) and to postpone its achievement by one year (2030 instead of 2029). According to the baseline scenario, the average annual financing gap over the period 2021–30 then amounts to CFAF 7.4 billion in constant prices (equivalent to US\$13.7 million, constant prices).

**This financing gap<sup>97</sup> for the period 2021–30 is expected to be covered by TFPs.** When endorsing the ESP in July 2020, TFPs pledged to support the government in meeting the financing gap through project grants (EBESP, ESPSP, and the Human Capital and Women and Girl’s Empowerment project) and credits (such as the extension of the University of Bangui financed through credit from the *Fonds Saoudien*). The GPE grant (US\$30.85 million) used to finance the ESPSP covers 56 percent of the average annual financing gap during the 2021–24 period. Assuming there will be additional GPE financing in 2025, while taking into account the grants provided by other TFPs (including EU, AfDB, AFD, WB, and others), it would be feasible to cover the financing gap to ensure implementation of the ESP. Lastly, the proportion of external financing allocated to the education sector, which stood at 4.1 percent on average during 2018–20 (see section 4.3.2), will have to increase to 13 percent over the 2021–30 period (from 6.5 percent to 18.7 percent) to cover the financing gap, which seems realistic given the importance of education in consolidating peace efforts in CAR.

### 4.5.4. Sustainability of public spending on education

The fiscal sustainability of the implementation of the ESP reforms to rebuild the education system is taken into account through the following considerations and measures:

1. The commitment of the government to gradually increase the proportion of its total spending in the education sector will provide the funds needed to address sector challenges. Investing in education yields important benefits such as stability, peace, and social cohesion, which in return reduces spending needs on defense and public order.
2. Containing HER spending will allow for a more efficient allocation of the education budget across subsectors and will contribute to finance the expansion of the provision of preschool education, secondary education (including TVET), and literacy.
3. The implementation of the overall teacher recruitment strategy (see box 4.1) is expected to lead to a reduction of the average salary of a government-paid teacher at the primary level by 15.2 percent in real terms during the next 10 years as result of (a) the previous measures and salary moderation for existing teachers, and (b) rejuvenation of the teaching staff due to new recruits. Moreover, the improvement in teacher management policy also yields important efficiency gains (see section 4.4) that contribute to containing the wage bill. Measures to limit the growth of the wage bill incorporated in the design of the HR policy will have to be implemented to ensure its sustainability, especially:

- a. The creation of new teacher ranks (see box 4.3) to recruit teachers with different training backgrounds at lower salaries: (1) *agent d’ education*, a teaching rank reserved for community teachers are expected to make up a large proportion of the new recruits to be hired in the next decade and would be paid at a lower rate than the two existing teaching ranks at the primary level; (2) *professeurs polyvalents du secondaire*, a teaching rank reserved for temporary teachers and existing primary school teachers, whose salaries will be between that of an *instituteur* and a *professeur de collège*.
  - b. The introduction of a lower initial salary for *maîtres d’enseignements*, which would be applicable only to new recruits starting in 2025, as a measure to (1) contribute in setting a more coherent pay scale<sup>98</sup> as they are currently paid at a higher rate compared to other civil servants at the same level of qualification; and (2) contain costs of recruiting a large number of teachers. This measure is expected to yield costs savings by reducing the 2030 salary and wages spending at the primary education level by 7.5 percent (that is, CFAF 985 million in constant prices); this proportion will increase over the following years, as *maîtres d’enseignement* paid at the salary rate prior to this measure retire and are replaced by new recruits.
4. The launch of a community-based approach to build and rehabilitate classrooms school construction and rehabilitation will also yield efficiency gains. This approach has been known to be cost effective as it reduces significantly transaction costs, builds local capacity, and contributes to reducing implementation delays.

## 4.6. RECOMMENDATIONS

The proposed recommendations presented in this PER build on the policy reforms that were developed under the ESP and then updated in light of recent events—the COVID-19 pandemic, pre-electoral political measures, and elections turmoil. Despite these difficulties, the government should now prioritize the implementation of the ESP’s recommendations, as they would have a positive impact on the country’s education system. Recommendations under this PER are based on a thorough examination of the many challenges facing CAR’s education system and have been grouped into two categories: (i) high-priority recommendations (table 4.11), and (ii) additional recommendations to improve the quality, effectiveness, and efficiency of education (table 4.12).

### High-priority recommendations

#### INCREASE THE SHARE OF SPENDING ON EDUCATION IN THE TOTAL GOVERNMENT BUDGET

Many of the key challenges facing the education sector stem directly and indirectly from underfunding of the education sector. The actual government spending on education as a share of GDP stands at only 1.8 percent in 2020, which is far below the SSA average of 4.6 percent (see section 4.3.3). To address huge financing needs of the sector (see section 4.5.1), it is imperative that the government effectively prioritizes the education sector in its budget allocation process as outlined in the ESP. Thus, education spending should gradually increase from an average of 13.3 percent (as a share of total government spending) during 2018–20, to 20 percent (which is the GPE recommended level) and beyond if feasible.<sup>99</sup>

There are three potential ways that the government could consider increasing the allocation of the overall budget to the education sector:

1. Creating fiscal space by improving DRM as discussed under Chapter 2 will in turn make it feasible to increase the allocation to the education sector.
2. Reallocate significant resources away from the defense and public order toward education in order to promote sustainable growth and peace. Currently, CAR allocates a high share of its resources and number of HR recruitments to the defense and public order sector (see section 4.3.2) due to the fragile security situation. But CAR should gradually reallocate some of this spending to the social sectors, including education, as soon as the

<sup>96</sup> The average during 2018–20 was 13.3 percent.

<sup>97</sup> The financing gap is the difference between (i) government spending on education financed through domestic resources and budget support and, (ii) total public spending required to address sector needs in order to rebuild the education system based on the targets set under the simulation model.

<sup>98</sup> The starting gross salaries of the three teaching ranks at the primary level would then amount to CFAF 40,000, 70,000, and 100,000 per month.

<sup>99</sup> In the updated simulation model of the ESP, the 20 percent threshold is reached in 2028 and the target is 22 percent in 2030.

security situation improves. This will allow CAR to enter a virtuous circle where more social spending generates more development and security, which in turn allow to reduce the share of spending on security. In June 2019, the IMF launched “A Strategy for IMF Engagement on Social Spending,” which provided a clarification of when and how to engage on social spending (IMF 2019). A core principle of the strategy is that engagement on social spending should be guided by an assessment of its macro-criticality.<sup>100</sup> By carrying out this PER, CAR is laying the foundations for the macro-criticality of social spending and thereby highlighting its importance and increasing allocation of the government budget on social sectors.

3. Leveraging additional resources from TFPs based on the estimated funding gap for the sector (see section 4.5.3) could also be a way to increase spending in the education sector. This implies that funding from TFP should increase overtime through (a) project grants, (b) credits (when appropriate), and (c) more education-targeted DPFs (budget support) with better-defined and more effective trigger indicators. A possible way to condition DPFs on increased sectoral allocations is to formulate prior actions and triggers (including indicators) in a way that requires the government to make substantial investments in the education sector. For example, if a condition is set based on the STR of government-paid teachers, then the government will need to pay for more teachers to realize the prior action/trigger, hence increasing allocation to the education sector.

**IMPROVE THE ALLOCATIVE EFFICIENCY OF THE EDUCATION BUDGET TO ENSURE THAT UNDERDEVELOPED SUBSECTORS ARE ADEQUATELY FUNDED**

A better distribution of the education budget that targets underdeveloped subsectors will contribute to the equity and efficiency of spending. The share of the public spending on education is highly skewed toward higher education at the expense of critical subsectors: (i) pre-primary education, literacy, non-formal education and TVET; and, to a lesser extent, (ii) general secondary education (which is expanding rapidly without adequate funding). To improve equity in the distribution of benefits from public education spending, the government should gradually increase the share of the education spending allocated to: (i) preschool education from 0.2 percent in 2020 to reach the threshold of 10 percent before the end of the next decade as per the UNICEF recommendation;<sup>101</sup> (ii) literacy, non-formal education, and TVET through a sustainable financing mechanism by transitioning from a project-based financing approach to a systemic model; and (iii) secondary general education, which has a share of only 14.8 percent in 2020. An adequate distribution of the budget should be based on sector priorities and on unit costs to provide consistent and productive service delivery at all levels of education. The most outstanding international example of a sectoral performance budgeting system based on unit costs is the “diagnostic related group” (DRG) hospital funding system. In education, where costs per student at particular levels of schooling tend to be relatively standard, unit costs can also be a powerful budgeting and performance management tool.<sup>102</sup>

The growth of higher education and research spending must be contained, and their sources of financing must be diversified. The share of HER expenditures in the education budget will have to decrease, given that: (i) HER expenditures already take up an extremely large portion of the education budget; (ii) the financing needs of other levels of education; and (iii) limited government resources; then. Discussions held with education stakeholders during the elaboration of the ESP reveal that it would be politically challenging to cut HER expenditures because of the high influence of both HER students (including strikes and other actions) and political leaders (who are mostly university professors).<sup>103</sup> Hence the agreement was reached to significantly reduce the relative share of HER spending in total education spending (see section 4.5.2) without reducing its actual amount. In addition, HER expenditures will be contained through implementing an audit of current expenditures in order to improve their efficiency (see Appendix A1.2, “Higher education (HER) spending”). Other containment measures include diversifying funding sources through such means as setting up a performance-based contract, carrying out research and consultancy services, and mobilizing funds from the diaspora and external aid organizations. Finally,

<sup>100</sup> “The channels through which social spending may be macro-critical can be grouped into three, often interrelated, channels: Is social spending sustainably financed? Is it adequate? Is it efficient? A particular social spending issue is considered macro-critical if one, or any combination, of these channels is a policy concern. Or, in other words, social spending is unlikely to be considered macro-critical if it is sustainable, adequate, and efficient under current policies” (IMF 2019).

<sup>101</sup> “By relying on simulations of strategies allowing for achieving universal access to pre-primary education” (UNICEF 2019). Citation translated from the report: « En s'appuyant sur les simulations de stratégies permettant d'atteindre un accès universel à l'enseignement pré primaire ».

<sup>102</sup> The most outstanding international example of a sectoral performance budgeting system based on unit costs is the “diagnostic related group” (DRG) hospital funding system. In education, where costs per student at particular levels of schooling tend to be relatively standard, unit costs can also be a powerful budgeting and performance management tool. See Robinson and Brumby (2005).

<sup>103</sup> Including the President of the Republic.

HER spending can be reduced by increasing the role of the private sector; thus, would involve (i) developing public-private partnerships; and (ii) increasing the financial participation of students in the system costs (see Appendix A1.2, “Higher education (HER) spending”).

**INCREASE THE PROPORTION OF GOVERNMENT-PAID AND QUALIFIED TEACHERS IN PUBLIC SCHOOLS TO LESSEN THE BURDEN ON POOR COMMUNITIES**

The provision and distribution of qualified teachers paid by the government should be improved to strengthen efficiency, equity, and quality of education across the country. To bring the number of students per government-paid teacher to acceptable levels in all prefectures by 2030, the government needs to train, recruit, and deploy many teachers throughout CAR. By 2030, the system would continue to rely on (i) the existing teacher cadre, who will be the minority of new recruits; and (ii) community teachers, who would have received appropriate training, and be granted a more stable status with regular pay borne by the government. Overall, the ESP laid down a set of interrelated strategies to address the lack of qualified teachers at all levels of education (see box 4.1); their implementation should continue to be the focus of DPFs. Among these strategies, the most critical ones are as follows:

1. **Implementing as a first step a five-year recruitment plan for all student-teachers who graduated from the teacher training institutes since 2009 and are awaiting integration** (see box 4.2). This is a minor measure and a prerequisite to address the shortage of teachers (see section 4.4.3) and make way for further training and recruitment of new teachers. Then, as a second step beginning in 2028, revert back to the practice of automatically recruiting student-teachers as soon as they graduate—as contractual teachers for one year, and onboarded into civil service the subsequent year, provided they have performed their applicable duties as a contractual teacher. The implementation of this plan requires action to restore and secure the budget lines used to pay for contractual and temporary teachers as in the short run, the system cannot function without them.
2. **Increasing and deconcentrating teacher training capacities and recruiting a large number of teachers.** This policy involves both increasing the provision of (a) pre-service training, and (b) in-service training, especially for new teaching ranks (including training of community teachers in proximity to their schools). It also requires the creation of new lower-cost civil-servant teacher ranks (see box 4.3), that will allow (1) recruitment of teachers with lower qualifications such as community teachers; and (2) offer opportunities to lower-ranked teachers to gradually move up the career ladder, including by providing mobility between different positions and functions.
3. **Improving teacher management through setting up** (a) effective deployment mechanisms and incentives, (b) community-based systems to monitor the presence of teachers in schools, and (c) modern teachers’ payment methods that will address difficulties in accessing salaries close to teachers’ duty stations.
4. **Remunerating community teachers as a short-term solution in order to lessen the burden on poorer communities.** This will require prior identification all existing community teachers in order to avoid windfall effects.

**TABLE 4.11. THREE PRIORITY RECOMMENDATIONS**

Proposed reforms	Time frame	Action: What to do concretely	Expected impact	Institutions
<b>Increase the allocation to the education sector budget to address huge financing needs, and reach the GPE recommended threshold of 20 percent of the total government budget in the medium term, followed by 22 percent by 2030</b>	Short to medium term	<ul style="list-style-type: none"> <li>Creating fiscal space to increase spending on education by improving DRM as discussed under Chapter 2</li> <li>Reallocating significant resources away from defense and public order sector toward education as soon as the national security situation improves</li> <li>Additional resources should be leveraged from TFPs based on the estimated funding gap for the sector, through (a) project grants, (b) credits (when appropriate), and (c) more education-targeted DPFs (budget support) with better defined and more effective trigger indicators</li> </ul>	Improve access to education, quality of education, equity in the provision of education, and increased education outcomes for all boys and girls	<ul style="list-style-type: none"> <li>Presidency of the Republic</li> <li>MFB/MEPC</li> <li>All ministries of education</li> <li>TFPs</li> </ul>

Proposed reforms	Time frame	Action: What to do concretely	Expected impact	Institutions
<b>Improve the allocative efficiency of the education budget</b> to ensure that underdeveloped subsectors (pre-primary, secondary levels including TVET, and literacy) are adequately funded	Short to medium term	<p>Increase the share of the education spending allocated to:</p> <ul style="list-style-type: none"> <li>Preschool education from 0.2 percent in 2020 to reach the threshold of 10 percent before the end of the next decade as per UNICEF recommendation</li> <li>TVET, non-formal education and literacy through a sustainable financing mechanism by transitioning from a project-based financing approach to a systemic model</li> <li>Secondary general education, which had a share of only 14.8 percent in 2020</li> </ul> <p>The growth of higher education and research spending must be contained and their sources of funding must be diversified:</p> <ul style="list-style-type: none"> <li>Conduct an audit of current HER expenditures in order to improve their efficiency</li> <li>Diversify funding sources through such means as setting up a performance-based contract, carrying out research and consultancy services, mobilizing funds from the diaspora and external aid organizations, developing public-private partnerships, and increasing the financial participation of students in the system costs</li> </ul>	<p>Develop and improve pre-primary education, TVET, nonformal education and literacy, and general secondary education</p> <p>Increase efficiency and equity in higher education and research spending</p>	<ul style="list-style-type: none"> <li>MFB</li> <li>All ministries of education</li> </ul>
<b>Increase the proportion of government-paid and qualified teachers in public schools</b> to improve the quality of education and reduce the financial burden on families	Short to long term	<ul style="list-style-type: none"> <li>Implementing a five-year recruitment plan for all student-teachers who graduated from the teacher training institutes since 2009 and are awaiting integration, and reverting back to the practice of automatically recruiting student-teachers (as soon as they graduate)</li> <li>Increasing and deconcentrating teacher training capacities and recruiting a large number of teachers, which requires creating new civil-servant teacher ranks</li> <li>Improving teacher management through setting up (a) effective deployment mechanisms and incentives; (b) community-based systems to monitor the presence of teachers in schools, and (c) modern payment methods for teachers</li> <li>Remunerating community teachers as a short-term solution to lessen the burden on poorer communities</li> </ul>	<ul style="list-style-type: none"> <li>Increase number of qualified teachers, which will contribute to improving access to education</li> <li>Reduce inequities in the provision of education as poor and remote regions will have access to government-paid qualified teachers instead of having to pay for unqualified community teachers</li> <li>Improve learning outcomes through the availability of qualified teachers</li> </ul>	<ul style="list-style-type: none"> <li>MFB</li> <li>All ministries of education</li> <li>School inspectorates</li> <li>Ministry of Civil Service</li> </ul>

## ADDITIONAL CRITICAL RECOMMENDATIONS

### Strengthen budget processes for better monitoring and evaluation of spending

**Build the capacity of the ministries of education in terms of budget planning and preparation so as to align expenditures with the priorities for the sector as outlined in the ESP.** Having the right tools and a full understanding of the budget planning and preparation system is essential. This capacity makes possible expenditure projections, the elaboration of specific budget proposals to the MFB, and negotiations for appropriate resource allocation for the sector when the budget circular<sup>104</sup> is issued. Improving the capacity of the education ministries will help in achieving the targets set under the ESP for each subsector. Financing needed to achieve these targets has been laid out in the ESP simulation model, which serves as an expenditure planning tool. This will help in avoiding erratic allocations that do not allow for the sustainability of strategies and the achievement of targets.

**Reflect the allocation of spending to each level of education separately and clearly in the functional classification of the budget, to allow better monitoring and evaluation of spending.** The lack of a clear classification of education

spending by level of education is an important challenge that constrains the analysis, monitoring, and evaluation of overall spending in the sector. For example, it is not currently possible to distinguish MPSE expenditures by level of education (preschool, primary, and secondary); nor is it possible to distinguish METL expenditures (formal TVET, non-formal TVET, and literacy).<sup>105</sup> Having a budget classification that is clearly structured around the levels of education would facilitate subsector-level analysis and evaluation of the priority areas.

### Improve overall management information systems to ensure efficient use of resources

#### EMIS

**Strengthening the EMIS capacity by providing adequate technical and financial resources will ensure production of reliable and consistent data for policy making.** The annual school census questionnaire is expected to be revised to improve the accuracy and quality of the data<sup>106</sup> and fill critical information gaps, especially with regards to: (i) teachers ranks and functions to allow to identify government-paid teachers, and (ii) actual number of physical classrooms and their current usage (single or double shifts). This should be complemented with capacity building to collect data, manage EMIS, and produce timely annual yearbooks and dashboards.

#### HRMIS

**Setting up a HRMIS (as recommended in the ESP) will allow for a better management of education HR, especially with regards to recruitment, deployment, payment, training, and career of teachers.** The HRMIS, presented in Chapter 3, will be common to all ministries. In the case of the education sector, it will include all teachers working in the public sector whether they are civil servant teachers or not. This could be done by adding a module on non-civil-servant teachers, in which there will be information that will allow to monitor the evolution of the entire teacher workforce because as it is mainly made up of non-civil servants. Overall, the HRMIS should (i) link teachers' salary payment from the MFB's payroll system to their presence in their respective duty station, (ii) link teacher deployment to the school mapping system under the EMIS, (iii) be accessible and used by SI to allow close monitoring of teachers, and (iv) provide detailed information (including pedagogical training received) on all categories of teachers. The implementation of HRMIS must be aligned with the implementation of new HR management practices. Through HRMIS, it will be possible to set up control and sanction mechanisms, bonus and hardship allowances, and monitoring of teacher career paths.

### Implement the ESP's strategy with regards to reduction of repetition rates and improve textbook policy for better education outcomes

**Potential efficiency savings could be made from the implementation of the ESP's strategy with regards to reduction of repetition rates.** Repetition rates are an important source of internal inefficiency as they contribute to a substantial waste of financial resources, including dedicating classrooms and teachers each year to repeaters, and increasing dropout rates, overage, STR, and SCR. Many studies have questioned the merits of grade repetition, both on the academic performance of repeaters and on their educational trajectory,<sup>107</sup> and found no evidence of its benefits. The ESP strategy consists of progressively eliminating repetition in grades 1, 3, and 5 and reducing repetition in grades 2 and 4. This will be done through a mix of administrative measures (that is, establishing an automatic promotion policy in grades 1, 3, and 5) and through providing additional remedial programs to increase learning instruction.

**CAR should formulate a national textbook policy as recommended in the ESP in order to (i) reduce unit costs, and (ii) ensure the availability of textbooks in schools.** As a first step, the methods of transportation and management of textbook stocks must be assessed and revised. Second, a study on a textbook policy adapted to

<sup>105</sup> In this PER, an algorithm was constructed based on the wages and salaries spending recorded under the payroll system in order to distinguish spending by level of education. See Appendix A1.2, "Methodology to breakdown government spending by sectors."

<sup>106</sup> The accuracy sought concerns information on (i) both the grade and category of teachers to clearly identify those paid by the government, (ii) secondary and higher education teachers working both in the public and private sectors to know the real number of teachers in the system, and (iii) information on physical classrooms and their use (single or double shift). For more details, see section V.3.2 of the Central African Republic Education Sector Plan 2020–2029.

<sup>107</sup> See UNESCO (2012) and Marsico Institute (2012).

the Central African context must be carried out. For example, CAR could learn from Djibouti's methods.<sup>108</sup> Djibouti's Center for Research, Information and Production of National Education designs and publishes its own textbooks rather than using an international publisher, and it can then print them at low cost abroad. Third, an audit of the textbook purchases and the development of price guidelines for future purchases should be conducted by the Regulatory Authority Public Procurement. Then, a holistic textbook policy should be developed which will focus on (i) providing each student with a sufficient number of textbooks for basic subjects (reading, mathematics, science) according to teaching priorities;<sup>109</sup> (ii) drastically reducing unit costs of textbooks, especially by publishing textbooks according to international procurement rules and by printing books in batches; and (iii) packaging, distributing, and then using effectively textbooks to enhance teaching and learning. In the medium term, when the introduction of Sango in the first years of elementary school and the development of a structured pedagogy are advanced enough (and the pace of learning is stabilized<sup>110</sup>), then investments in textbooks based on an updated curriculum and the textbook policy should be considered.

**TABLE 4.12. THREE ADDITIONAL CRITICAL RECOMMENDATIONS**

Proposed reforms	Time frame	Actions	Expected impact	Institutions
<b>Strengthen budget processes</b> for better monitoring and evaluation of spending	Short term	<ul style="list-style-type: none"> <li>Build the capacity of the ministries of education in terms of budget planning and preparation so as to align the priorities for the sector as outlined in the ESP with the budgeting process.</li> <li>Reflect allocation of all spending to each level of education separately to allow better monitoring and evaluation of spending.</li> </ul>	More effective allocation of the budget between subsectors and between activities, in line with the sector's medium- and long-term strategies	<ul style="list-style-type: none"> <li>MFB/MEPC</li> <li>All ministries of education</li> </ul>
<b>Improve overall management information systems</b> to ensure efficient use of resources	Short term	<ul style="list-style-type: none"> <li>Strengthen the EMIS capacity by providing adequate technical and financial resources will ensure production of reliable and consistent data for policy making.</li> <li>Set up a HRMIS for better management of recruitment, deployment, payment, training, and career of teachers.</li> </ul>	Improved management of the sector (HR, school mapping, and so forth) and budgetary oversight	<ul style="list-style-type: none"> <li>MFB/MEPC</li> <li>All ministries of education</li> </ul>
<b>Implement the ESP's strategy with regards to reduction of repetition rates and improve textbooks policy</b> for better education outcomes	Short to medium term	<ul style="list-style-type: none"> <li>Implement the ESP's strategy with regards to reduction of repetition rates, which consists of eliminating repetition in grades 1, 3, and 5 and reducing repetition in grades 2 and 4.</li> <li>Formulate a national textbook policy as recommended in the ESP in order to reduce unit costs and to ensure the availability of textbooks in schools.</li> </ul>	Improved quality of education	<ul style="list-style-type: none"> <li>MFB</li> <li>All ministries of education</li> <li>School inspectorates</li> </ul>

<sup>108</sup> See <https://www.manuelscolaire-cripen.com/>.

<sup>109</sup> To this end, it will be necessary to set the textbook-to-student ratio for each level. These ratios are expected to eliminate inequalities between regions.

<sup>110</sup> It is probable that these measures will significantly accelerate the pace of learning compared to current situation.

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## CHAPTER 5. HEALTH<sup>111</sup>

<sup>111</sup> The author of the health chapter is Soazic Elise Wang Sonne. Moulay Driss Zine Eddine El Idrissi and Mahoko Kamatsuchi provided valuable comments.

## 5.1. INTRODUCTION

This chapter provides an overview of the patterns and composition of health spending in CAR, in terms of adequacy, effectiveness, efficiency, and equity. We analyze the ability of health spending and other health inputs to improve health outcomes of the most vulnerable populations, namely women and children.

The core objectives of this chapter are to: (i) assess the progress of CAR toward achieving universal health coverage as compared to countries of a similar socioeconomic status; (ii) assess the level of equity in the distribution and access to health resources, utilization, and services; (iii) assess the level of equity and efficiency in the allocation of health financing resources, and; (iv) suggest key policy recommendations to improve sustainable financing of the health sector in the midst of the COVID-19 pandemic.

The chapter presents status and trends in health outcomes and health spending, highlights the main challenges in the CAR health sector, and draws policy recommendations on how to improve the efficiency and sustainability of health spending under fiscal stress exacerbated by the COVID-19 pandemic. On the latter, the chapter discusses implications of COVID-19 for health financing in the country under different scenarios and provides key policy recommendations for the government. The chapter also reviews the national results-based financing (RBF) strategy, which was introduced and supported by World Bank health projects (Health System Support project (PASS) (P119815) and the Health System Support and Strengthening Project (SENI) (P164953) and the European Union. The main objective was to improve the quality and utilization of essential health services at the health facility level with an overarching goal of strengthening health services delivery throughout the country. Service improvement should ultimately improve health outcomes for the population, including by providing free health care, especially for children and women including GBV survivors.

The chapter is divided into eight core sections as follows: (i) Overview of the health sector in CAR including existing government health policies, plans, and strategies; (ii) Presentation of the structure and organization of the health sector; (iii) Status and trends in health outcomes and inputs at the national, regional, and subnational levels; (iv) Trends, level, structure, and composition of health spending; (v) Financial protection and equity in health outcomes and access to health services; (vi) Implications of COVID-19 for health financing in CAR; (vii) Overview of Results Based Financing (RBF) in the health sector in CAR; and (viii) Conclusion and policy recommendations. We rely on the most recent sources of data available, coming from the following surveys: the Multiple Indicator Cluster Surveys (MICS) 2018–2019; the CAR National Health Accounts 2015–2018 released in 2021 by the Ministry of Health; the Institute of Health Metrics (IHME), the WHO Global Expenditure Database; the World Development Indicators (WDI); the SARA-HeRAMS surveys; and the 2019 Health System Mapping (*Carte sanitaire*).

## 5.1. OVERVIEW OF THE HEALTH SECTOR IN CAR INCLUDING EXISTING GOVERNMENT HEALTH POLICIES, PLANS, AND STRATEGIES

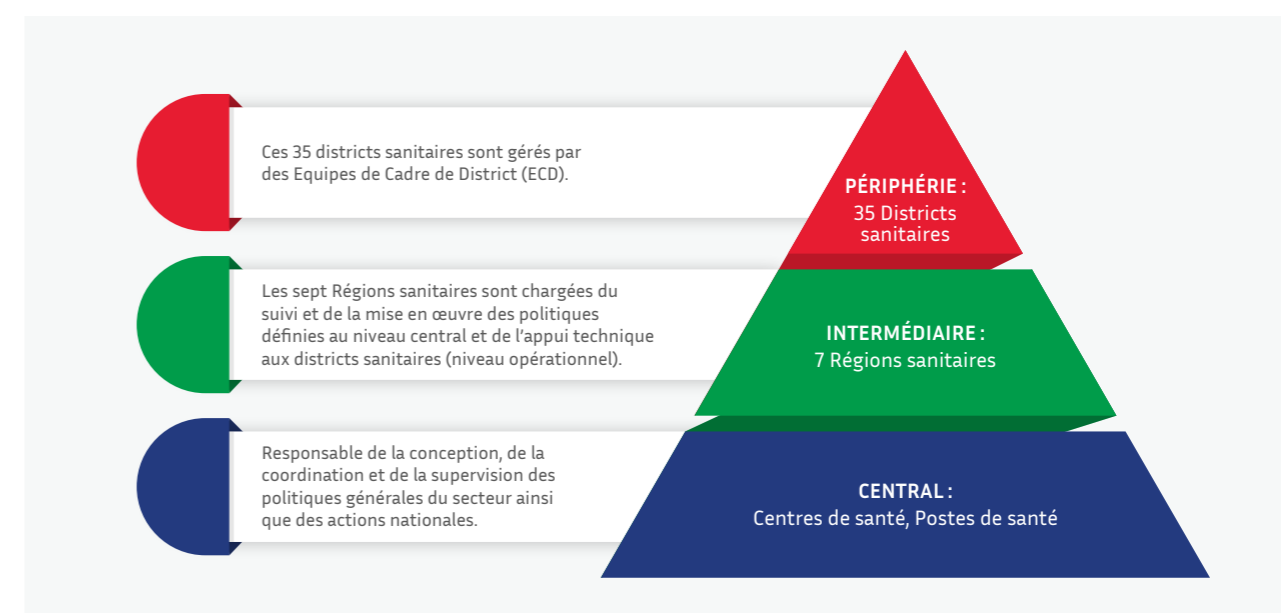
The implementation of health sector policies reforms initiated since 2019 has been carried over in 2020 and early this year, although slightly halted by the COVID-19 pandemic. Five main policies and strategies are guiding government's actions in the health sector, namely: (i) The 2019 National Health Development Plan; (ii) the National Health Financing Strategy, validated in November 2019 and yet to be finalized; (iii) the National Maternal-Child, Reproductive and Adolescent Health and Nutrition Investment Case (IC) 2020–2022 (January 2020), which is being updated with the new MICS 2019 data; (iv) the 2019–2023 National Strategy for the fight against Gender-based violence, Child Marriage and Female Genital Mutilation, which was also adopted in 2019; and (v) the National Policy for the Promotion of Equality and Equity (drafted December 2019).

Work still needs to be done on a realistic national pharmaceutical and supply chain strategy, a consolidated national community health service delivery policy, and other key elements of the health sector. In July 2020, the United Nations and its partners updated the Humanitarian Response Plan in CAR, mobilizing US\$152.8 million to address the most immediate and critical health and non-health needs of the millions of Central Africans affected by the consequences of COVID-19. The government recently allocated US\$2.7 million from their national 2021 budget for routine childhood vaccination procurement, which was unprecedented progress in the health sector. The government launched a routine immunization revival plan which will extend over a two-year period (2020–22) with the objective of mobilizing CFAF 11 billion to achieve a vaccination coverage rate of around 90 percent within three years in CAR.

## 5.2. STRUCTURE AND ORGANIZATION OF THE HEALTH SECTOR

CAR is divided into 16 communes and 35 health districts grouped into 7 health regions with the health region number 7 representing the City of Bangui. The latter has the densest health districts of up to 24,272 inhabitants per square kilometer (km<sup>2</sup>), far above the country's average density of 8 inhabitants per km<sup>2</sup>. Ten health districts outside the city of Bangui have more than 15 inhabitants per km<sup>2</sup>. The North-eastern part of the country, controlled by terrorist groups during the 2012 violent conflict, remains underpopulated with a density of 1 inhabitant/km<sup>2</sup>: five health districts located in the East and North-eastern parts of the country have less than 5 inhabitants per km<sup>2</sup>. The organization of the CAR's public health system is pyramidal with three levels: central, intermediate, and peripheral, as summarized in figure 5.1 below.

FIGURE 5.1. ORGANIZATION OF CAR'S PUBLIC HEALTH SYSTEM



The central level is made up of (i) health centers covering an area of 10,000 inhabitants on average and health posts, which are annexes of health centers. Health centers ensure the Minimum Activity Package (MAP) and refer patients to a secondary hospital (HS) or to the district hospital (DH), which represents the first level of reference for health centers. The second level of reference is represented by regional university hospitals (RUH), which ensure the activities of the Complementary Activity Package of the district hospital and some specialized care. The referral is made to central offices of hospitals of the capital and the counter-reference of district hospital. At the national level, there are diagnostic and public health care structures made up of four health care establishments and three diagnostic facilities. They constitute the tertiary level.

In 2018, of the 1,014 total health facilities listed in the National Health mapping card (*Carte sanitaire*), 853 were listed as functional and roughly 16 percent (161) were nonfunctional; and four of CAR's five central hospitals are in Bangui. In 2019, the updated WHO SARA/HeRAMS survey listed a total of 873 functional health facilities, consisting mainly of 434 health posts (50 percent), 387 health centers (44 percent), and 52 hospitals<sup>112</sup> (6 percent). This equates to 0.1 hospitals, 0.7 health centers, and 0.8 health posts per 10,000 people. The most populated health region 3, with 20 percent of the population, has the highest number of health facilities, 199 (23 percent) compared to health region 7 with only 7 percent of health facilities.

Some functional health facilities were partially destroyed (and a few fully destroyed) during violent conflict in 2012–15. Of the 853<sup>113</sup> functional health facilities surveyed under the 2019 WHO SARA, 14 percent (120) were partially destroyed and roughly 1 percent (8) were fully destroyed during the 2012–15 conflict. Close to half (49

<sup>112</sup> These are central hospitals, regional hospitals, district hospitals and secondary hospitals.

<sup>113</sup> A sample representing 98 percent of the total number of health facilities nationwide.

percent) of the 174 health facilities listed as nonfunctional in the survey were fully destroyed and up to 21 percent (37) were still intact. Facilities that are intact but still not functional—mainly located in health regions 2, 6, and 8—should be rehabilitated as soon as possible to address the challenges in health services delivery. Many functional health facilities in CAR still lack access to basic infrastructure, with 68.8 percent having no access to any source of energy and 43.3 percent having no access to any source of water.

There is an uneven distribution of health facilities across regions based on the population and the density per km<sup>2</sup>. As figure 5.2 shows, health region 5, although representing only 4.7 percent of the total population in CAR, has an average of 2.9 health facilities per 10,000 inhabitants, above the norm of 2 health facilities per 10,000 inhabitants recommended by the WHO. Also, health regions 5 and 6 have less than one facility per 1,000 km<sup>2</sup>, health regions 1, 2, 3, and 4 have approximately 1 to 2 facilities per 1,000 km<sup>2</sup>; while health region 7 alone (Bangui) has 567 facilities per 1,000 km<sup>2</sup>.

FIGURE 5.2. SHARE OF HEALTH FACILITIES PER REGIONS BY TYPE AND BY POPULATION SIZE



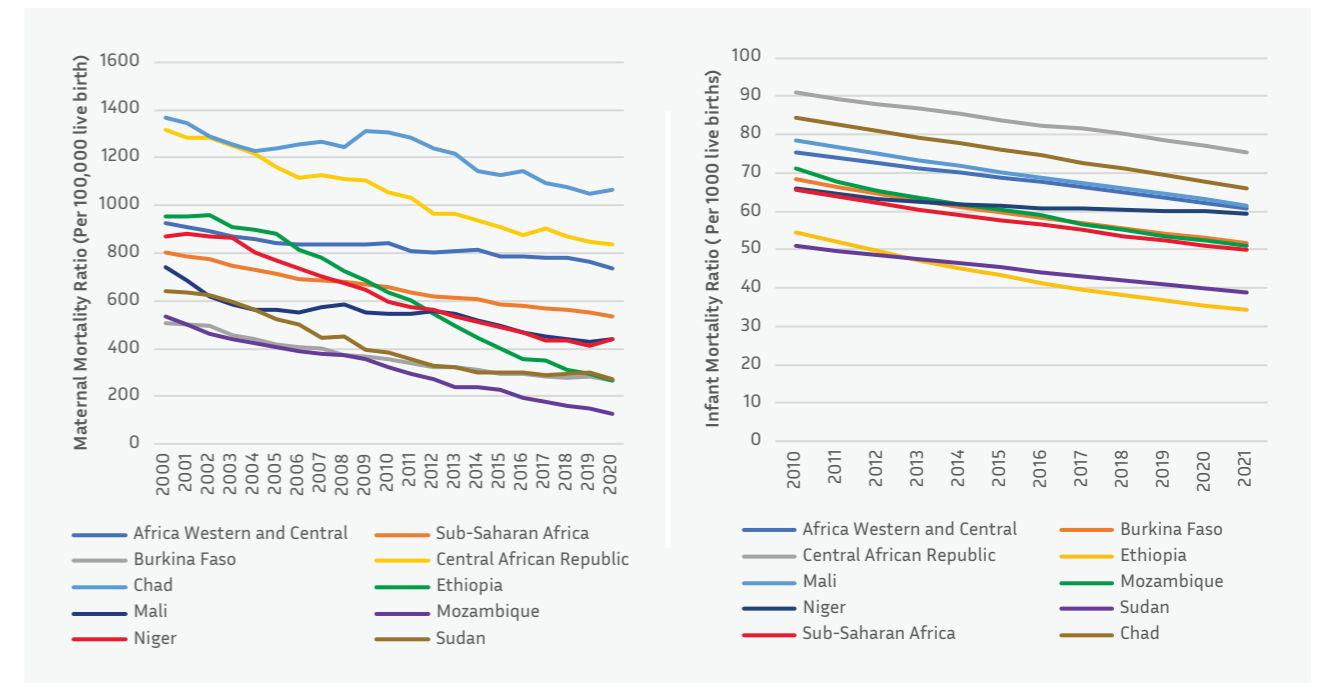
Source: 2019 SARA/HeRAMS Survey. RS = région sanitaire (health region).

## 5.3. TRENDS AND STATUS IN HEALTH INPUTS AND OUTCOMES IN CAR

### 5.3.1. Trends in health outcomes

Over the past decades, there have been small improvements on key health outcomes in CAR, but such progress is still low with regards to relevant comparators and the regional average in Sub-Saharan Africa (SSA). Under five years old and infant mortality ratio still remain high, still at more than 100 per 1,000 live births (resp. more than 70 per 1,000 live births) since 2013, a higher rate than SSA and all relevant comparators, namely Burkina Faso, Ethiopia, Mali, Mozambique, Niger, Sudan, and Chad. Maternal mortality, although falling from 1,280 per 100,000 live births in 2000 to 829 per 100,000 live births in 2017, is still higher than in all comparators and SSA, except for Chad. CAR also has one of the highest prevalence rates of stunting in SSA, estimated at 40.8 percent for children under the age of five in 2018, far above the Sustainable Development Goal (SDG) target of 29 percent. Figure 5.3 suggests that health outcomes in CAR remain low despite the noticeable progress on key health outcomes indicators over the past 25 years.

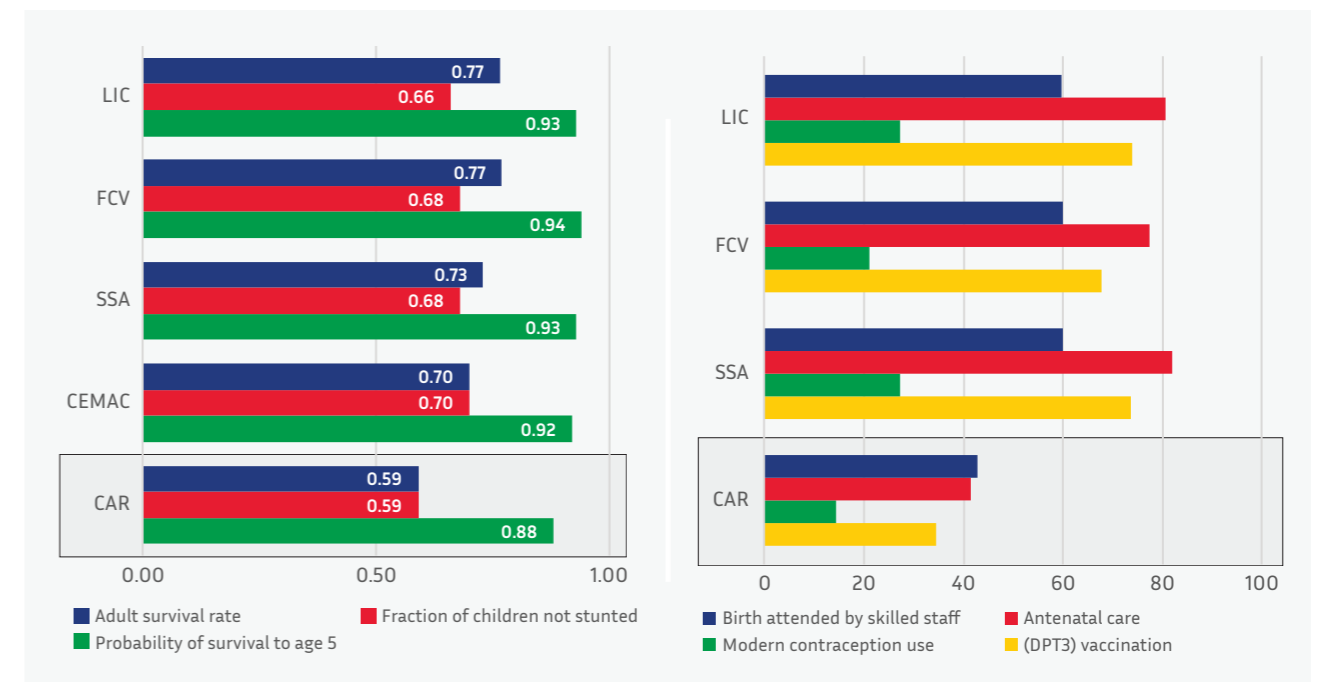
FIGURE 5.3: TREND IN HEALTH OUTCOMES INDICATORS IN CAR



Source: World Development Indicators (WDI).

Key health outcomes in CAR and access to basic health care services also remain low when compared with key regional groups and populations, namely, CEMAC, SSA, FCV and LIC in 2018 (figure 5.4).

FIGURE 5.4: COMPARISON OF KEY HEALTH OUTCOMES INDICATORS IN CAR WITH REGIONAL AVERAGES



Source: WDI and CAR 2018 MICS survey.

Differences across regions also shows large inequalities in access to health services between the capital Bangui and its suburbs (Region7) where health service coverage is higher than the rest of the country. This suggests inequity in health outcomes and access to health services (See figure 5.5 below).

**FIGURE 5.5. STUNTING AND MORTALITY FOR CHILDREN UNDER FIVE BY REGIONS**



Source: 2018 MICS survey.

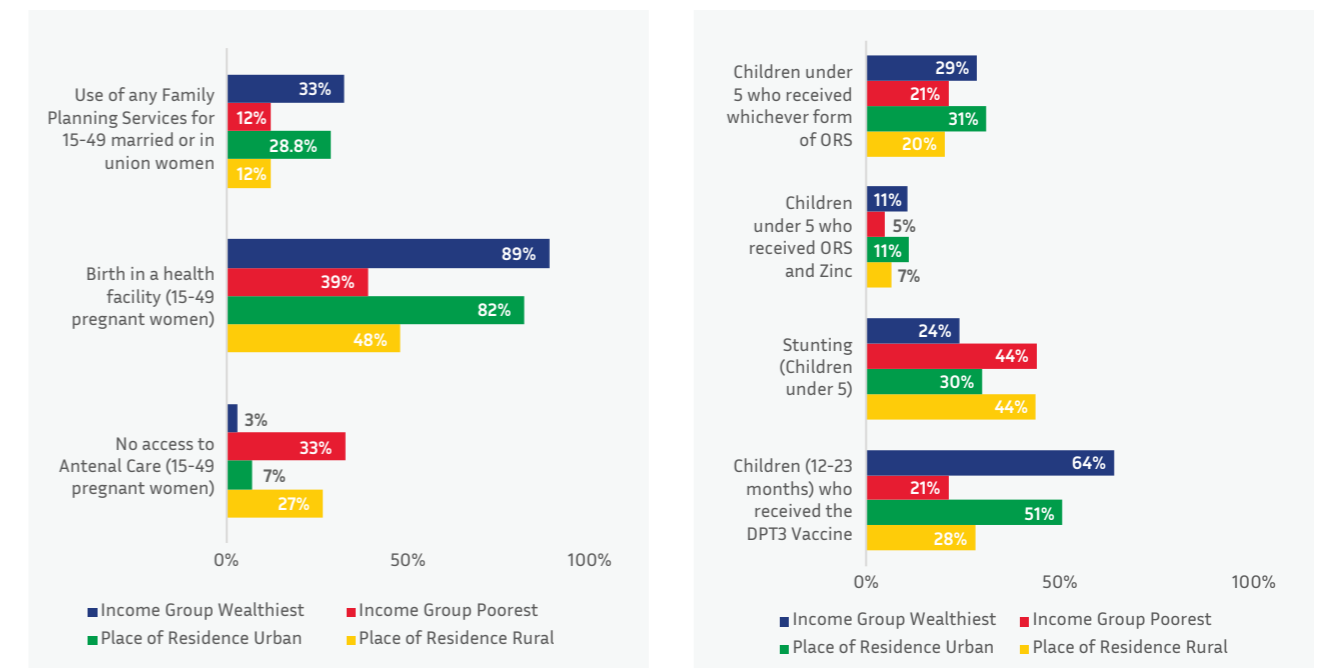


**Inequalities in access to and utilization of health services across geographical locations (urban vs rural) and income levels are also significant.** Low-income women and children, as well as those living in rural areas, fare much worse than those who are better-off or settled in urban areas. For instance, while 33 percent of the poorest women have no access to antenatal care, only 3 percent among the wealthiest women are in this situation; for family planning, these figures are 33 percent (wealthiest) and 12 percent (poorest) (Figure 5.6 below). Similarly, children born in wealthier households are three times more likely to be vaccinated (DPT3) and twice less likely to be stunted than those in poor households, with similarly large gaps observed to the detriment of children in rural areas.

**FIGURE 5.6. STUNTING AND MORTALITY FOR CHILDREN UNDER FIVE BY REGIONS**

(a) Use of family planning, facility-based deliveries, and access to antenatal care for women

(b) Stunting, DPT3 vaccine coverage, and access to diarrhea treatment for children under five

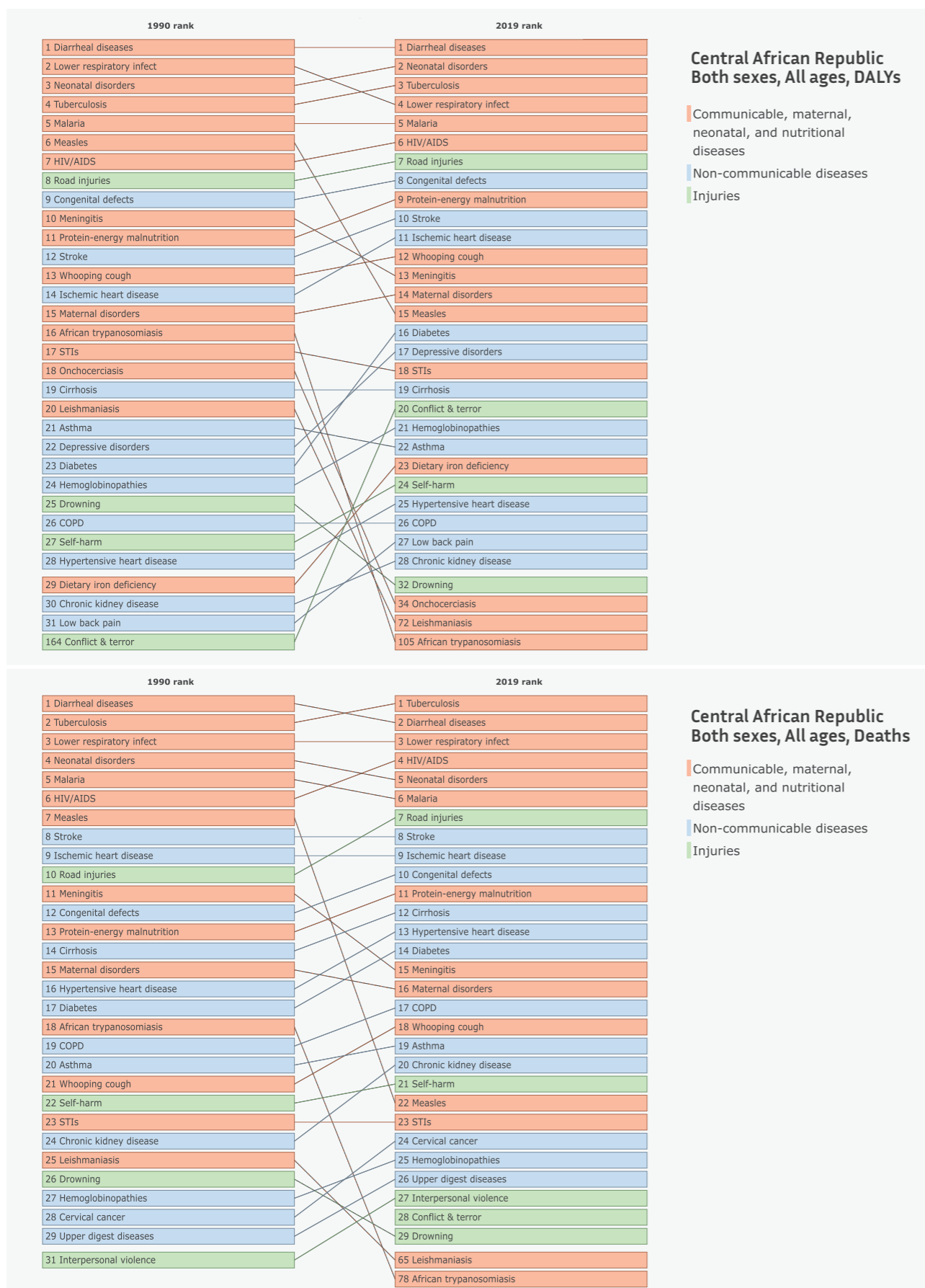


Source: 2018 MICS survey.

**Both supply- and-demand-side constraints contribute to poor health outcomes in CAR.** Supply-side barriers are related to the availability and quality of care (medical supplies, human resources for health, infrastructure) and demand-side constraints include financial resources, namely household expenditure. Supply- and demand-side factors affect households' decisions to seek preventive or curative health care in CAR and contribute to the differences in health outcomes observed across regions and population groups.

**The prevalence of communicable diseases in CAR such as diarrhea (ranked first on the total burden of diseases per disability-adjusted life years [DALYs]) and malaria (ranked fifth on the total burden of diseases per DALYs) remained high.** CAR has one of the highest levels of diarrheal diseases in SSA, largely surpassing countries from a comparable standard of living (figure 5.7).

**FIGURE 5.7. GLOBAL BURDEN OF DISEASES IN CAR BASED ON DALY AND NUMBER OF DEATHS IN 1990 AND 2019**



Source: Global Burden of Diseases Country Profile, IHME 2020.

Note: The DALY combine estimates of the years of life lost (YLL) and years lived with disabilities (YLD).

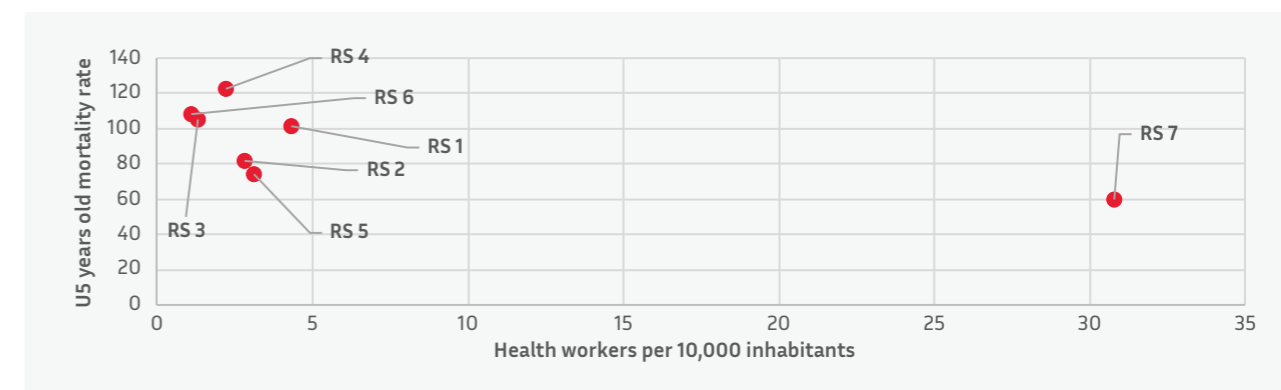
### 5.3.2. Supply-side constraints

Availability of health infrastructure is low with the density of health facilities estimated on average at 1.6 health facilities per 10,000 inhabitants. National hospital capacity is also low with only 13 beds per 10,000 inhabitants and 7 beds for 1,000 pregnant women. In health regions 1, 2, and 7, the service operational capacity index is 50 percent. The most available items are equipment (74 percent) and standard precautionary measures (72 percent). Essential drugs (27 percent) and diagnostic capacity (37 percent) are less available. The maternal, child, neonatal, and adolescent health services (SMNIA) have availability of between 61 percent for childhood immunizations and 87 percent for preventive and curative care for children. Health facilities offering maternal, neonatal, and child health (MNCH) services have a good operational capacity for childhood immunization with a score of 77 percent.

CAR like many developing countries in SSA has a serious shortage of qualified health workers, including their uneven geographical distribution and insufficient training. Moreover, their salaries remain low, adversely affecting their motivation and performance. International migration, career changes among health workers, premature retirement, morbidity, and premature mortality are often cited as the main reasons behind the shortage of health workers in CAR<sup>114</sup>. According to the latest 2019 SARA/HeRAMS survey, there is an acute shortage/lack of health workers (including doctors, obstetric care workers, nurses, and midwives) who are unevenly distributed across the 7 regions of the country, with a greater concentration of health workers in region 7 (Bangui). The survey also shows that there are only 7.3 health professionals per 10,000 inhabitants in CAR (0.8 general practitioners [doctors], 2.5 nursing professionals, 2.4 other nursing professionals, 1.6 obstetric care professionals), which is far below the WHO standard of 23 health workers per 10,000 inhabitants.

Despite the relatively low under-five years mortality rate in region 7 (Bangui) in 2019 (59.5 per 1,000 live births), this region has the largest number of health professionals, with 30.8 total health workers per 10,000 inhabitants (including 8.5 nursing professionals per 10,000 inhabitants), well above the WHO standard of 23. This is much higher than the ratio of 1.3 total health workers for the most populated region 3, which has one of the highest under-five mortality rates in CAR of 105.10 deaths per 1,000 live births. Also, Bangui (region 7) has the highest share of obstetric care workers per 10,000 pregnant women (5.8 obstetric care workers per 10,000 inhabitants or 144 obstetric care workers per 10,000 pregnant women), despite having the lowest total fertility rate (3.8 children per woman). By contrast, region 3 with the highest total fertility rate in 2019 (7.3 children per woman) only has roughly 0.4 obstetric care workers per 10,000 inhabitants or approximately 9 obstetric care workers per 10,000 pregnant women (figure 5.8).

**FIGURE 5.8. DISTRIBUTION OF HEALTH WORKERS PER 100,000 INHABITANTS WITH U5 MORTALITY RATE**



Source: SARA/HeRAMS 2019 survey and 2019 MICS survey.  
 RS = région sanitaire (health region).

There is strong inequality in the distribution of human resources in CAR. Region 3 is the most populous health region with 20 percent of CAR's inhabitants. It has the third highest rate of under-five mortality (105.1 per 1,000 live births, roughly 1.7 times higher than in Bangui), and the third highest stunting rate (41 percent, 20 percentage

<sup>114</sup> See <https://www.who.int/workforcealliance/countries/caf/en/>.

points higher than in Bangui). On the other hand, region 3 has twice the number of functional health facilities per 10,000 inhabitants as Bangui, including the highest number (129) of function health posts (roughly 14 times more than Bangui), 9 functional hospitals (5 more than Bangui), 61 functional health centers (17 more than Bangui). But region 3 only has 1 health professional per 10,000 inhabitants, (0.7 nurses per 10,000 inhabitants and only 0.2 doctors per 10,000 inhabitants). Bangui has 8.5 nurses and 3.6 doctors per 10,000 inhabitants, for a total of 31 health professionals per 10,000 inhabitants (Data from SARA/HeRAMS Survey 2019).

**More obstetricians are needed in regions 3, 4 and 6 to prevent neonatal disorders, which are ranked 2<sup>nd</sup> in CAR's Global Burden of Diseases based on DALYs.** In these three regions, the under-five mortality rate is 1.5 times higher than in Bangui; but there is less than 1 obstetric care professional per 10,000 inhabitants, compared to around 6 obstetric care professionals per 10,000 inhabitants in Bangui.

**TABLE 5.1: HEALTH WORKERS, BED CAPACITY, AND HEALTH FACILITIES PER 10,000 INHABITANTS IN CAR**

	Health workers per 10,000 inhabitants	Doctors per 10,000 inhabitants	Other health professionals per 10,000 inhabitants	Nurses per 10,000 inhabitants	Other obstetric care professionals per 10,000 inhabitants	Bed per 10,000 inhabitants	Health facilities per 10,000 inhabitants	U5 Mortality (per 1,000 live births)	U5 Stunting (in %)
RS 1	4	0.5	0.3	1.9	1.6	12	2	101.5	39.7
RS 2	3	0.2	0.3	1.3	0.9	15	1	81.6	47.7
RS 3	1	0.2	0	0.7	0.4	18	2	105.1	41
RS 4	2	0.2	0.1	1.3	0.7	4	2	122.6	39.6
RS 5	3	0.4	0	1.9	0.7	9	3	74.4	31.3
RS 6	1	0.2	0	0.6	0.2	9	2	108.2	43.1
RS 7	31	3.6	13	8.5	5.8	15	1	59.5	21

Source: 2019 SARA/HeRAMS Survey and MICS survey.

A disaggregated analysis of health workers by gender and place of residence shows that some health regions (number 2, 3, 5 and 6) have no female medical doctors on the payroll in 2020.

**The government's ability to deploy health workers outside of Bangui is weak due to the absence of motivation and the lack of financial incentives.** There are no special allowances granted to health workers who work in remote areas. Health workers benefit from allowances on top of their base salary which do not significantly vary across regions. There are no significant differences in health workers' gross salaries or allowances between those working in Bangui and outside Bangui in conflict-prone remote rural areas. For instance, in 2020, a medical doctor working in Bangui earns on average CFAF 319,808.1 per month, which is close to what a medical doctor working in a conflict prone area such as Basse-Kotto will also earn (CFAF 315,052). Overall, the Health Ministry's wage bill is relatively small accounting for only 5.1% of the total public service wage bill (compared to 18.3% for education and 33.9% for national defense) and for only 5.9% of all public servants in 2020 (21% for education and 40% for national defense). A detailed table of the health sector's wage bill is available in the Annex (See tables A.3.16, A.3.17 & A.3.18)

**There is still a limited coverage of community-based interventions in CAR despite the extensive evidence base showcasing the potential of Community Health Workers (CHWs) to enhance health services delivery in remote rural areas.** CHWs have the potential to raising awareness for women and children to obtain essential health services and deliver high-impact and cost-effective services. A recent situational analysis of community health programs in CAR found that most are funded by donors and are fragmented. CAR has a number of CHWs operating in rural areas, but this cadre lacks reference documents outlining their roles and responsibilities, areas of intervention, package of services, and incentives. Based on recent estimates from the Ministry of Health, there is a total of 5,070 CHWs in CAR, equivalent to roughly 1 CHW per 1,000 inhabitants. Table A.3.19 in Annex presents the

distribution of CHWs by regions. One of the most immediate priority actions the government should undertake is filling the gaps of CHWs in regions with poorer health outcomes and with the lowest share of CHWs per capita. CHWs also suffer from insufficient equipment and supplies to carry out their roles. In 2019, the Government elaborated a National Community Health Policy for 2020–2030, which aims to empower communities to improve their health and bring health care services closer to the population. A detailed analysis and costing of the CHW policy is done in the Annex (See Box A.3.3).

### 5.3.3. Demand-side constraints

**From 2008 to 2018, out-of-pocket payments accounted for roughly 40 percent of funds supporting the health care system in CAR, reaching up to US\$22.4 per capita in 2018.** Challenges in access to health services are disproportionately concentrated among the poorest households. Large out-of-pocket costs and limited insurance coverage (with roughly 1 percent of the population covered by any form of social insurance according to the 2018 MICS) constitute the major barriers for access to health services across the country. A new free health care policy was launched in February 2019, which targets the most vulnerable groups (mainly children under the age of five, pregnant women and GBV survivors). This policy is expected to increase demand for health services and reduce the heavy financial burden of health-related expenditures on household budgets.

**Lack of education (especially among women), location, and conflict are other barriers for accessing health care services.** MICS 2018 data suggest that women with a post-primary level of education ("fundamental 2" and higher) were 21.2 percentage points more likely to have received antenatal care services. Moreover, people living outside of Bangui have difficulty accessing services due to lack of paved roads. In some eastern part of the country plagued by violent conflict, there is a high level of insecurity preventing users from travelling to health facilities.

**Finally, socio-cultural constraints, in particular traditional harmful health practices, are another major obstacles for accessing basic health services such as nutrition and reproductive health.** Even though the practice of traditional medicine is officially accepted,<sup>115</sup> some traditional healers only referred patients to medical services in cases of serious illness (Ministry of Health and Population 2019).

## 5.4. TREND, SOURCES, AND COMPOSITION OF TOTAL HEALTH EXPENDITURES IN CAR

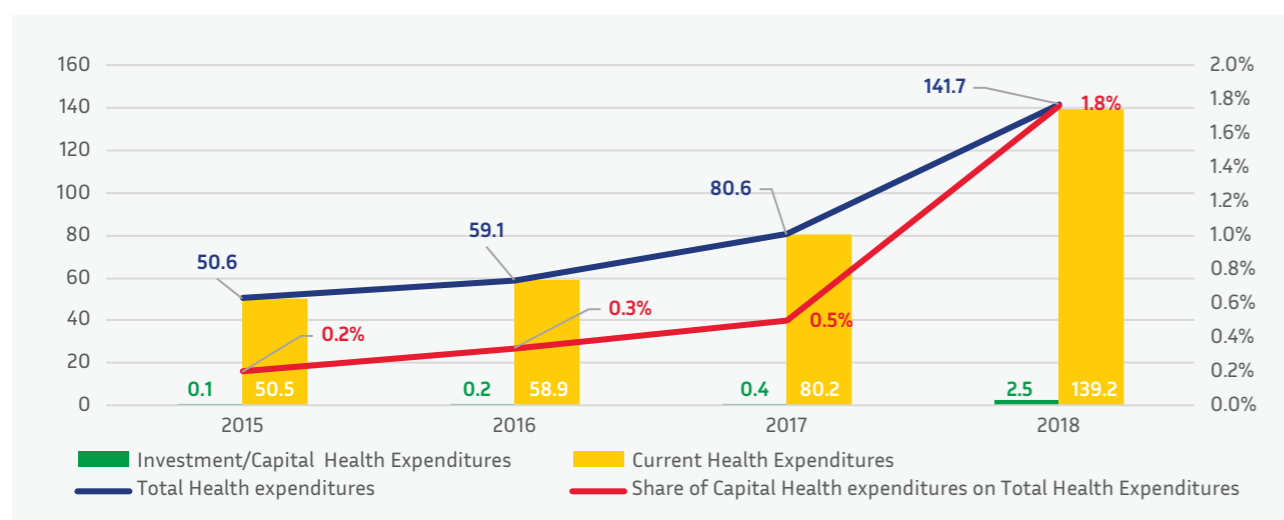
### 5.4.1. Total health expenditures

#### 5.4.1.1. TREND OF TOTAL HEALTH EXPENDITURES

**Total health expenditures remain low in CAR despite the more than twofold increase of roughly 180 percent from CFAF 50.53 billion in 2015 to CFAF 141.71 billion in 2018. With the slow population growth rate over the same period, this has translated to an equivalent per capita rise of 170 percent from CFAF 11,247 in 2015 to CFAF 30,368.** In the meantime, the share of total health expenditures at only 5 percent of the GDP in 2015 rose to 11 percent in 2018, a level far above regional averages in FCV and SSA as well as CAR's relevant comparators countries. The two main major sources of funding for total health expenditures in CAR are external donors and out-of-pocket payments from households, together paying for more than 88 percent of total health expenditures since 2015. A categorization by structure suggests that total health expenditures are essentially made up of current health expenditures (on average more than 98 percent of total health expenditures from 2015 to 2018) and capital health expenditures (less than 2 percent over the same period as illustrated in figure 5.9). However, capital health spending has been progressing from only 0.2 percent of total health expenditures in 2015 to 1.8 percent in 2018. The volume of capital health expenditures in CAR has also been rising exponentially, reaching CFAF 2.5 billion in 2018, 25 times the amount in 2015, whereas current health expenditures in 2018 were roughly three times the amount in 2015.

<sup>115</sup> In September 2020, the Ministry of Health reaffirmed their support and engagement towards traditional healers by pushing for the implementation of traditional medicines and pharmacopoeia within the framework of the health system.

**FIGURE 5.9. TREND IN CURRENT AND CAPITAL HEALTH EXPENDITURES IN CFAF BILLIONS, 2015–18**



Source: Author's computations using the 2015–2018 NHA.

The cost of health care per capita in CAR has increased by roughly threefold over the period 2015–18, from US\$19.02 (CFAF 11,247) in 2015 to US\$54.6 (CFAF 30,368) in 2018. In addition, total health spending in the country has grown faster than GDP, with health spending estimated at 5.04 percent of the GDP in 2015 to 6.7 percent in 2017 and 11.2 percent in 2018 (more than double 2015).

**TABLE 5.2. TREND IN TOTAL HEALTH EXPENDITURES IN CAR, 2015–18**

	2015	2016	2017	2018	Relative growth (2015–18)/Base 2015
Total health expenditures (% GDP)	5.04	5.5	6.7	11.2	122%
Total health expenditures per capita in US\$ (current)	19.02	21.9	30.1	54.6	187%
Total health expenditures per capita in CFAF	11,247	13,016	17,536	30,368	170%

Source: Author's computations using the WHO GED.

Total health expenditures per capita are relatively low compared to relevant comparator countries in SSA and with data on capital health expenditures, except for Niger. This calls for an increased resource mobilization of the main financing sources in CAR, mainly from the government.

**TABLE 5.3. COMPARISON OF KEY TOTAL HEALTH EXPENDITURES INDICATORS IN CAR WITH OTHER RELEVANT COMPARATORS**

Indicators (as of 2018)	Total health expenditures (% GDP)	Total health expenditures per capita (in \$US PPP international)
Cameroon*	4.0	149.6
<b>CAR</b>	<b>11.2</b>	<b>98.8</b>
Congo, Rep.*	2.2	129.9
Niger*	7.8	83.0
Burkina Faso*	6.0	119.6

Source: Author's computations using the WHO GED.

Note: \* Countries with data on both current and capital health expenditures available in the WHO GED.

**5.4.1.2. SOURCES OF FUNDING OF TOTAL HEALTH EXPENDITURES BY TYPE OF EXPENSES (CURRENT VS CAPITAL HEALTH EXPENDITURES)**

**Current health expenditures**

External donors, the government, households' out-of-pocket payment spending, and other domestic private payments are the four main sources of financing of the health sector in CAR (see table A3.4 in the Appendix A3). From 2012 to 2018, more than 78 percent of current health expenditures in CAR have been funded by external donors and/or household out-of-pocket payments. From 2012 to 2017, direct out-of-pocket (OOP) payments from households were the top health financing source in CAR (more than 44 percent of total current health expenditures). OOP payments have more than doubled in volume between 2015 and 2018, from only US\$9.3 per capita to US\$22.4 per capita in 2018. However, between 2017 and 2018, the share of OOP payments in total current health spending decreased by roughly 15 percentage points, for the first time since 2012 coming second after external financing. Between 2012 in 2018, donor spending in CAR in the health sector has been increasing tremendously from US\$5.5 per capita in 2012 to US\$27.6 per capita in 2018. Similarly, the share of donor spending on total current health expenditure after falling by roughly 10 percentage points between 2015 and 2017 reached 51.4 percent of current health expenditure in CAR in 2018. Donor spending in 2018 of US\$27.6 per capita represents roughly nine times the level of domestic government spending of US\$3.4 per capita in CAR for the same year—far below the global target of US\$86 per capita. Government is the third largest source of financing of the health sector in CAR after OOP payments and external donors, and its share in current health expenditure decreased from 11 percent in 2016 to only 6.3 percent in 2018. Finally, other private funding (not OOP payments)—the fourth and lowest source of funding of the health sector—grew from only US\$0.1 per capita in 2015 to US\$0.4 per capita in 2018. External donors and OOP payments by households as the two major sources of financing are a threat for the stability, sustainability, and predictability of health financing in CAR.

Current health spending of donors per capita estimated at US\$49.8 in international PPP is the highest level among relevant comparators, with the exception of Sierra Leone, Liberia, and Mozambique. Donor spending per capita in CAR is also higher than all relevant regional groupings' averages, namely SSA, FCV, and CEMAC when excluding Liberia and CAR. Likewise, the share of donor spending on total current health expenditures at 51.4 percent is higher than all its relevant comparators except for Mozambique, and higher than the regional averages for SSA, FCV, and CEMAC when excluding Liberia and CAR.

Domestic general government health expenditure per capita in CAR is the lowest among relevant comparator countries and regional averages. Likewise, the share of domestic general government health expenditure on total current health expenditure in CAR at 6.3 percent is one of the lowest among relevant comparator countries including regional averages, except Cameroon.

OOP payments in nominal terms and as a share of current health expenditures are higher than the FCV average and only slightly higher than the LIC average with or without Liberia and CAR. The amount and share of other types of domestic private health spending are stubbornly low in CAR and are the lowest among all relevant comparators and regional averages, namely SSA, FCV, and CEMAC.

**Capital health expenditures**

External donors are the top funding sources of capital health expenditures in CAR. In 2015–16, all capital health expenditures were funded by external donors. In 2017–18, the government funded respectively 25 percent and only 3 percent of capital spending in the health sector. From 2015 to 2018, no funding from domestic private donors was directed to capital health expenditures.

Capital health expenditures in total and per capita in CAR are the lowest among relevant comparator countries and regional/subregional averages. External financing of capital health expenditures is the highest in CAR among comparators, with only 3 percent of funding for capital health spending coming from the government and none at all from domestic private sources. Such findings suggest that the government should find a way to allocate more resources in the health sector for capital expenditures, as well as a call for the private sector to bring more health sector investment into CAR. Since 2015, capital health expenditures in CAR were mainly on infrastructure, followed

by medical equipment and transport (mostly reported in 2018). Investments on ICT equipment were only done in 2018, representing only 1.1 percent of total capital spending on health (see figure A3.1 in Appendix A3). A thorough analysis by funding sources of capital health expenditures suggests that most health sector investments in 2018 were by external donors, namely the Apostolic Nuncio<sup>116</sup> (68.1 percent) and GAVI<sup>117</sup> (24.5 percent). Such investments were spent on construction of residential buildings and acquisition of machinery and equipment.

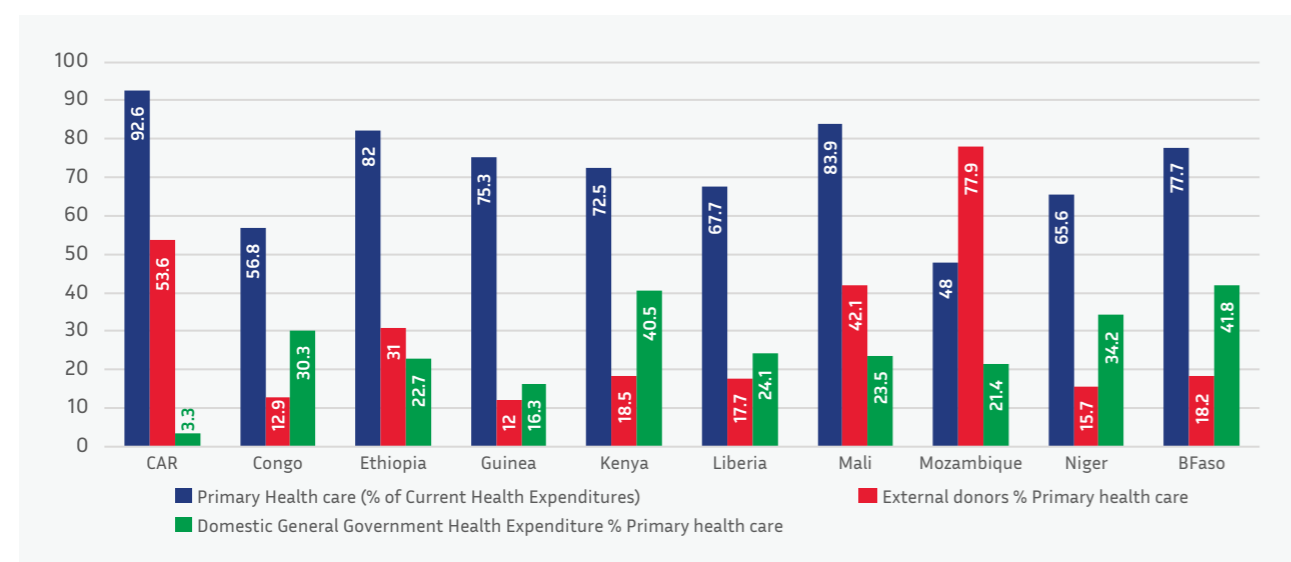
By the end of 2020, more than one third of external financing for CAR's social sectors (37 percent) was directed to health, making it the second largest external financing spending category after SP. In addition, there was a threefold increase of external financing devoted to the health sector between 2017 and 2018, representing 52 percent of total health spending in 2018. Box A3.2 in Appendix A3 provides a thorough description of the major bilateral and multilateral donors involved in the health sector.

### 5.4.1.3. BREAKDOWN OF TOTAL (CURRENT) HEALTH EXPENDITURES BY CATEGORIES

#### Categorization by primary health care and health care functions

CAR had the highest share (93 percent) of primary health care expenses in current health expenditures in 2015–18, as compared to all relevant benchmark countries. External donors funded 53.5 percent of primary health care expenses; the government only funded 3.25 percent, the lowest compared to its relevant benchmark countries. Following Mozambique, which funded 77.9 percent of its primary health care expenditures through donors, CAR came second with donors as the top financing source of primary health care.

FIGURE 5.10. SHARE OF PRIMARY HEALTH CARE ON CURRENT HEALTH EXPENDITURES AND FUNDING SOURCES, 2015–18



Source: Authors' computations using the 2015–2018 NHA.

Curative care received 53.2 percent of current health expenditures, out of which 5.5 percent was for inpatient care and up to 47.7 percent for outpatient care. Only 1 percent of current health expenditures were devoted to medical goods as compared to 44 percent in Guinea, 26 percent in the Republic of Congo, or 29 percent in Niger. Similar to most countries in SSA, only a very low share of current health expenditures was on ancillary services. Among its relevant comparator countries, CAR had one of the highest shares (37.4 percent) of preventive care on current health expenditures; and CAR spent only 8.1 percent of current health expenditures on governance and health systems, the lowest after Mali.

<sup>116</sup> See <http://www.nuntiususa.org/>.

<sup>117</sup> See <https://www.gavi.org/>.

External donors funded 83 percent of CAR's current health expenditures pertaining to governance, health systems, and financing administration expenses, the highest share among its comparator countries, with only 19.7 percent funded by the government itself. This highlights the strong dependence of the government of CAR on external financing, a threat to the sustainability and predictability of the country's health system and financing. Similar to its comparators, current health expenditures on medical goods are mainly funded (at 100 percent) by domestic private sources, including OOP payments from households and other domestic private sources.

Only 3.3 percent of outpatient curative care and 0.5 percent of preventing care are funded by the government in CAR, the lowest among its comparator countries. The main financing sources for outpatient curative care are domestic private actors (82 percent) including OOP payments from households. External donors are the major source of financing for preventive care at an estimated at 99.5 percent, the highest among comparator countries.

#### Categorization by type of diseases

Infectious and parasitic diseases<sup>118</sup> are the top causes of current health expenditures in CAR. Between 2015 and 2018, current expenditures on infectious and parasitic diseases increased by more than twofold and their share on current health expenditures has fluctuated between 68 and 73 percent. Malaria alone, ranking fifth in the country's Global Burden of Diseases (GBD) when considering DALYs, explains more than 30 percent of current health expenditures (30.8 percent in 2016 and 35.4 percent in 2018). Surprisingly, tuberculosis ranked third, represents less than 0.3 percent of current health expenditures between 2016 and 2018. The level and share of current health expenditure dedicated to HIV/AIDS and other sexually transmitted diseases (STDs) also fell between 2016 and 2018, from 18 percent in 2016 to only 6 percent in 2018, which is low considering the sixth place ranking of HIV/AIDS and STDs in the country's most recent disease profile.

TABLE 5.4. LEVEL AND SHARE OF CURRENT EXPENDITURES ON INFECTIOUS AND PARASITIC DISEASES

	HIV/AIDS and other STDs, in CFAF millions	Tuberculosis, in CFAF millions	Malaria, in CFAF millions	Diarrhea, in CFAF millions	Acute respiratory infections, in CFAF millions	Neglected tropical diseases, in CFAF millions	Other non-classified infectious and parasitic diseases	Diseases avoidable through vaccination, in CFAF millions
2015	3,833.73	663.62	17,267.77	1,200	2,700	150.73	6,009.48	5,200
	7.6%	1.3%	34.2%	2.4%	5.3%	0.3%	11.9%	10.3%
2016	10,684.46	132.32	18,122.15	1,500.0	3,400.0	100.00	7,900.00	900.0
	18%	0.2%	30.8%	2.5%	5.8%	0.2%	13.4%	1.5%
2017	8,138.28	185.47	26,574.57	2,200.00	4,900.00	100.00	11,600.00	1500
	10%	0.2%	33.1%	2.7%	6.1%	0.1%	14.5%	1.9%
2018	8,658.19	319.31	49,302.47	4,100.00	8,900.00	200.00	18,500.00	5000
	6%	0.2%	35.4%	3%	6%	0%	13%	4%

Source: Author computations using the WHO GED.  
Note: The percentage in italic represents the share on current health expenditures.

Diarrheal diseases, despite ranking first in the disease profile, represented less than 3 percent of current health expenditures in 2018. The nominal amount devoted to diarrheal diseases increased by more than threefold between 2015 and 2018, but much more needs to be done. Similarly, only 6 percent of current health expenditures were attributed to acute respiratory infections (ARI) in 2018, despite their fourth-place ranking in the DALY's GBD. The government should undertake genuine reforms to increase the allocation of sufficient funding to ARI and diarrhea.

<sup>118</sup> These are malaria, HIV and other STDs, tuberculosis, neglected tropical diseases (NTDs), and other unclassified parasitic and infectious diseases.



Over the 2015–18 period, more than 90 percent of current expenditures on infectious and parasitic diseases were funded by external donors and domestic private payments sources (primarily household OOP payments). In 2018, only 6 percent of current health expenditures on infectious and parasitic diseases were financed by the government. Likewise, more than 90 percent of current health expenditures related to malaria were funded by external donors and domestic private sources, mainly OOP payments. Between 2015 and 2017, 54–68 percent of current health expenditures on malaria were financed by OOP payments and in 2018, only 4.8 percent of those expenditures were funded by the government compared to 51 percent funded by external donors alone.

Despite challenges in getting access to family planning and contraception methods, CAR's fertility rate ranks among the top in SSA at an estimated 6.4 children per woman. Only 0.3 to 1 percent of current health expenditures were devoted to contraceptive management and family planning practice between 2015 and 2018 from the latest National Health Accounts Data. However, we noticed a substantial continued increase of health expenditures devoted to contraceptive management from only CFAF 128 million in 2015 to CFAF 1,046 million in 2018, a sign that there is increased attention directed to contraceptive management and family planning, although much more still needs to be done. Likewise, despite neonatal disorders ranking second in the DALYs in 2019, only 3–5 percent of current health expenditures between 2015 and 2018 were devoted to maternal conditions, even though the committed amount rose almost six-fold over the same period. Injuries, despite ranking seventh in the CAR's most recent disease profile (right after malaria and HIV/AIDS), had no expenditures reported between 2015 and 2018. Over the same period, only 5–7 percent of total current health expenditures was allocated to nutritional deficiencies, despite the high stunting rate in CAR. Finally, 5–7 percent of total current health expenditures between 2015 and 2018 were directed to NCDs, which mainly rank 10th and 11th in the country's disease profile; this is a more than threefold increase in the nominal value of NCDs expenditures, from CFAF 2,605.39 million in 2015 to CFAF 8,260 million in 2018.

### Categorization by regions and gender

Health expenditures are unequally allocated across regions, with Bangui and its suburbs receiving substantially more per capita than the health districts. Between 2015 and 2018, Bangui and its suburbs (region 7), which have the lowest under-five mortality rate in the country, receive the highest budget per capita, four times the budget per capita received by region 4 (which has the highest under-five mortality rate in the country).<sup>119</sup> Overall, region 7 (including Bangui and its suburbs) absorbed between 42 and 55.3 percent of current health expenditures, despite having the best level of access to health services and better health outcomes than the other six regions. In 2018, region 4 with the highest under-five mortality rate in 2018–19 only received 8 percent of current health expenditures, whereas region 7 (Bangui and its suburbs) received the highest share (almost half of the total budget—45 percent).

### Categorization by gender

There is a *positive* gender bias in the allocation of current health expenditures in CAR, with the highest share going to women (representing 50.4 percent of the total population) and increasing from 65.5 percent in 2015 to 67.1 percent in 2018. This is equivalent to a nominal increase in volume from CFAF 33.1 billion in 2015 to CFAF 93.4 billion in 2018. This gender gap in current health expenditures between men and women has roughly tripled since 2015 from a difference of CFAF 15.70 billion in 2015 (in favor of women) to a difference of CFAF 47.60 billion in 2018. In 2018, current health expenditures devoted to women were more than twice the amount dedicated to men. Despite the increasing volume of current health expenditures dedicated to men (from CFAF 17.4 billion in 2015 to CFAF 45.8 billion in 2018), the share of current health expenditures devoted to men in CAR has been decreasing, from 34.5 percent in 2015 to 32.9 percent in 2018.

This positive distribution of health resources toward women reflects the several social and health challenges women are facing in CAR as compared to men. Women's challenges include a high maternal mortality ratio, low access to reproductive health services, and gender-based violence. Another need is increased women's economic empowerment for adolescent girls, which will be addressed under the new and upcoming Human Capital Project in CAR.

### Categorization by age (under five years old versus more than five years old)

Current health expenditure for children under five years as a share of total current health expenditure increased in 2016–18 by 10 percentage points, from 36 percent in 2016 to 46 percent in 2018. Current health expenditures on children under five roughly tripled in 2018 as compared to 2016, hence following the same trend of total current health expenditures in 2018 and representing 2.4 times the amount in 2016. The biggest increase in the amount of health expenditures dedicated to children under five between 2016 and 2018 is from external donors followed, by domestic private health expenditures for children under five, which also doubled over the same period. However, government health expenditures for children under five only increased by 44 percent from 2016 to 2018—the lowest source of financing for under-five health expenditures between 2015 and 2018 (see figure A3.7 in Appendix A3).

The top source of funding for health expenditures for children under five in CAR is domestic private health expenditure, namely OOP payments of households. Still, the share the total current health expenditure for children under five decreased by about 16 percentage points, from 60 percent in 2016 to 44 percent in 2018. The second major source of funding was external donors, and their share in the total current health expenditure for children under five increased by 22 percentage points in 2016–18, from 27 percent in 2016 to 49 percent in 2018, outperforming domestic private sources (including OOP payments). The third source of funding for under-five health expenditures come from the government, although its share decreased by half in 2016–18, from 14 percent of the total current health expenditure for children under five in 2016 to only 7 percent in 2018.

Over the same period, health expenditures for children under five as a share of GDP substantially increased from 2 percent in 2016 to roughly 5 percent of GDP in 2018. However, under-five health expenditures as a share of general government expenditures slightly decreased from 2.4 percent in 2016 to 2 percent in 2018. The latter finding aligns with what was highlighted above on the decreasing share of under-five current health expenditures in government expenditures. We gather information on countries with a relatively similar level of stunting prevalence and current health expenditure per capita to compare CAR with other countries on their level of commitment to health outcomes for children under five through health spending.

Among countries with data available on health expenditures for children under five, and with a relatively similar level of stunting and current health expenditure per capita, CAR has the highest level of spending on children under five. The latest 2018 data show spending levels of US\$44.5 per capita in CAR, which is even above expenditures of countries with a higher level of stunting such as Niger. CAR also fares better when considering expenditure for children under five as a share of GDP, which is established at 5 percent and higher than 3.9 percent in Niger. Under-five expenditure as a share of total current health expenditures (46 percent) is also higher than most comparable countries except for Niger, which also has a level of stunting roughly 8 percentage points higher than in CAR.

However, domestic government health expenditures per capita devoted to children under five remain low in CAR, at only US\$2.9 per capita in international PPP, the lowest of all relevant comparators (Mali, Benin, and Guinea).<sup>120</sup> External donors' health expenditures per capita dedicated to children under five are highest in CAR (US\$22 per capita international PPP), as compared to relevant comparators. This confirms our finding above, suggesting that development partners have recently been the major financing sources for under-five health related expenditures, outperforming domestic private modes of financing including OOP.

### Categorization of total (current) health expenditures by financial schemes

Compulsory financing arrangements (CFA) are all run through the government; compulsory health insurance (CHI), made up of social health insurance (SHI) and compulsory private health insurance, have been absent in CAR since 2012 as potential financial schemes. Voluntary financing arrangements (VFA) are the main type of financing scheme in CAR, standing consistently at more than 70 percent of current health expenditures since 2012. This a far bigger share than CFA schemes, which were established at only 13.4 percent in 2018 and consistently have been below 30 percent since 2012.

<sup>119</sup> Region 7 (under-five mortality rate 59.55 per 1,000 live births) receives CFAF 68,512 per capita while region 4 (under-five mortality rate 122.57 per 1,000 live births) receives CFAF 16,111.1 per capita.

<sup>120</sup> Even if those countries tend to have a lower share of stunting as compared to CAR.

Among VFA, OOP payments have consistently been the major source of financing (consistently above 40 percent since 2012) as compared to other forms of voluntary health care payments. Unlike other countries with a similar level of socioeconomic development, there is no other unspecified financial scheme in CAR except for CFA, solely provided by the government, and VFA funded primarily by households OOP payments. Since 2018 and for the very first time, voluntary health care payments have outperformed OOP payments by roughly 3 percentage points, with the highest increase of roughly 10 percentage points recorded between 2016 and 2017. Over the exact same period, government financing arrangements also have had their biggest drop from 25.98 percent in 2016 to only 15.58 percent in 2016.

## 5.4.2. Government health expenditures

### 5.4.2.1 OVERVIEW OF GOVERNMENT SPENDING IN THE HEALTH SECTOR

**Government health expenditures are still low in CAR, standing at 4.2 percent of total general government expenditures.** The government's share of total health expenditures in CAR is also low and consistently has been below 12 percent since 2015. From 2015 to 2018, domestic general government health expenditure per capita rose at a slower pace (100 percent rise) than the equivalent increase for total current health expenditure (159 percent rise).

**Government health expenditures as a share of general government spending are one of the lowest levels in SSA after Cameroon, the Republic of Congo, and Guinea.** Domestic government expenditures at 0.69 percent of GDP in 2018 are also one of the lowest levels in the region. Likewise, government spending per capita in PPP is the lowest among CAR's relevant comparators. Finally, government spending per capita in PPP (6.1 \$ PPP) is the lowest among CAR's relevant comparators.

**TABLE 5.5. GOVERNMENT HEALTH EXPENDITURES, CAR AND RELEVANT COMPARATORS**

Indicators (as of 2018*)	Domestic general government health expenditure (% of GDP)	Domestic general government health expenditure per capita (US\$) in PPP	Domestic government health spending (% general government spending) (priority to health) (%)
Burundi	1.9	16.2	8.5
Cameroon	0.2	8.0	1.1
<b>CAR</b>	<b>0.69</b>	<b>6.1</b>	<b>4.2</b>
Chad	0.7	13.4	5.2
Congo, Rep.	0.8	46.1	3.5
Ethiopia	0.8	15.6	4.8
Guinea	0.6	18.0	4.1
Kenya	2.2	75.5	8.5
Sierra Leone	1.6	25.0	7.2
Liberia	1.7	3,180.7 <sup>121</sup>	5.2
Mali	1.1	25.4	5.4
Mozambique	1.7	24.9	5.6
Niger	2.4	25.9	8.4

<sup>121</sup> Such a high value is attributed to the \$ PPP exchange rate which has been the lowest in Liberia in 2018 with 1 international dollar equal to only 0.5 Liberian dollars and with a US\$ to Liberian dollars exchange rate equivalent to 144.0 implying that the US Current international dollars in Liberia should be multiplied by 278.32 to get the PPP International \$ amount equivalent

Indicators (as of 2018*)	Domestic general government health expenditure (% of GDP)	Domestic general government health expenditure per capita (US\$) in PPP	Domestic government health spending (% general government spending) (priority to health) (%)
Burkina Faso	2.4	47.5	8.8
Sudan	1.0	66.9	6.8

Source: Author computation using the 2018 WHO GED.  
\*Latest year in the current WHO GED.

### 5.5.2.2 BUDGET ALLOCATION AND EXECUTION IN THE HEALTH SECTOR

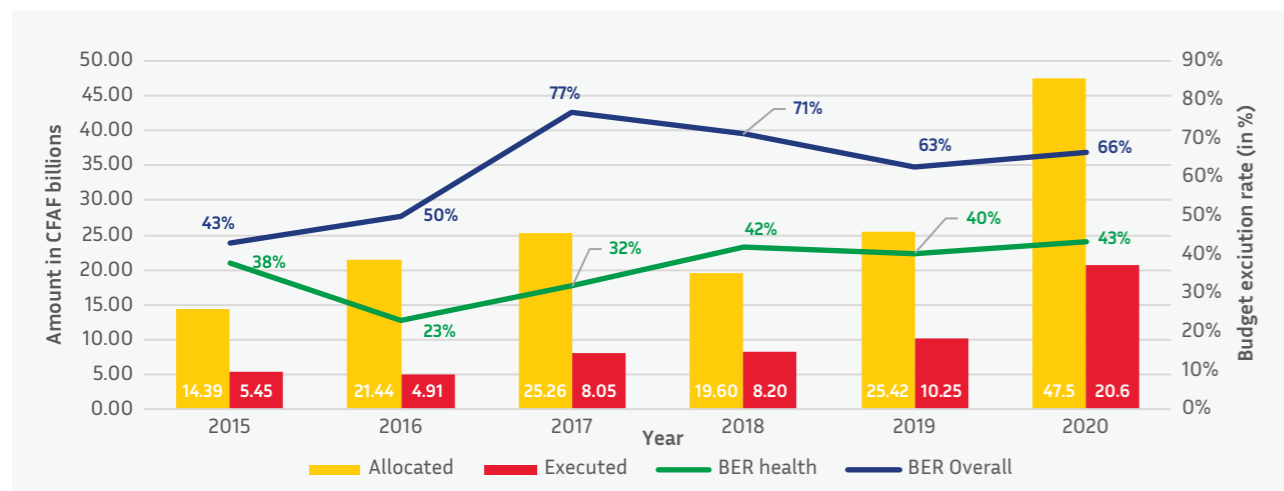
The government budget for the health sector—encompassing the budget of the Ministry of Health, health-related spending in other ministries, and donor-funded subcontracts—stood at CFAF 20.6 billion in 2020. This was the highest level of health budgeting for the past 8 years, roughly equivalent to 10 percent of the total government budget. Because of the COVID-19 vaccine response, the total executed budget for the health sector has roughly doubled from CFAF 10.3 billion in 2019 to CFAF 20.6 billion in 2020, the largest recorded increase for the past eight years. However, the total executed government budget from 2019 to 2020 only increased by 30 percent and GDP in current U.S. dollars remained almost constant. Health spending as a share of GDP has been stubbornly low since 2012, with the highest value reached in 2020 at 1.5 percent. The WHO notes that countries with public health spending at less than 4–5 percent of GDP find it difficult to approach universal health coverage. Likewise, the total executed health budget as a share of the total executed government budget has been historically lower than 10 percent since 2012; it reached its highest level in 2020 thanks to increased domestic revenue mobilization in the health sector to respond to the COVID-19 pandemic. However, this share remains low in comparison to the Abuja Target recommending 15 percent of the budget allocated to health (see table A3.12 in Appendix A3).

Between 2015 and 2018, salaries paid by the government and purchases of goods and services together represented more than 90 percent of total government health expenditures in CAR. Over the same period, government health investments remained stubbornly low at less than 4 percent of the total government executed budget for the health sector. However, in 2019–20, investments in the health sector substantially increased in nominal terms from CFAF 0.82 billion in 2019 to CFAF 5.3 billion in 2020, reaching up to 26 percent of the executed government health expenditure in 2020. The latter could be attributed to the COVID-19 pandemic. There was also a drop in salaries as a share of government health expenditures from 68 percent in 2016 to only 14 percent in 2020.

#### Box 5.1. The Wage bill of the Ministry of Health in CAR

Among the 1971 health workers in the payroll in 2020, only 46.63% (919 in absolute numbers) are frontline health workers and up to 42.4% are administrative health workers. The latter are in majority: i) *major a la formation sanitaire* ii) *agent de bureau*; iii) *assistant d'assainissement* iv) *chef de service* v) *directeur* vi) *garçon/fille de salle* vii) *surveillant general des etablissement*. Those “administrative” health workers represent 46% of the total wage bill of the health sector in 2020 which is quite high. In addition, 10% of health workers enrolled in the payroll are either awaiting to be deployed or in professional traineeship (“*en stages*”). A Medical doctor working as a public servant is getting paid on average FCFA 322,079.6 as a monthly wage (~USD 463) in 2020. The gross salary of a medical doctor in CAR is lower than what university professors are getting. An “Assistant” professor in CAR gets paid 409,962.6 CFA Franc on average per month; a “Maître assistant” gets 518,190.9 CFA Franc on average per month; a “*Maître de conférence*” gets 761,836.3 CFA Franc per month and a university professor an average of 886,021.8 CFA Franc per month. The total level of the Ministry of Health's wage bill is 3499 million FCFA (USD 6 million). A back of the envelope calculation, that assumes a policy where the 35 percent of workers (worth FCFA 91.706 million in monthly salaries) that are outside of Bangui get a 25% bump in their salary, would lead to FCFA 22.926 million additional a month and FCFA 275.120 million a year.

**FIGURE 5.11. OVERALL BUDGET EXECUTION RATE IN THE HEALTH SECTOR, 2015–20**

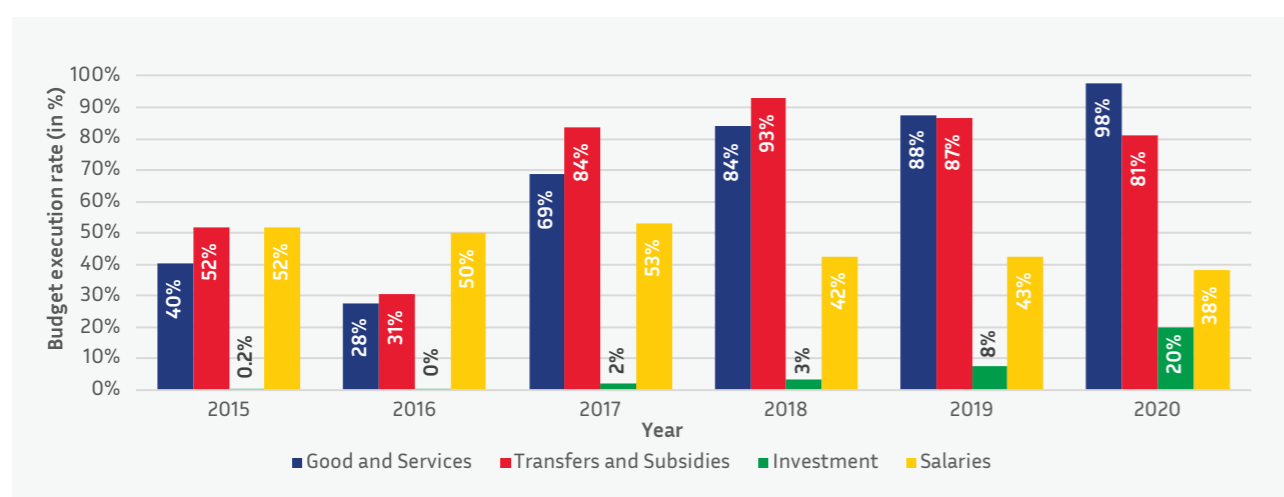


Source: Author computations using the 2015–2020 Budget data from the Ministry of Finance.

Budget execution rates in the health sector have consistently been lower than 50 percent since 2015 and below the total government budget execution rate. The gap between allocated and executed spending has also been widening since 2018.

The budget execution rate<sup>122</sup> for government health expenditures on investment has been less than 3 percent from 2015 to 2018, the lowest among all categories of health expenditures. However, we denote an increase from 3 percent in 2018 to 20 percent in 2020 for the budget execution rate for investment health expenditures. This 17 percentage points increase reflects the government’s commitment to foster higher levels of investment in the health sector, still at its lowest. From 2015, transfers and subsidies but also goods and services were the two main categories of health expenditures with the highest budget execution rates. The budget execution rate for goods and services has been improving substantially since 2016 from 28 percent in 2016 to 98 percent in 2020.

**FIGURE 5.12. GOVERNMENT BUDGET EXECUTION RATE IN THE HEALTH SECTOR BY CATEGORIES OF EXPENDITURES, 2015–20**



Source: Author computations using the 2015–2020 Budget data from the Ministry of Finance.

<sup>122</sup> The budget execution rate reported here is likely to have been underestimated given that only expenditures on domestically funded resources have been reported as executed expenditures in the official budget data released; unlike allocated expenditures also including donor-funded subcontracts. The PFM section of this PER provides a thorough analysis of the budget execution rate for each social sector.

The low budget execution rate in the health sector reflects continued weaknesses in the budgeting process and inefficiencies in the expenditure health chain. Budget implementation in the health sector is severely constrained by the low level of domestic resources and compounded by the long delay in starting budget execution, usually taking place only later in the year. Some potential drivers of the low budget execution rate in the health sector are the lack of coordination and harmonization between planning and budgeting; difficulties in purchasing goods and services due to the inadequate capacity in procurement procedures; and the reluctance of private suppliers to participate in the procurement of goods and services in the health sector due to unpaid government arrears.

Addressing those weaknesses by establishing a coordinated national health supply chain system which is effective, sustainable, and transparent will be critical to improve the budget execution rate and ensure that basic health services are effectively delivered to the populations most in need. Another potential source of inefficiencies of government health expenditures could potentially come from the unequal allocation across diseases and conditions, against the country’s priority and needs in terms of diseases and health conditions.

**5.5.2.3 ALLOCATION OF GOVERNMENT HEALTH EXPENDITURES BY TYPE OF DISEASES**

There are allocative inefficiencies of government health spending across diseases and conditions, with only 0.2 percent of government health expenditures dedicated to TB, despite the disease ranking third in the most recent country’s disease profile. By comparison, malaria receives 27.3 percent of government health expenditures but ranks only fifth in the country’s GBD in CAR. No government funding from the health sector was directed to injuries, despite ranking seventh in the country’s GBD right after malaria and HIV/AIDS. Similarly, only 2.3 percent of government expenditures were devoted to HIV/AIDS, despite ranking sixth in the GBD.

**TABLE 5.6. GOVERNMENT ALLOCATION BY DISEASES AND CONDITIONS IN 2018**

Type of diseases and conditions	Government expenditures on diseases/conditions as share of domestic general government expenditure on health (in %)	Rank in the most recent country’s disease burden profile (top causes of deaths)
<b>I. Infectious and parasitic diseases</b>	<b>65.0</b>	
<i>HIV/AIDS and sexually transmitted diseases (STDs)</i>	2.3	6
<i>Tuberculosis (TB)</i>	0.2	3
<i>Malaria</i>	27.3	5
<i>Neglected tropical diseases (NTDs)</i>	0.0	(Not among the top 11)
<i>Other Infectious and parasitic diseases</i>	35.1	(Not explicitly on the top 11)
<b>II. Reproductive health</b>	<b>15.3</b>	
<i>Maternal conditions</i>	3.2	14
<i>Contraceptive management (family planning)</i>	1.2	(Not among the top 11)
<i>Other reproductive health</i>	11.0	(Not among the top 11)
<b>III. Nutritional deficiencies</b>	<b>0.8</b>	(Not explicitly on the top 11)
<b>IV. Noncommunicable diseases (NCDs)</b>	<b>17.5</b>	10 and 11
<b>V. Injuries</b>	<b>0.0</b>	7
<b>VI. Other unspecified diseases/conditions</b>	<b>1.3</b>	(Not among the top 11)

Source: Author’s computations using the WHO GED.

The trend and share of medical evacuations also reveal major inefficiencies of current health expenditures. Medical evaluation represented 2.4% and 2.1% of Total Current health Expenditures in 2016 and 2017 in CAR; higher than the share of current health expenditures allocated to Ancillary care as well as retailers and other providers of medical goods. The distribution of total current health expenditures by service providers from 2015 to 2018 in FCFA reveals that Medical evacuation was 1.15 billions CFA Franc on average over the 2015-2018 period with a peak of 1.72 billion CFA Franc reached in 2017. There was a sharp increase of medical evacuation between 2015 and 2017 from 0 billions CFA Franc in 2015 to 1.43 and 1.72 billions CFA Franc in 2016 and 2017 respectively, which is somehow worrying for the health system. (See Table A.3.20 in the Annex).

When considering the breakdown of total government health expenditures by service providers, we observe a similar but an even bleaker picture with medical evacuation reaching 13.8% of Government Current health expenditures in CAR in 2017 and an average of 10.2% over the 2016-2018 period. Most importantly, It should be noted that over the 2016-2018 period, the government of CAR has funded more medical evacuations than its primary healthcare system (Health centers) with the total amount allocated for medical evacuations representing more than twice the amount allocated to ambulatory health services. More worryingly, in 2017 and 2018; medical evacuations represented more than twice (roughly 4 times in 2017) of total government current health expenditures for preventive health care services. (See Table A.3.21 in the Annex).

Overall, analysis of government spending in CAR suggests the existence of several sources and drivers of inefficiencies. From a macro-level perspective, we could notice that a subset of relevant CAR comparator countries (Democratic Republic of Congo, Liberia, Cameroon, Benin, Ethiopia) achieve a lower mortality rate for children under five with lower health expenditures as a share of general government expenditures. Hence, even if slightly reducing or keeping steady health expenditures, CAR should be able to achieve better health outcomes (including a lower under-five mortality rate).



**FIGURE 5.13. HEALTH FINANCIAL INPUTS COMPARED TO HEALTH OUTCOMES, CAR AND RELEVANT COMPARATORS IN 2019/2020**

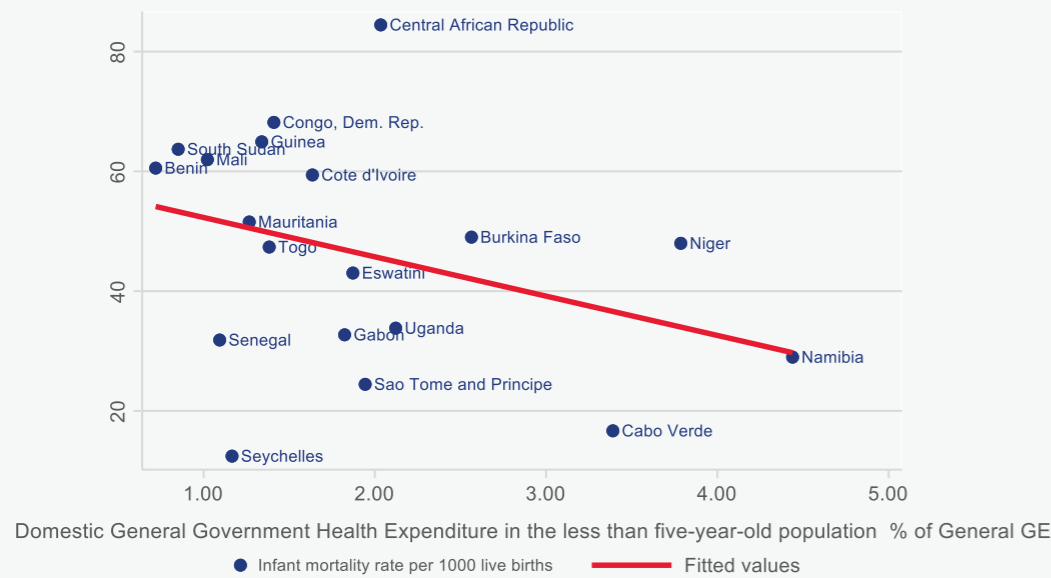


Source: Author's computations using the WHO GED.

### Box 5.2. Infant mortality and domestic government expenditure on children under five years in Sub-Saharan Africa: the nexus

Over the past few years in SSA, there has been a strong push toward increasing domestic public finance for improving children's health outcomes (PF4C) with a specific focus on children under the age of five. This is especially relevant in CAR where the level of stunting and mortality rate of children under five are among the highest on the continent. However, little is still known on the implications for domestic public expenditure for improving children's health outcomes. Between 2016 and 2018, government health expenditures for children under five as a share of general government expenditures in CAR decreased by 0.18 percentage points from 2.21 percent in 2016 to 2.03 percent in 2018. In 2018, CAR had one of the highest rates (84.46 per 1,000 live births) of infant mortality ratio (defined as the probability of a child dying before his first birthday). We combine the latest data from the WHO GED with data from WDI to assess the relationship between the priority given by government to health outcomes for children under five and the level of infant mortality in SSA. In total, 19 countries in SSA in 2018 had data on levels of under-five spending and infant mortality rates. We find a negative relationship between under-five spending as a share of government expenditures and the infant mortality ratio. Using a robust standard errors ordinary least square regression, we find that holding everything else constant, a percentage point increase on the share of government under-five spending over total general government expenditures lead to a 6.56 points decrease in infant mortality, a point estimate statistically significant at a 10 percent threshold.

FIGURE B4.1.1. INFANT MORTALITY AND DOMESTIC GOVERNMENT EXPENDITURE ON CHILDREN UNDER FIVE IN SELECTED SUB-SAHARAN AFRICA COUNTRIES



Source: Author's computations using data from the WHO GED and the World Bank WDI.

## 5.5. EQUITY IN ACCESS TO HEALTH SERVICES AND FINANCIAL PROTECTION

### 5.5.1. Equity

There are large subnational disparities in health outcomes and access to basic health services in CAR. The above sections have already highlighted: (i) the important variation of health outcomes and access to basic health services across socioeconomic groups in favor of those in the richest quintile, and (ii) the uneven and inequitable distribution of health resources across regions with people having the worse health outcomes receiving fewer

financial resources. We estimate concentration indices<sup>123</sup> and plot concentration curves (in Appendix A3) to assess the level of inequality in health outcomes and access to basic health services in CAR.

Regardless of place of residence (rural versus urban or region 7 versus the other 6 regions) or the level of education of the mother, there is a significant concentration of stunting among children from less wealthy households. Likewise, there is a significant concentration of access to vitamin A and vaccines for TB, PT, and PC among children from better off households. Given that medical treatments are mainly funded by OOP payments from households, there is also a predictable and significant concentration of access to medicines among children from better-off households.

TABLE 5.7. CONCENTRATION INDEXES AMONG KEY HEALTH OUTCOMES VARIABLES FOR CHILDREN UNDER FIVE

Child Health Variables	Concentration Index value <sup>a</sup>	Concentration Index value					
		Urban	Rural	Urban Vs Rural differences <sup>b</sup>	Health Region 7 (Bangui + suburbs)	Other health regions	Region 7 vs other regions differences
Prevalence of stunting <sup>c</sup>	-0.13***	-0.17***	-0.02	-0.15***	-0.062***	-0.078***	0.016
Prevalence of diarrhea	-0.016	0.010	-0.02	0.03	0.015	-0.015	0.03
Access to Vitamin A	0.23***	0.15***	0.12***	0.03	0.055**	0.18***	-0.12***
Access to a TB Vaccine	0.21***	0.07**	0.14***	-0.07	0.00	0.19***	-0.19***
Access to a PT Vaccine	0.19***	0.148***	0.092**	0.056	-0.01	0.2***	-0.2***
Access to a PC Vaccine	0.19***	0.16***	0.085**	0.075	0.018	0.15***	-0.13**
Access to medicine for any disease	0.09***	0.033	0.087**	-0.055	-0.036	0.083***	-0.12***

Source: Author computation using the 2018 MICS data.

Note: a. The star indicates the level of statistical significance at a 95 percent confidence interval (legend: \* p<.05; \*\* p<.01; \*\*\* p<.001).

b. The statistical difference is computed under the large sample assumptions.

c. After cleaning up the WHO Height for Age Z-core by making sure it remains within the -6SD and 6SD interval, we define stunting as the probability of HAZ <-2 Standard Deviation (SD).

There is a significant concentration of stunting among the least wealthy both in Bangui and other the other health regions. Point estimates suggest that the degree of inequality is greatest in the six regions outside Bangui.<sup>124</sup> The significant concentration in access to vitamin A, vaccines, and medicines among the better-off households happens predominantly in the six health regions outside of Bangui, with point estimates suggesting a higher degree of inequality within those regions. There is also a significant concentration in access to all types of vaccines for children under five among better-off households in both rural and urban locations.<sup>125</sup>

<sup>123</sup> We use the Erreygers concentration index best suited for binary outcomes variables and the wealth quintile index as a proxy for socioeconomic status. The concentration index takes a negative value when the health variable is concentrated among the disadvantaged or less wealthy and a positive value when the health variable is concentrated among the most advantaged or better-off households. A concentration index and related concentration curve helps in quantifying the degree of income-related inequality in a specific health variable.

<sup>124</sup> Both statistical tests based on either the large sample or the equal variance assumptions fail to reject the null hypothesis that the concentration index is the same in region 7 versus the other six health regions.

<sup>125</sup> Both statistical tests based on either the large sample or the equal variance assumptions fail to reject the null hypothesis that the concentration index is the same in rural and urban locations.

Among pregnant women of a childbearing age (15–49), there is a significant concentration of access to antenatal care for pregnant women among better-off households both in urban and rural locations. However, there is only a significant concentration of access to antenatal care for pregnant women among the better-off households in the other 6 health regions except Bangui.<sup>126</sup> There is also a significant concentration of access to antenatal care for pregnant women among the better-off households, both among more educated and less educated women; the point estimates suggest that the degree of inequality is greater among less-educated mothers.<sup>127</sup> We also found a significant concentration of ownership of any form of health insurance or a vaccination card among the better-off households in both rural and urban locations, and also among less and more educated women who were better off. On access to a social insurance and to a vaccination card, the point estimates suggest that the degree of inequality is greater in urban areas. Regarding the ownership of a vaccination card, the degree of inequality is greater for other health regions outside region 7, whereas for the ownership of a social health insurance, the degree of inequality is greater in health region 7. However, the statistical difference between the two group of regions is not significant.

**TABLE 5.8. CONCENTRATION INDEX ON VARIOUS MATERNAL HEALTH OUTCOMES BY LOCATION AND LEVEL OF EDUCATION OF THE MOTHER**

Maternal health variables	Concentration index value	Concentration Index value					
		Urban	Rural	Urban vs rural differences	Health Region 7 (Bangui + suburbs)	Other health regions	Region 7 vs other regions differences
Access to antenatal care	0.232***	0.13***	0.13***	-0.002	-0.0033	0.195***	-0.198***
Ownership of a social health insurance	0.014***	0.0183***	0.0058**	0.0124**	0.0128***	0.0075***	0.005
Ownership of a vaccination card	0.274***	0.19***	0.14***	0.048	0.047	0.22***	-0.176***
		<i>Advanced level of education (primary 2 &amp; secondary school)</i>		<i>Low level of education (no education or primary 1)</i>		<i>Differences</i>	
Access to antenatal care		0.034**		0.185***		-0.151***	
Ownership of a social health insurance		0.023***		0.0042***		0.018***	
Ownership of a vaccination card		0.185***		0.191***		-0.006	

Source: Author computation using the 2018 MICS data.  
a. The statistical difference is computed under the large sample assumptions.

## 5.5.2. Financial protection

From 2000 to 2018, OOP payments from households accounted for more than 40 percent of total current health expenditures, thereby putting the population at a significant risk of catastrophic and impoverishment health expenditures. From 2000 to 2018, the share of OOP payments from households have been consistently above the average in SSA (see figure A3.9 in Appendix A3). There is no recent household budget survey to get a recent estimate of the incidence of catastrophic and impoverishing health expenditures in CAR.

<sup>126</sup> Under the large sample assumption, the index is greater in health regions outside of Bangui.

<sup>127</sup> The T-test under the large sample assumption reject the null hypothesis that the index is the same among low and advanced educated mothers.

Although OOP health payments from households accounted for around 60 percent of health expenditures back in 2008, only 6.7 percent and 1.2 percent of households were allocating respectively more than 10 and 25 percent of their entire income to health-related expenses. A thorough comparison of CAR with relevant benchmark countries in SSA using data from 2008<sup>128</sup> suggests that the incidence of catastrophic health expenditures in CAR was already higher than in countries with a similar share of either household OOP payments or OOP payments per capita (in US \$ PPP). In 2007, Tanzania had 55.8 percent of current health expenditures covered by household OOP payments. At the same time, Tanzania only had 2.2 percent and 0.3 percent of households with health expenditures at more than 10 percent and 25 percent of their income, respectively, as compared to 6.7 percent and 1.2 percent in CAR. Niger, with similar OOP indicators to CAR, had 3.7 percent and 0.6 percent of households with catastrophic health expenditures at more than 10 percent and 25 percent, respectively, of their income. Burkina Faso, another relevant benchmark for CAR, was estimated to have 3.5 percent and 0.6 percent of households with health expenditures at more than 10 percent and 25 percent of their income, respectively.

**TABLE 5.9. COMPARISON OF THE INCIDENCE OF CATASTROPHIC AND IMPOVERISHING HEALTH EXPENDITURES IN CAR**

Country	Catastrophic expenditures at 10% of total household's income (most recent year)	Catastrophic expenditures at 25% of household total of household's income (most recent year)	Impoverishing health expenditures at 1.90 US\$ PPP	Household budget survey year	OOP payments (year estimate of catastrophic health expenditure)	OOP payments per capita US\$ PPP (year estimate of catastrophic health expenditure)	GDP per capita in US\$ PPP year estimate catastrophic (year estimate of catastrophic health expenditure)
Angola	12.4%	4.5%	2.0%	2008	21.65	44.8	6221.4
<b>CAR</b>	<b>6.7%</b>	<b>1.2%</b>	<b>1.1%</b>	<b>2008</b>	<b>57.95</b>	<b>20.4</b>	<b>873.5</b>
Côte d'Ivoire	15.2%	3.6%	3.0%	2008	59.39	95.8	2553.8
<b>Burkina Faso</b>	<b>3.5%</b>	<b>0.6%</b>	<b>1.2%</b>	<b>2009</b>	<b>31.44</b>	<b>24.2</b>	<b>1348.0</b>
Mali	4.4%	0.7%	2.0%	2009	61.81	57.5	1779.4
Sudan	18.4%	3.3%	3.0%	2009	52.48	131.8	3927.6
Uganda	19.6%	3.9%	4.1%	2009	37.25	58.5	1614.0
Cabo Verde	2.0%	0.0%	0.1%	2007	75.05	80.0	2691.9
Guinea	4.3%	0.2%	1.7%	2007	22.92	52.2	5437.7
<b>Niger</b>	<b>3.7%</b>	<b>0.6%</b>	<b>1.2%</b>	<b>2007</b>	<b>71.56</b>	<b>38.3</b>	<b>1558.6</b>
<b>Tanzania</b>	<b>2.2%</b>	<b>0.3%</b>	<b>0.9%</b>	<b>2007</b>	<b>55.28</b>	<b>30.6</b>	<b>726.7</b>

Source: Author's computation using the WHO GED and the World Bank HEFP database.

The relatively higher incidence of catastrophic health expenditures does not necessarily push CAR households below the poverty line of US\$1.90 PPP, as this only 1.1 percent of households had this impoverishing level of health expenditures in 2008, a level below the estimates in relevant benchmark countries except for Tanzania.

<sup>128</sup> We include SSA countries with household budget survey done in 2007 and 2009 given that Angola, Côte d'Ivoire and Mozambique are the only countries with household budget survey conducted in 2008. Finally, we removed countries with share of households' out of pocket payments on total current health expenditure at less than 20 percent to keep a good comparison sample with CAR.

In 2007–09 in the SSA region, the only countries with similar shares of OOP payments were Sudan,<sup>129</sup> Uganda, Côte d'Ivoire, and Angola. OOP spending per capita in CAR more than doubled after 2008 with an average growth rate of 7.3 percent, roughly 28 times higher than the average annual growth rate of the GDP per capita of 0.3 percent over the same period. Hence, we expect the projected level of catastrophic expenditures at 10 percent and 25 percent to be equivalent to almost twice the incidence back in 2008 meaning 13.4 percent and 2.4 percent of households allocating respectively more than 10 percent and 25 percent of their income to health expenditures.

**TABLE 5.10. TREND OF OOP PAYMENTS PER CAPITA IN CAR**

	OOP payment per capita (in US\$)	GDP per capita (in US\$)	OOP payments (% of current health expenditure)
2008	11.11	475.8	57.9
2009	10.83	474.7	48.3
2010	10.77	487.9	60.4
2011	11.65	551.0	58.1
2012	11.23	565.8	54.7
2013	8.07	380.2	44.8
2014	10.44	423.9	50.2
2015	9.26	377.3	48.8
2016	12.08	401.9	55.2
2017	16.91	449.8	56.4
2018	22.36	488.2	41.7
Relative change (base year 2008)	101%	3%	-28%
Average growth rate	7.3%	0.3%	-3.2%

Source: Author's computation using the WHO GED.

Challenges in access to health services are disproportionately concentrated among the poorest and most vulnerable households and only 1 percent of women and men owned social insurance in 2018 (MICS 2019). Therefore, the share of households experiencing catastrophic health expenditures at either 10 percent or 25 percent is expected to have increased between 2008 and 2018 but could start decreasing post-2019. This is thanks to the free health care policy introduced by the government in February 2019 and targeting children under five, pregnant women, and victims of GBV. However, we lack sufficient data to be sure.

## 5.6. IMPLICATIONS OF COVID-19 FOR HEALTH FINANCING IN CAR

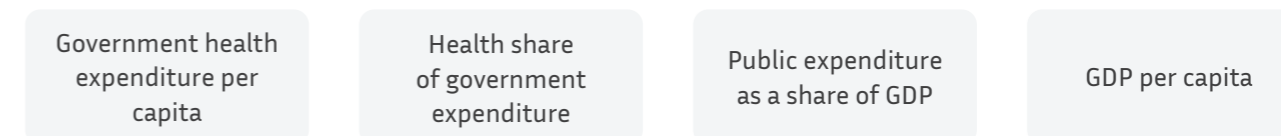
In the short run, the COVID-19 pandemic has had a pronounced impact on public finance worldwide, pushing governments and external<sup>130</sup> donors to dedicate increasing resources to pandemic response. Between July

<sup>129</sup> However, in Sudan for instance where the share of out-of-pocket payments from households in 2011 was at a relatively similar level (52.5 percent); up to 18.4 percent (respectively 3.3 percent) of households were allocating more than 10 percent (respectively 25 percent) of their entire income to health. However, the amount of out-of-pocket payments per capita in Sudan is more than 6 times the one in CAR and their GDP per capita in \$ PPP is not comparable.

<sup>130</sup> In April 2020, the EU, the World Bank, the IMF, the AfDB, and the AFD were planning to mobilize CFAF 83.63 billion to respond to the COVID-19 pandemic.

and December 2020, despite the relatively small number of positive COVID-19 cases<sup>131</sup> and related deaths, the government was able to allocate CFAF 16.2 billion (equivalent to US\$30.042 million) for risk prevention, mainly in the form of transfers and subsidies, out of which CFAF 11.7 billion were executed. We follow the projection's framework of Kurowski, Evans, Tandon et al. (2021) to assess the macroeconomic implications of the COVID-19 pandemic for health financing by making various assumptions regarding the trend of government health expenditures per capita for the next five years (2021–16). The following equation defines the mathematical relationship between general health expenditure (GHE) per capita, the ratio of general health expenditures to general government expenditures (GGE), public expenditure as a share of GDP, and the GDP per capita:

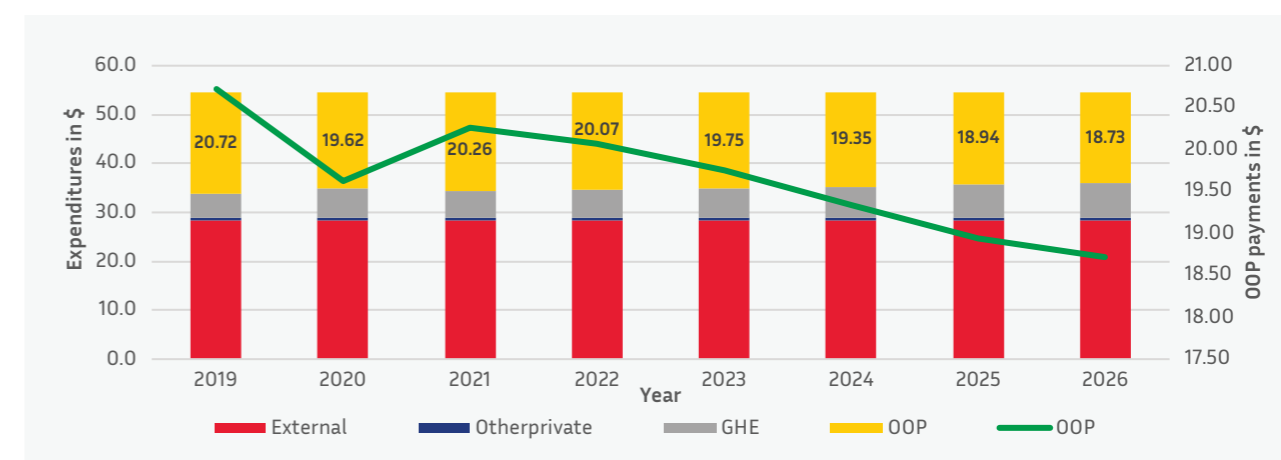
$$GHE \text{ per capita} = \frac{GHE}{GGE} \times \frac{GGE}{GDP} \times GDP \text{ per capita} \quad (1)$$



We compare the projected GHE per capita for the 2021–26 period with the SSA average under the five following main scenarios:

**Scenario 1: Status quo:** This scenario makes the assumption that governments protect the share of GHE in GGE, which remains similar to the 2016–19<sup>132</sup> average. To get the forecasts of GHE per capita, we use equation (1) above by multiplying the 2016–19 average priority to health (estimated at 5.16 percent in CAR) with the 2020–26 IMF's<sup>133</sup> projected government general expenditures for GDP and GDP per capita. We find that between 2020 and 2021, GHE per capita is expected to rise by US\$1.10 from US\$5.03 to US\$6.13 and then drop between 2021 and 2022 to US\$5.50 per capita and continuously increase till 2026 at US\$7.03 per capita (12.12 \$ PPP), roughly five times lower than the projected average GHE per capita in SSA in 2026 estimated at 64.53 \$ PPP. Under this scenario the 2020–26 yearly average growth rate of the GHE per capita in PPP is equivalent to 2.7 percent (see table A3.13 in Appendix A3), higher than the growth rate of the GHE per capita in SSA under the same scenario. Assuming total health expenditures remain the same as in 2018 (meaning at 54 \$ per capita) from 2020 to 2026, and external financing maintains its highest level reached at 28 \$ PPP per capita from 2020 to 2026 with other private payment also remaining constant at 0.37 \$ PPP in 2021, OOP payments are expected to fall from US\$20.72 in 2019 to US\$18.73 in 2026.

**FIGURE 5.14. PROJECTED TREND IN OOP PAYMENTS PER CAPITA UNDER SCENARIO 1**



Source: Author projections using data from the 2021 WEO and the WHO GED.

<sup>131</sup> There were 4,971 COVID-19 confirmed cases and 63 COVID-19 deaths by December 2020 (UNICEF, 2020).

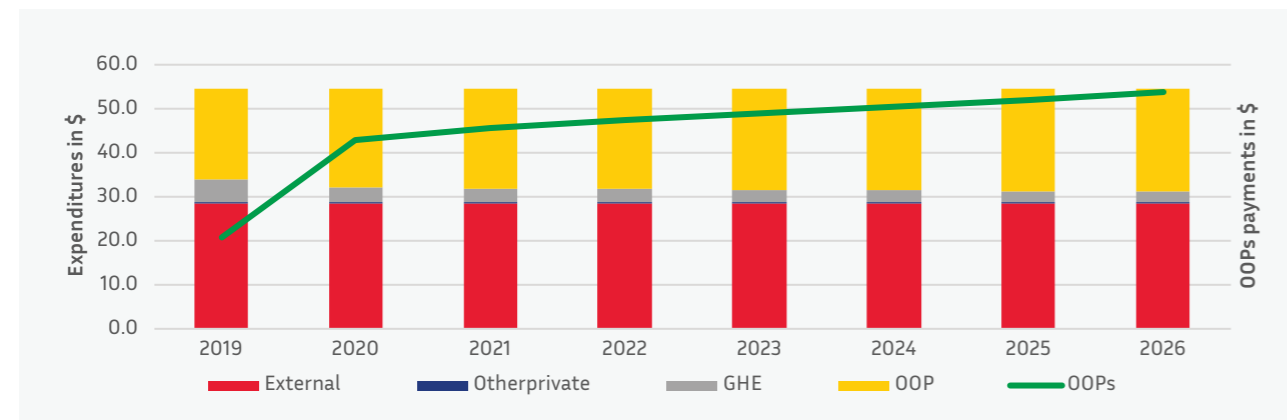
<sup>132</sup> Even though the latest data available in the WHO GED is 2018, we have the budget from the MoF for CAR allowing us to get an estimate of the 2019 share of GHE on GGE, which was estimated at 6.2 percent.

<sup>133</sup> The IMF projection is the latest one from the World Economic Outlook done in April 2021.

**Scenario 2: Pro-health:** GHE per capita continues to grow at the average yearly rate observed 10 years before the COVID 19 pandemic (2009–19), estimated at 4.40 percent in CAR and 6.75 percent in SSA. We find that between 2020 and 2021, GHE per capita is expected to rise by only US\$0.24 from US\$5.26 to US\$5.5 and then continuously increase till 2026 at US\$6.8 per capita, 8.29 \$ PPP, roughly 42 times lower than the projected average GHE per capita in SSA in 2026 estimated at 349.4 \$ PPP<sup>134</sup> (see table A3.14 in Appendix A3). By making the same assumptions about the level of total health expenditures, external financing, and other private payments, OOP payments are expected to fall linearly from US\$20.72 in 2019 to US\$18.95 in 2026 (see figure A3.10 in Appendix A3).

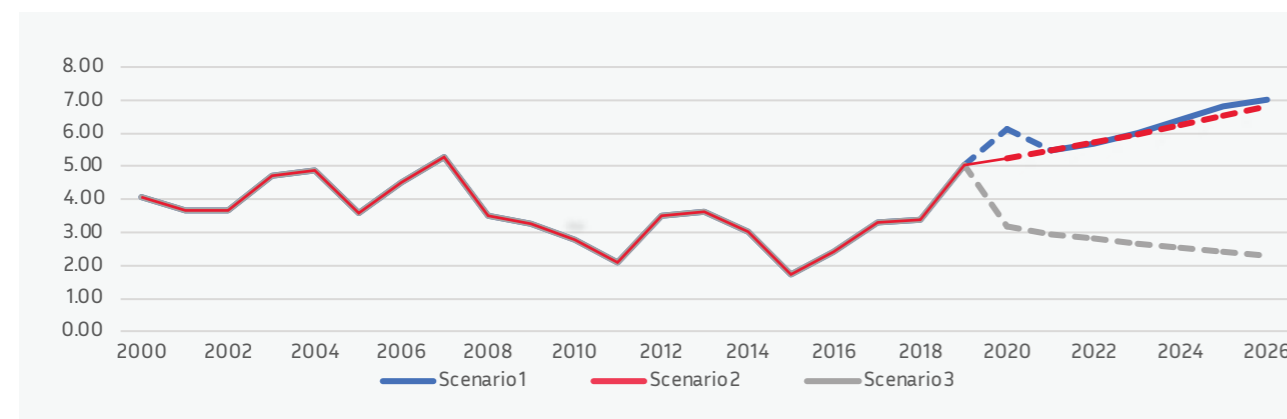
**Scenario 3: Procyclical:** GHE per capita responds to GDP per capita with the same cross-country elasticity as during the 2000–18 period. We estimate the linear relationship between GHE per capita and GDP per capita using a regression in CAR and SSA, where we find a negative significant relationship.<sup>135</sup> We find that between 2020 and 2026, GHE per capita is expected to continuously fall from US\$3.18 to US\$2.28 in 2020 equivalent to 3.12 \$ PPP, roughly 71 times lower than the projected average GHE per capita in SSA in 2026 estimated at 223.4 \$ PPP<sup>136</sup> (see Table A3.15 in Appendix A3). By making the same assumptions about the level of total health expenditures, external financing, and other private payments, OOP payments are expected to rise linearly from US\$20.72 in 2019 to US\$23.48 in 2026 (figure 5.15).

**FIGURE 5.15. PROJECTED TREND IN OOPS PER CAPITA UNDER SCENARIO 1**



Source: Authors' projections using data from the 2021 WEO and the WHO GED.

**FIGURE 5.16. SUMMARY OF THREE PROJECTIONS OF GHE PER CAPITA UNDER DIFFERENT SCENARIO**



Source: Authors' projections using data from the 2021 WEO and the WHO GED.

<sup>134</sup> This high PPP average is more driven up by Liberia with its outstanding PPP value.

<sup>135</sup> In CAR, we find that over the 2000–18 period, a unit increase in the GDP per capita is significantly associated with a US\$0.0037 decrease on GHE per capita (in current US\$) while in SSA over the same period, a dollar increase in the GDP per capita is associated with a US\$0.0609 increase in the GHE per capita.

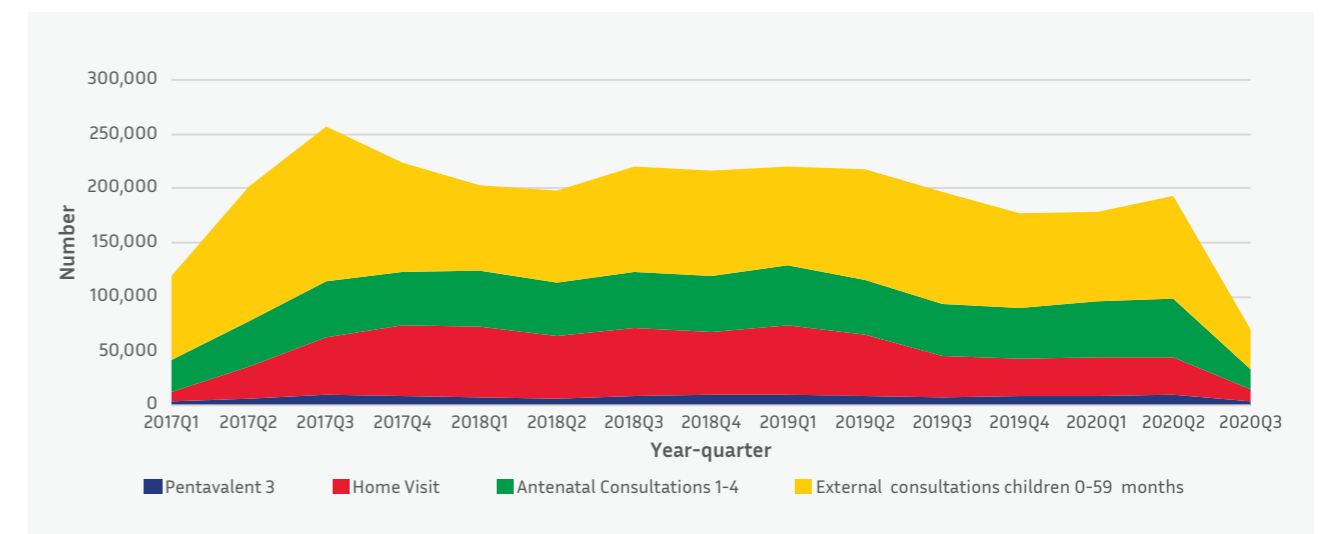
<sup>136</sup> This high PPP average is more driven up by Liberia with its outstanding PPP value.

## 5.7. OVERVIEW OF RESULTS BASED FINANCING IN THE HEALTH SECTOR IN CAR

Results-based financing (RBF) was introduced in CAR in 2012 under a component of the National Health System Support Project through a supply-side performance-based financing (PBF) in five health regions outside Bangui, namely regions 2, 3, 4, 5, and 6. However, the PBF was already existing in health regions 1, 2, and 6 since 2009. In 2016, the PBF coverage was extended under the World Bank-funded Health System Support Project reaching the equivalent of 40 percent of the population in regions 2, 3, 4, 5, and 6. It allows a performance purchasing agency (PPA) to contract health posts, health centers, and district and regional hospitals to deliver an agreed package of reproductive, maternal, and child health (RMCH) services. Facilities are incentivized based on (i) the volume of RMCH services delivered, and (ii) the technical quality of these services.

Figure 5.17 below shows an increase positive increase in the quality scores volume of key RMCH services in CAR from 2017.

**FIGURE 5.17. EVOLUTION OF KEY OUTCOMES IN PBF DISTRICTS FROM Q1 2017 TO Q3 2020**



Source: CAR PBF database, Ministry of Health.

An analysis of the relationship between the increase in RMCH services and quality scores of health facilities pre-COVID-19 suggests a positive correlation. RBF funds are held by the PPA and released quarterly upon the verification of results by an External Evaluation Agency in charge of checking both the quantity and the quality of services delivered. In May 2019, around 50 percent of the population was covered with the PBF. The government then decided to roll out the reforms to 100 percent of the population by the end of 2020 with additional funding from the World Bank and the European Union.

Overall, the PBF intends to promote transparency and good governance within the health sector by improving the efficiency and equity of quality health care services. The PBF focuses on health programs that address diseases and risk factors with a significant contribution on the most recent country's GBD profile, namely: (i) HIV, tuberculosis, malaria; (ii) vaccination; (iii) reproductive health; and (iv) malnutrition. In 2012, an impact evaluation using a cluster-randomized trial to assess the efficacy and effectiveness of the RBF program in CAR was launched and a baseline survey took place between February and December 2012 in health regions 2, 3, 4, and 6. In total, there were approximately 242 clusters made of 97 health centers and 145 health posts, and no more than 20 households were randomly selected in catchment areas around these clusters.



The endline data collection is yet to be completed and the impact evaluation is expected to focus on 29 core indicators disentangled into coverage of (i) maternal and child health services (10 indicators<sup>137</sup>); and (ii) quality of care<sup>138</sup> at the health facility level including health posts, health centers, and hospitals (19 indicators). Over the past few years, several empirical impact evaluations based on rigorous quantitative methodology have been conducted in settings similar to CAR, mainly in FCV countries such as Burundi where the impact of PBF programs was found positive. In Burundi, Bonfrer et al. (2013) found that the PBF program increased the probability of women delivering in a health care facility by 21 percentage points and accessing antenatal care by 7 percentage points. The use of modern family planning services and the overall health facility quality score also improved by 5 and 46 percentage points, respectively, as the result of the PBF. Strong evidence was found for heterogeneity of impacts across socioeconomic groups. Likewise, Basinga et al. (2011) evaluated the impacts of PBF in Rwanda using a randomized controlled trial and found that it had its largest effect on institutional deliveries, causing an increase of 23%. In Burkina Faso, Lohmann et al. (2018) used a quasi-experimental methodology with a nested experimental component and found positive impacts on the utilization of maternal care services and family planning among the poorest 20 percent of the population.

An Iterative Beneficiary Monitoring (IBM) survey conducted on July 12–14, 2018 under the scope of the previous Health System Strengthening Support Project (PASS) suggests that 97 percent of health facility managers claimed that the PBF had very positive effects on their respective health facilities. However, the following aspects likely to undermine the performance of their facilities were highlighted: (i) late payment of salaries, leading to the demotivation of some staff; (ii) lack of awareness among the population of the mechanisms for identifying vulnerable groups who should receive free health care; and (iii) the lack of a ‘quality improvement bonus’ to encourage achievements. The IBM also highlights the need to strengthen staff capacity regarding the technical aspects of the PBF, including a refresher training to update technical knowledge on the PBF, including financial and drugs management. Additional capacity-building trainings were also requested to strengthen the quality of services for treatment of tuberculosis and HIV/AIDS, family planning, and the management of HIV transmission from mother to child and laboratory screening. Most of these requests have been addressed under the PBF component of the Health System Strengthening Support Project (SENI) and others will be addressed under the ongoing SENI Plus project.

## 5.8. RECOMMENDATIONS

RECOMMENDATIONS FOR THE GOVERNMENT	TIME FRAME	SPECIFIC ACTIONS	OBJECTIVES/GOALS	MINISTRIES
<b>MAJOR/PRIMARY POLICY RECOMMENDATIONS</b>				
<p><b>I.a. Compensate</b> the uneven distribution of health workers between health region 7 (Bangui) and the remaining six health regions by:</p> <p><i>i) recruiting more community health workers (CHWs) in regions with poorer health outcomes and lower CHWs per capita, namely regions 3 and 1</i></p> <p><i>ii) making other health regions outside of Bangui attractive to new graduate health workers by granting a special premium to those willing to relocate to safe health regions with a higher health facilities ratio per 10,000 inhabitants as compared to Bangui (regions 3, 4, and 6) or to experienced health workers willing to relocate.</i></p> <p><i>iii) Invest in decentralized training of nurses, midwives and community health workers, as individuals who are already living in remote and rural areas are more likely to stay there upon graduation.</i></p> <p><b>I.b. Train</b> CHWs, nurses and obstetric care health workers on family planning and reproductive health services, Integrated Management of Childhood Illness (IMCI), and other health care practices to tackle neonatal disorders, the second causes of DALYs in the recent country's disease profile.</p>	Short to medium term	<ul style="list-style-type: none"> <li>Pursue the action plan of the national health community policy by recruiting 1 voluntary CHW who will be able to cover 20 households equivalent to roughly 100 people (assuming 5 individuals per households). This implies a need of 10,838 CHWs in region 3, 6,952 CHWs in region 4, and 6,380 CHWs in region 6. With 554 CHWs in region 4, and 555 CHWs in region 6 as per the latest data available of CHWs per regions (2017 HeRAMS survey), the government will need to recruit 1,143 CHWs, 711 CHWs, and 648 CHWs<sup>139</sup> in regions 4, 5, and 6 respectively for each year till 2030, the due date of the national health community policy.</li> <li>Create a set of incentives (<i>indemnités</i>)/bonus scheme to make health regions outside of Bangui attractive for new graduate health workers upon completion of their medical degree or experienced health workers willing to relocate to lower their willingness to remain in the capital city.</li> </ul>	<ul style="list-style-type: none"> <li>Enhance the delivery of essential health services and improve health outcomes in regions most in need. This will also improve equity of access to health services which is a key intermediate objective toward reaching universal health coverage in CAR.</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of Health</li> <li>Ministry of Finance</li> <li>Ministry of Civil Service</li> <li>Ministry of Higher Education</li> </ul>
<p><b>II. Reallocate a larger share of current health spending to understaffed health regions</b> with sufficient health facilities and the most pressing health needs in particular health regions 3, 4, and 6 in lieu of region 7 and <b>increase the share of government spending on health outcomes for children under five</b></p>	Short to medium term		<ul style="list-style-type: none"> <li>Improve the delivery of essential health services and enhance health outcomes by promoting equity and fairness in access to health care.</li> <li>Improve long-term human capital outcomes likely to yield higher economic returns in the long run.</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of Finance</li> <li>Ministry of Health</li> </ul>

<sup>137</sup> Maternal and Child health Coverage indicators include: The proportion of children under 1 who have received all of their vaccines; Contraceptive method use rate (modern methods); Unmet need for family planning; Children under 5 who slept under a mosquito net the night before the survey; Children under 3 who received vitamin A; Delivery by qualified personnel; Women who attended one or more antenatal visits during their most recent pregnancy; Children ages 11 to 59 months who participated in growth monitoring during the past months; Women who received tetanus toxoid vaccination in the most recent pregnancy; and Women who received postnatal care in the most recent pregnancy.

<sup>138</sup> Quality of care indicators at the health facility level cover various aspects including availability of basic antenatal care equipment, clinical equipment, essential drugs, etc.

<sup>139</sup> These are upper bound estimates of the needs in CHWs as the actual number of CHWs per health region is likely to have increased since the latest data collection in 2017.

RECOMMENDATIONS FOR THE GOVERNMENT	TIME FRAME	SPECIFIC ACTIONS	OBJECTIVES/GOALS	MINISTRIES
<b>III. Reallocate a greater share of government health spending to the fight against diseases</b> playing an important role on the country's Global Burden of Disease (GBD), in particular diarrhea, neonatal disorders, tuberculosis, and acute respiratory infections (ARI), including major risk factors driving the most deaths and disability in the country, namely malnutrition, WASH, and air pollution.	Short to medium term		<ul style="list-style-type: none"> <li>Improve the allocative efficiency in the health sector by redirecting resources to fighting diseases with the highest DALYs and their major underlying causes such as children's malnutrition/stunting.</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of Finance</li> <li>Ministry of Health</li> </ul>
<b>IV. Allocate a greater share of public spending to capital/ investment spending, hence shifting away from current type of spending and adopt accompanying measures to improve the involvement of the private sector</b> in the provision of health services.	Medium term	<ul style="list-style-type: none"> <li>Increase investments on basic medical supplies and on the expansion, rehabilitation of health facilities' buildings.</li> <li>Equip regions with the lowest number of beds per 10,000 inhabitants namely regions 4, 5, and 6.</li> <li>Expand/rehabilitate and to the extent possible construct more central hospitals outside of Bangui.</li> <li>Increase the level of current health expenditures on collective services (prevention and public health services) by lowering expenses on curative health services.</li> </ul>	<ul style="list-style-type: none"> <li>Improve the predictability of public health spending by substantially decreasing the heavy reliance of the health sector on external loans and grants, hence changing the revenue-raising paradigm in the country.</li> <li>Lower the level of OOP payments, one of the highest in the CEMAC subregion.</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of Finance</li> <li>Ministry of Health</li> <li>Ministry of public works</li> </ul>

#### SECONDARY LEVEL POLICY RECOMMENDATIONS

##### CAPACITY BUILDING

<b>I. Build the local capacity of staff at the Ministry of Health to improve the reporting and construction of National Health Accounts and foster data harmonization with the RMET and WHO Global Expenditure Database.</b> The recently launched Health Management Information System (HMIS) could serve as a data houseware/hub for this initiative.	Short to medium term	<ul style="list-style-type: none"> <li>Organize regular training sessions with the WHO statistical team, the World Bank, and the CAR national statistical office on the construction and reporting of National Health Accounts (NHA).</li> </ul>	<ul style="list-style-type: none"> <li>Enhance the quality and availability of National Health Accounts data and the degree of harmonization with datasets coming from the investment case, the budget department/ Ministry of Finance and the RMET.</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of Health</li> <li>Ministry of Finance</li> <li>National Statistical Office</li> </ul>
<b>II. Build the capacity of local agents at the Ministry of Health and at the health facility level on donor's procurement procedures.</b>	Short to medium term	<ul style="list-style-type: none"> <li>Organize regular training sessions on donors' procurement procedures.</li> </ul>	<ul style="list-style-type: none"> <li>Enhance the budget execution rate in the health sector.</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of health</li> <li>Ministry of Finance</li> <li>External donors</li> </ul>

RECOMMENDATIONS FOR EXTERNAL DONORS	TIME FRAME	SPECIFIC ACTIONS	OBJECTIVE GOALS	EXTERNAL PARTNERS
<b>MAJOR/PRIMARY POLICY RECOMMENDATIONS</b>				
<b>I. Reallocate a greater share of external financing to the fight against diseases</b> playing an important role on the country's most recent Global Burden of Disease (GBD) in particular diarrhea, neonatal disorders, tuberculosis, and acute respiratory infections (ARI), including the major risk factors driving the most deaths and disability namely malnutrition, WASH, and air pollution.	Short to medium term		<ul style="list-style-type: none"> <li>Improve the allocative efficiency in the health sector by redirecting resources to fighting diseases with the highest DALYs and major risk factors such as children's malnutrition leading to higher stunting rates</li> </ul>	<ul style="list-style-type: none"> <li>Main bilateral , multilateral and humanitarian donors (GAVI, EU, World Bank, France, The Netherlands, UNICEF, MSF, etc.)</li> </ul>

RECOMMENDATIONS FOR EXTERNAL DONORS	TIME FRAME	SPECIFIC ACTIONS	OBJECTIVE GOALS	EXTERNAL PARTNERS
<b>II.a. Support the CHWs recruitment policy across regions</b> outside of Bangui (with a focus on regions 3, 4 and 6) by sending volunteers in the field to enhance the CHWs' training curriculum on various health practices.	Short to medium term		<ul style="list-style-type: none"> <li>Improve the delivery of essential health services and enhance health outcomes by enhancing equity and efficiency</li> <li>Improve long term human capital outcomes likely to yield higher economic returns in the long run</li> </ul>	<ul style="list-style-type: none"> <li>Main bilateral , multilateral and humanitarian donors (GAVI, EU, World Bank, France, The Netherlands, UNICEF, MSF, etc.)</li> </ul>
<b>II.b. Allocate a greater share of external financing to understaffed health regions</b> with sufficient health facilities and the most pressing health needs mainly health regions 3, 4, and 6 in lieu of region 7 (Bangui and its suburbs) and <b>increase the level of external financing on children under five.</b>				
<b>III. Allocate a greater share of external financing to investment in health capital formation</b> and support the government in creating more space for the private sector in the provision of health services, especially in regions outside of Bangui with low health outcomes and poor health services delivery.	Medium term	<ul style="list-style-type: none"> <li>Equip regions with the lowest number of beds per 10,000 inhabitants namely regions 4, 5, and 6.</li> <li>Expand/rehabilitate and to the extent possible construct more central hospitals outside of Bangui and bring in more advanced health technology to close the urban/rural areas gap in access to health services</li> </ul>	<ul style="list-style-type: none"> <li>Improve health outcomes and access to health services in regions most in need.</li> <li>Lower CAR's level of OOP payments, which is one of the highest in the CEMAC subregion and in SSA.</li> </ul>	<ul style="list-style-type: none"> <li>Main bilateral, multilateral and humanitarian donors (GAVI, EU, World Bank, France, The Netherlands, UNICEF, MSF, etc.)</li> </ul>

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## CHAPTER 6. SOCIAL PROTECTION<sup>140</sup>

<sup>140</sup> The author of the social protection chapter is Frieda Vandeninden. Philippe Auffret and Paola Cerutti provided valuable contributions.

## 6.1. INTRODUCTION

**The political context and the COVID-19 crisis represent an opportunity for boosting social protection (SP) in CAR.**

The current pandemic crisis has exacerbated an already precarious situation, driving numerous households into poverty while further impacting the poor and increasing extreme poverty by 1 to 2 percent (World Bank 2020a). The recent presidential elections (December 2020) brought another wave of violence. These crises present an opportunity to build consensus and attract political support over the necessity to build a SP system in CAR and reinforce social safety nets (SSN). Delivering safety nets to the poor and those impacted by COVID-19 is also a way to legitimize state intervention in a nonthreatening way to armed groups. A functioning SSN system would reinforce trust in institutions and at the same time rebuild the social contract between the government (central and local) and the population.

**Building a national SP system is critical to reduce poverty and build human capital.** The poverty, informal work, and unemployment rates in CAR remain high, threatening social stability and security in the country. CAR's Human Capital Index is among the lowest in the world, reducing youth opportunities and compromising future generations. About 70 percent of the population is living in poverty (World Bank 2020a). It is therefore essential to improve SP (see box 6.1 for definition) and ensure it meets to needs of the current and future generations. In such a context, a SSN system that targets the most vulnerable households and generates human capital building is particularly needed.

**A SSN system is also a necessary complement to health and education policies, and is key to breaking the intergenerational transmission of poverty and vulnerabilities.** As shown in Chapters 4 and 5, it is important to boost the supply of health and education services, but the latter should also go in pair with increasing the demand for such services. Social protection allows household to increase the demand for health and education services in many ways: by relaxing household budget constraints (for example, through predictable cash transfers), by providing free or subsidized care (for example, fee waivers for childcare), through incentives and conditionalities (for example, school feeding programs, conditional cash transfers), or by directly distributing nutrients and food items to the vulnerable. Investing in people through SSNs directly contributes to building human capital. Evidence from African countries, including countries affected by fragility, conflict, and violence (FCV), shows that SSN programs have the potential to increase educational and health outcome (Beegle et al. 2018).

**There is a large need for SP in CAR, at different levels across population groups and along the life cycle.** The poverty and human capital preliminary diagnosis (based on 2019 estimates, as the latest household survey was in 2008) calls for some SP responses, often going paired with addressing health and education supply barriers. Human capital gaps are enormous in terms of children health and education. As detailed in Chapter 1, the country records some of the lowest human capital indicators in the world. Addressing human capital gaps rests on different responses in terms of SP for each population group.

### **Young children:**

- The **high under-five mortality rate** could be improved by programs that address food insecurity, and inform on feeding practices and hygiene. Such programs should go be paired with improved access to essential health services (Chapter 5 on Health).
- The **high maternal mortality ratio** (829 deaths per 100,000 live births in 2017) calls for better access to antenatal and maternal care, for example by providing women incentives or reducing the cost of consultations through fee waivers.
- The **high stunted rate** (41 percent of under 5), causing risk of cognitive and physical limitations, could be reduced by improving maternal and childcare practices and providing better nutrition.
- The **low level of pre-primary school enrollment rate** (9 percent, see Chapter 4 on Education) calls for a more comprehensive early childhood policy.

### **School age children:**

- The **low school enrollment rate** (particularly for lower and upper secondary, with 39 percent and 20 percent respectively in 2019), high out-school-rate (with 30 percent of children ages 6-11 being out-of-school) **and low completion rates** (particularly for girls, with only 34 percent for primary school versus 50.4 percent for boys) could be improved by providing incentives for schooling, such as school feeding programs (that also have the potential to improve children nutrition).

- **Lack of teachers:** The student-teacher ratio (STR) in 2018–19 for primary level was 91, significantly higher than the SSA average of 38 (Chapter 4 on Education). Social protection programs acting on the demand for schooling must be paired with reinforcing the infrastructure and numbers of schools and teachers.
- **Low literacy:** Only 30.3 percent of girls ages 15–19 are literate versus 43.1 percent for boys.

**Adults:** CAR has one of the lowest levels life expectancy (52.9 years in 2017) and adults depends mostly on subsistence agriculture.

- The **low adult survival rate** could be addressed by increasing access to preventive and curative health services. Next to reinforcing the health services offers (Chapter 5 on Health), social assistance programs, under the forms of fee-waivers for care, could reduce adult mortality, for which the main causes are conflict, HIV/AIDS, malaria, malnutrition, and tuberculosis.
- The poor often practice **subsistence agriculture** and **do not earn adequate income** (World Bank 2019, SCD). A 'promotive' feature to SP could better connect poor households to skill-enhancing and income-generating activities.
- **Women face high inequality** in terms of education and economic empowerment. Violence against women and girls is particularly high, with 11,000 reported incident per year. Overall, CAF records one of the highest worldwide scores on the gender inequality index of 0.692 (159 over 162 countries) (World Bank 2020a).
- **People with disabilities:** People with disabilities are among the population groups most at risk of poverty (World Bank 2020a). Support to this group in the form of social assistance or inclusion measures is needed.

**Elderly:** Together with the disabled, the elderly is another group particularly at risk of poverty (World Bank 2020a). Old-age pension coverage is extremely low in CAR, focusing on public sector workers only.

**Internally displaced persons:** Repetitive shocks and crises have led to high levels of displacement (695,000 persons, World Bank 2020a), which adds another need for SP responses. These households are particularly at risk of poverty, low living conditions, and poor health and nutrition. Humanitarian projects have supported IDPs, as well as the Return and Reintegration Support Project in CAR (PARET).

**Social safety nets are the first line of defense to protect the poor and vulnerable in the FCV context.** In FCV countries, affected by recurrent crisis, mass displacement and suffering from low or collapsed service delivery and institutional capacities, SSNs consist mainly of humanitarian aid from different partners. Effectively tackling the challenges of FCV countries requires taking a long-term development approach and working in concert with humanitarian actors.<sup>141</sup> A SSN system should be allowed to pursue several objectives that are equally important to the CAR context, including: (1) Equity—ensuring the poor and vulnerable reach a minimum level of consumption and cover their basic needs; (2) Resilience—build household resilience to shocks and prevent use of adverse coping strategies; and (3) Opportunities—foster opportunities by investing in human capital and productive activities (Beegle et al. 2018).

This chapter presents an analysis of the current state of SP in CAR, depicting the type of programs currently in place, and their financing and management. It is structured as follows:

**Section 6.2** provides an overview of the SP sector. It first reviews the status of the national SP system, and shows the recent development toward the adoption of a national strategy (section 6.2.1). It then presents the different actors involved in SP, focusing first on international partners (section 6.2.2). In a context with of a multitude of actors, coordination mechanisms are much needed. Section 6.2.3 depicts the recent development in this area. Section 6.2.4 reviews the different national institutions and their respective functions according to the legislative framework.

**Section 6.3** provides an analysis of SP spending, focusing mainly on SSNs. The budget and executed expenditure of each SP-related ministry is presented in section 6.3.1. Budget allocations highlights the lack of funding and the low level of interventions. Overall SP spending, including both national and external funding, are presented in section 6.3.2, including (i) trends over time and across countries and in-depth analysis of each spending category; (ii) SSN programs financed using national funds; (iii) national SSN cash transfer programs LONDO and PACAD (financed by the World Bank); and (iv) spending on humanitarian and emergency assistance. Section 6.3.3 assess the adequacy of SSN programs, looking at (i) overall coverage trends and (ii) coverage gaps. The effectiveness and

the efficiency of SSN programs are then reviewed, focusing on (i) targeting of SSN, (ii) the program types, and (iii) the fragmentation of the system (section 6.3.4). Sustainability issues are discussed in section 6.3.5.

**Section 6.4** offers a set of recommendations and an action plan, with immediate and medium-term actions.

### Box 6.1. Social protection categories—definitions

**Social protection** systems help societies manage risks and volatility and protect households from poverty and destitutions. They include a wide range of interventions and instruments that differ in nature and scope. Typically, SP systems can be classified under one of the three categories:

#### 1. Social insurance (SI)

Social insurance includes all programs that have a **contributory** nature, that is, beneficiaries are part of the financing mechanism. They pay an insurance premium or a percentage of their earnings to a mandatory insurance scheme. Individuals not contributing are not covered by social insurance interventions. The primary objective of SI is to help individuals and households coping with sudden changes in income because of old-age, unemployment, sickness, and disability.

#### 2. Labor market (LM) programs

LM programs are of two types:

- Passive LM programs: their objective is to protect individuals against loss of income from unemployment; and
- Active LM programs: they help individuals acquire skills and connect them to labor markets.

Depending on their design they can be contributory or non-contributory (for example, unemployment insurance is contributory while a wage subsidy program targeting a group of vulnerable population is non-contributory). LM policies in place in CAR are mainly under the form of income-generating activities.

#### 3. Social assistance (SA) programs, also referred to as the social safety net (SSN)

SA programs include **non-contributory** interventions, since beneficiaries are not part of the financing mechanism. Their primary objective is to help households and individuals cope with poverty, vulnerabilities, and to reduce inequalities. SSN programs can take the form of (1) cash transfers; (2) food, in-kind, or near-cash transfer (such as vouchers); and (3) social care services (local institutions providing support to vulnerable population).

More specifically, SSN interventions under each category typically include different program types, such as poverty alleviation cash transfers, scholarships, emergency support in cash, emergency support in-kind/near-cash, food distribution, and so forth (as detailed in box 6.2).

The category “emergency support” includes include all **humanitarian projects**. They can take the form of cash, food, or in-kind/near-cash support.

Source: Definitions adapted from World Bank (2018).

## 6.2. OVERVIEW OF MANAGEMENT AND INSTITUTIONAL CONTEXT OF THE SOCIAL PROTECTION SECTOR

The SP system in CAR is mainly driven by the non-contributory pillar, as social insurance and labor market are limited. Given the high level of informality in the country, the scope of social insurance (SI) is mainly limited to public workers only and will remain narrow until more workers join the formal labor market. Labor market (LM) policies are also crucial in boosting employability and increasing the labor force, but few LM interventions are implemented in CAR (mainly under the form of income-generating activities, see Appendix A2). The SSN system consists of different types of interventions, with emergency programs representing the largest portion. The list of SSN interventions is summarized in table 6.1.

**TABLE 6.1. AVAILABILITY OF SSN PROGRAMS IN CAR, BY CATEGORY**

Program category	Availability
<b>1. Cash transfers</b>	
Poverty alleviation programs	PACAD
Family and child allowance (including orphan and vulnerable children benefits)	NA (only contributory benefits for orphans)
Housing/utility allowance benefits	NA (only in the form of emergency support for IDPs)
Emergency support in cash (including support to refugees/returning migrants)	Cash under humanitarian and emergency projects
Scholarships benefits	Scholarships for higher education (nationally financed)
<b>2. Food, in-kind, and near-cash transfers</b>	
Food stamps and vouchers	NA (only in the form of emergency support)
Food distribution programs	NA (only in the form of emergency support)
School feeding/take-home	School feeding (UNICEF and PAM)
Nutritional programs (therapeutic, supplementary and people living with HIV)	NA (only in the form of emergency support)
Emergency support (including refugees/returning migrants)	Vouchers and food distribution under humanitarian and emergency projects
Targeted subsidies: Health benefits and reduced medical fees for vulnerable groups	Three health targeting subsidies (free care for women victims of violence, subsidized treatment for HIV patient, and state contribution to subsidized vaccinations)
Targeted subsidies: Educational fee waivers	NA
Targeted subsidies: Housing/utility	NA
School supplies	NA
Food for work (including food for training, food for assets etc.	NA
<b>3. Social care services</b>	
Institutions providing care and support to women, disabled, children, HIV patients, etc.	Counseling for HIV patients, and promotion and advocacy of maternal and child health

Source: List of programs in CAR from several sources, see Appendix A2.

Notes: NA=Not applicable (there is no SSN in place in CAR under these categories). Note that the bulk of the SSN in CAR is emergency support (from the humanitarian community), in the form of cash, food, or vouchers, as detailed in section 6.3.2.

The analysis in this section reveals that the management and institutional context of SP is characterized by (i) a lack of national SP strategy but increased interest in developing social safety nets; (ii) emerging coordination mechanisms; (iii) the intervention of a plethora of international partners; and (iv) many national institutions involved in SP with low institutional memory.

## 6.2.1. An emerging national social protection strategy

While there is no official national strategy, SP has recently become a priority for the country's development. In 2016, the government adopted its first State Consolidation Development Program (*plan de Relèvement et la Consolidation de la Paix*—RCPCA). The RCPCA's second pillar “Renewing the social contract between the state and the population” aims to restore and improve infrastructure, establish the necessary capacity to provide quality social and administrative services, such as the provision of basic services. The plan recognizes that SP has the potential to promote social cohesion, ensure food security and resilience, and increase access of the population to basic services. The plan envisions developing administrative capacities, improve the institutional set up for SP, and targeting vulnerable populations.

**Preliminary steps toward the adoption of a national SP strategy have been taken.** In 2018, a steering committee for the actualization of the national SP strategy was created, under the presidency of the Primature, the Ministry for the Advancement Women's and Children's Affairs (*Ministère de la Promotion de la Femme de la Famille et de la Protection de l'Enfant*—MPFFPE); the Ministry of Labor, Jobs and Social Protection (*Ministre du Travail, de l'Emploi et de la Protection Sociale et de la Formation Professionnelle*—MTEPSFP); and the Ministry of Finance and Budget. The committee also included members of the Ministry of Health, Ministry of Education, The Ministry of Human Action and National Reconciliation (*Ministère de l'Action Humanitaire et de la Réconciliation Nationale*—MAHRN), and the National Fund for Social Security (*Caisse Nationale de Sécurité Sociale*—CNSS). Committee members worked together on the elaboration of a draft strategy, but the committee has not been active since June 2019. The drafting process revealed some different understandings of SP (Central African Republic Government 2019).

**A draft of the national SP strategy was elaborated in 2019, with a large focus on SSN.** The draft strategy aims to bridge the gap between donor-driven emergency programs and long-term approaches to resilience. It is based on three pillars, under which SP options are envisioned:

- **Pillar 1: Promoting universal SP**, by (1) offering a cash transfer or a child support (*allocations familiales*) to every household that makes a request (the draft considers introducing conditionality such as vaccination or school attendance to such transfers); (2) setting up a national school feeding program to provide free meals in all schools; and (3) promoting mutual health insurance.
- **Pillar 2: Protection of vulnerable groups**, by focusing on specific population groups (women in rural areas, persons with handicaps, children, and others). The draft also envisions developing a targeting strategy to identify vulnerable groups.
- **Pillar 3: Reinforcement of the social insurance system**, by modernizing the CNSS and extending social insurance coverage, and insuring payments to current beneficiaries.

**The draft strategy includes a more systemic vision of SP as well as promising interventions—but it has not yet been adopted.** The strategy needs to build consensus among the national actors involved in SP and set the stage for coordinated interventions, based on a common understanding of the needs of the populations. With 2020 being marked with the COVID-19 pandemic and a presidential election, the strategy has not yet been adopted by the government.

**The decision to expand SSNs and formalize a strategy must come from the dynamics of domestic politics.** A clear vision of the demand for SP and a roadmap on how to address it is particularly needed when many external partners are involved. Even in countries relying heavily on international partners for the financing of SP, the decision to successfully expand SSNs has been made within a clear government strategy (Beegle et al. 2018).

**A bottom-up approach to build the SSN system could insure its feasibility.** Given the large numbers of actors and interventions (section 6.2.2) and the weak institutional capacity (section 6.2.3), the SSN strategy needs to be connected with what is actually in place in the country. This requires a bottom-up approach that reviews all current SP-related programs and then, based on what exists and what works (aka the ‘bottom’) elaborates a programmatic umbrella (aka the ‘up’).] The credibility of the strategy could in fact be increased by linking proposed interventions with what is currently implemented in the country. Such a stock-take exercise would be the first step toward building a coordination mechanism.

## 6.2.2. Reliance on international partners and lack of coordination mechanisms

**Social protection in CAR is only nascent, and relies mostly on the interventions from international partners.** Armed conflicts and recurrent crises have harmed national institutions and created a gap in state representation at the local level. The sector therefore mainly consists of donors from NGOs multilateral and bilateral partners that finance and implement most interventions. Overall, the sector rests on short-term emergency responses from international partners (see section 6.3.2. for SSN spending composition).

**Many international partners are involved in SP in CAR.** In 2020, more than 37 partners were financing SSN interventions, mainly emergency and humanitarian programs (representing overall about 75 percent of SSN spending, see section 6.3.2). Partners in 2020 included 18 international NGOs, 5 UN agencies, as well as bilateral donors (USAID, Germany, and France being the largest). The numbers as well as the mix of donors has changed frequently over years and even by semester. In 2019 for instance, 26 partners were involved in SSN interventions, with the three top bilateral donors being USAID, SIDA (Sweden), and Norway (OCHA 2020). The heavy reliance on numerous external actors jeopardizes the medium-term vision of SP. The country needs to move away from short-term interventions, often driven by political and financial constraints of the partners, and establish a long-term vision of how SP could address vulnerabilities, while building resilience and human capital.

**There is no formal coordination mechanism for SSN programs but initiatives have recently emerged.** The multisectoral nature of the steering committee for the update of the SP strategy was a first step toward recognition of the need for coordination among the different national actors involved in SP activities. In 2018, an Inter-ministerial Unit for SSN Coordination (*Cellule Interministérielle de Coordination des Filets Sociaux*—CIFS) was created under the Prime Minister and the MAHRN. The initial objective of the inter-ministerial unit was to strengthen coordination by setting up a national system for monitoring SSN programs and by developing a national beneficiaries' registry. The unit is currently involved in the implementation of a cash transfer in Berberati. The activities related to the coordination of SSN programs have not yet started due to lack of resources and capacity (only three persons are involved in the CIFS, one from the MEPC, one from the MAHRN, and one from the Ministry of Finance and Budget).

**On the international partners' side, a post-intervention reporting mechanism for humanitarian interventions has been recently established, and partners have further marked their engagement in extending such a mechanism to the overall SP sector.** Since 2019, the UN Cash Working Group has collected information on SSN programs, including data on spending and coverage from donor-funded humanitarian and emergency programs. However, this collection does not entail any ex ante coordination mechanism, as it reports data post-interventions. In September 2020, UNICEF initiated a SP working group, with the objective of creating a forum that could help coordinate SP initiatives from both national and international actors. The working group should be co-led by a national partner, which has not yet been identified given the political context.

**Effective coordination is crucial given the numerous international actors involved in the sector.** The SP sector has a heavy reliance on international partners, both for financing and implementation of interventions, as detailed below in section 6.2.3. In such a context, effective coordination mechanisms are most needed, and should ideally be led by national actors.

**In the absence of a SP strategy and coordination mechanism, and with the involvement of numerous actors, the risk of overlaps and duplications is high.** The sector lacks identification and prioritization of the needs of the population in terms of SP, as well as the key interventions that could best address SP needs. There is in fact no common vision and no leadership from national institutions. Instead, leadership is diffused across several institutions active in SP. There is no clear line ministry for SSN interventions, as detailed in section 6.2.3.

## 6.2.3. National institutions involved in social protection

**The role of national institutions needs to be clarified as strong leadership is needed.** There are several ministries and institutions involved in the SP system, leading to a lack of clarity on the respective responsibilities of each actor. The absence of a SP strategy creates a lack of systemic comprehension of how the different actors interact and on a lack of a common vision in the sector.

There are different ministries involved in SP interventions. MTEPSFP is responsible for Social Insurance and Labor market programs. CNSS, created in 2006,<sup>142</sup> is in charge of collecting social contributions and paying benefits to eligible beneficiaries, under the administration of the public treasury. Many institutions are involved in the provision of SSN programs.

There have been many changes in SSN institutions over the years. Over the period 2012–16, the Ministry of Social Affairs, National Solidarity and Family (*Ministère des Affaires Sociales, de la Solidarité Nationale et de la Famille*—MASSNF) was in charge of interventions covering the poor and vulnerable. The 2015 elections led to overhauling many institutions and the creation of a new SSN-related ministry, called the Ministry of Social Affairs and National Reconciliation (*Ministère des Affaires Sociales et de la Réconciliation Nationale*—MASRN). The MASRN was shortly after reshuffled into two different entities created in 2017—the MAHRN and MPFFPE.

In 2020, the MAHRN and MPFFPE have responsibilities directly related to SSN, including several directorates and units each responsible for a specific topic:

- The MAHRN is responsible for the elaboration and implementation of programs and strategies in the field of humanitarian action, national reconciliation, and fight against extreme poverty. It includes several directorates: (1) the *directorate of humanitarian action*, tasked with coordinating national and internationally financed programs; (2) the *directorate of SSN*, in charge of the SSN strategy and implementation; and (3) the *directorate of evaluation and statistics*. The MAHRN is also in charge of the Inter-ministerial Unit for SSN Coordination (*Cellule Interministérielle de Coordination des Filets Sociaux*).
- The MPFFPE is in charge of elaboration and implementation of programs against violence toward women and children, protection of the handicapped and elderly persons, and care of HIV patients. It includes among other a *directorate of social affairs*, which provides social care activities (including counseling for HIV patients, and promotion and advocacy of maternal and child health) (Central African Republic Government 2019).

Other ministries, whose core activities are not directly related to SP, are also involved in the implementation of some SSN programs, including:

- The Ministry of Economy, Planning, and Cooperation (MEPC): While the MEPC has a large mandate, it is also in charge of one national SSN program—the labor-intensive public work LONDO (see Appendix A2.3 for program review), funded by the World Bank. LONDO was the first national SSN program, starting in 2015 right after the end of the armed conflict. Given the recovery of most institutions at the time and the multi-dimensional nature of the project (combining cash transfer and road maintenance), the MEPC was chosen as responsible ministry.
- The Ministry of Primary and Secondary Education (MPSE): The MPSE manages school feeding interventions, which are up to now financed by the UN World Food Program (*Programme Alimentaire Mondial*—PAM) and UNICEF.
- The Ministry of Higher Education (MES): The MES is in charge of financing higher education scholarships.

There are potential overlaps in the attributions of SSN institutions. In the context of relatively new institutions and in the absence of a national strategy for SP, the role of ministries and their associated directorates/units is unclear. There is risk of duplication between institutions that navigate the same field. The respective role of each institution should be weighed against its costs. Illustrating the potential high costs, the 2020 and 2021 budgets (*Loi des Finances 2021*) indicate that several units under the MPFFPE and the MAHRN have budgets for office supplies only and no intervention expenditures.

Institutional memories need to be built and leadership reinforced. In countries that have endured several and profound political crisis, it takes time to build new institutions and knowledge within them. With recent institutions, resources are usually first dedicated to setting up the machinery and little is left to plan the interventions, such as SSN programs. The economic classification of expenditures of the MPFFPE and the MAHRN shows in fact that most of their resources are dedicated to operating expenditures (*dépenses de fonctionnement*). The budget and executed spending of SP-related ministries reflects the low level of interventions (as detailed below in section 6.3.3.1).

## 6.3. PUBLIC EXPENDITURE ON SOCIAL PROTECTION

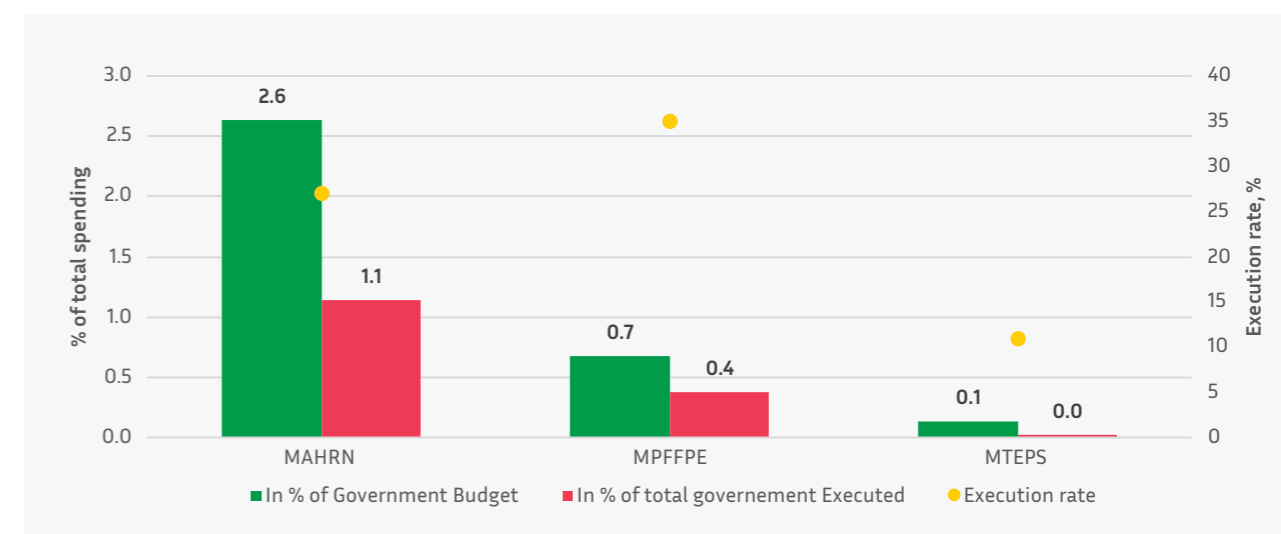
This section reviews budget allocation and execution rate from the national institutions involved in the sector, followed by a spending review of all interventions, including those financed externally. Then, the section proposes an assessment of overall expenditure in the sector in terms of coverage, effectiveness and efficiency, and sustainability.

### 6.3.1. Trends in budget allocations

Social safety net spending from the national budget is limited and represents only a small share of all SSN interventions in the country. Nationally financed SSN programs are included in the executed spending of different ministries, as part of intervention expenditures (that is, only those interventions that are delivered as a direct transfer to the population). Direct transfers represent a relatively small share of all SSN expenditure, as most of the SSN is financed by international partners. SSN spending, including both nationally and donor-funded interventions, are discussed in section 6.3.2.

Overall, budget allocations to ministries involved in SP are low. In many fragile and post-conflict countries, SP spending is not a priority. Sectors that received the most attention are usually security related, while the ones that receive the least attention are public administration and SP (UNDP 2019). The CAR is no exception: only 2.6 percent of the total government budget is allocated to the MAHRN, 0.7 to the MPFFPE, and merely 0.1 percent to the MTEPSFP (figure 6.1). The executed spending of the three SP-related ministries represented less than 1.5 percent of total government actual expenditure in 2019. Execution rates are low for SP ministries at 27 percent for the MAHRN, 35 percent for the MPFFPE, and 11 percent for the MTEPSFP. By comparison, the executed spending of the Ministry of National Defense was 15.6 percent of total government spending, the largest share among all ministries (followed by the MFB and the MPSE, with 7.25 and 8.05 percent respectively).

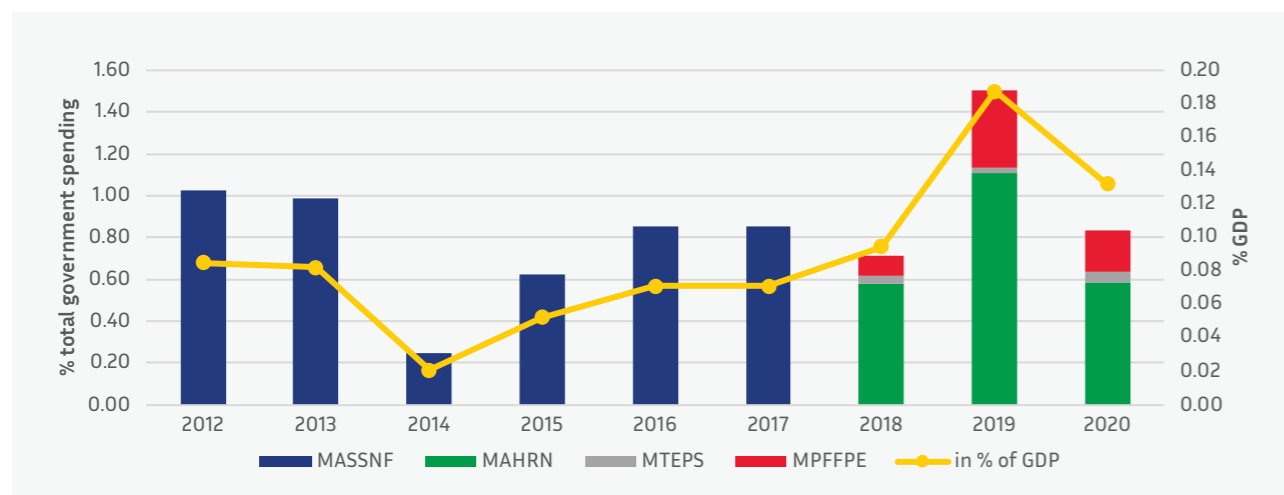
FIGURE 6.1. BUDGET AND EXECUTED SPENDING BY SP MINISTRIES AS SHARE OF TOTAL GOVERNMENT EXPENDITURE AND EXECUTION RATE, 2019 (%)



Source: Authors' calculations based on 2019 executed budget (Ministry of Finance and Budget 2019).

SP-related ministries' spending has historically been low in CAR, but has recently increased. Over the period 2012–18, executed spending of SP-related ministries represented less than 1 percent of total executed government spending, and less than 0.1 percent of GDP. The year 2019 is marked by a large increase in executed spending from the MAHRN, MTEPSFP, and MPFFPE, reaching 1.5 percent of government expenditure and representing approximately 0.2 percent of GDP (figure 6.2). The COVID-19 pandemic in 2020 led to a decrease in executed spending to 0.15 percent of GDP, which is however higher than any other level pre-2019.

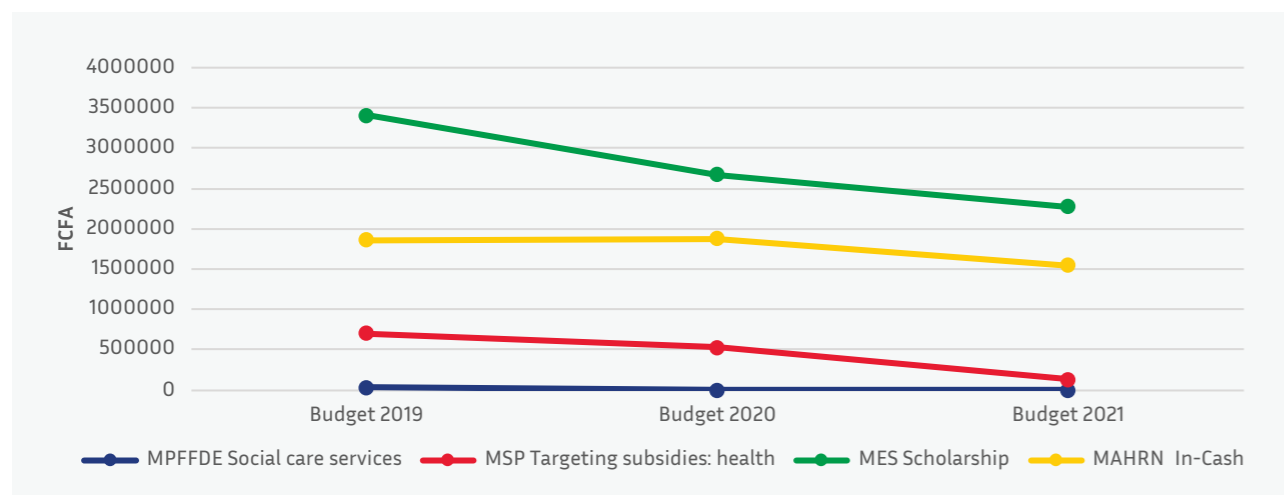
**FIGURE 6.2. EXECUTED SPENDING BY SP MINISTRIES AS SHARE OF TOTAL GOVERNMENT EXPENDITURE AND GDP, 2012–20 (%)**



Source: Authors' calculations based on 2012–19 executed budget (Ministry of Finance and Budget 2019).  
Note: GDP data from World Bank's World Development Indicators (February 2021).

Budget allocations in SSN spending show a decreasing trend also for 2021, illustrating the difficulty of securing sustainable funding for SSN programs given tight budget constraints. The budget allocations of the ministries involved in SSN started decreasing in 2020 and are expected to further decrease in 2021, as a potential consequence of the COVID-19 pandemic. Therefore, consolidation of a budget for SSN programs is important to insure the sector's sustainability (figure 6.3).

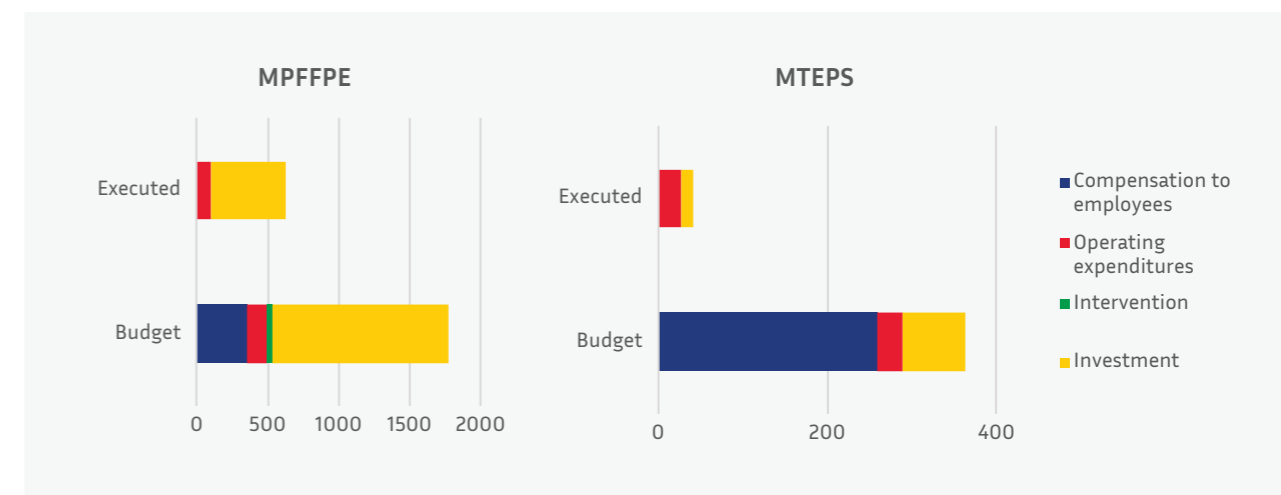
**FIGURE 6.3. BUDGET ALLOCATION OF NATIONALLY FINANCED SSN PROGRAMS, 2019–21**



Source: Authors' estimation based on Appendix A2.1.

The fact that SP-related ministries are relatively new institutions is reflected by the composition of their expenditure. When setting up new institutions, there is an entry cost (usually under the form of investment cost) and the need to hire and pay civil servants (compensation to employees). The composition of each ministry budget and executed spending offers additional insights on the type of activities and their importance in each ministry (figure 6.4). For instance, the executed spending for the latter two ministries focuses only on operating expenditures (*dépenses de fonctionnement*, such as office supplies and energy bills), and investment expenditures (*dépenses d'investissement*, such as office furniture, cars, and construction of offices).

**FIGURE 6.4. EXECUTED AND BUDGET EXPENDITURE, BY TYPE OF EXPENDITURE, MPFFPE AND MTEPSFP, 2019**

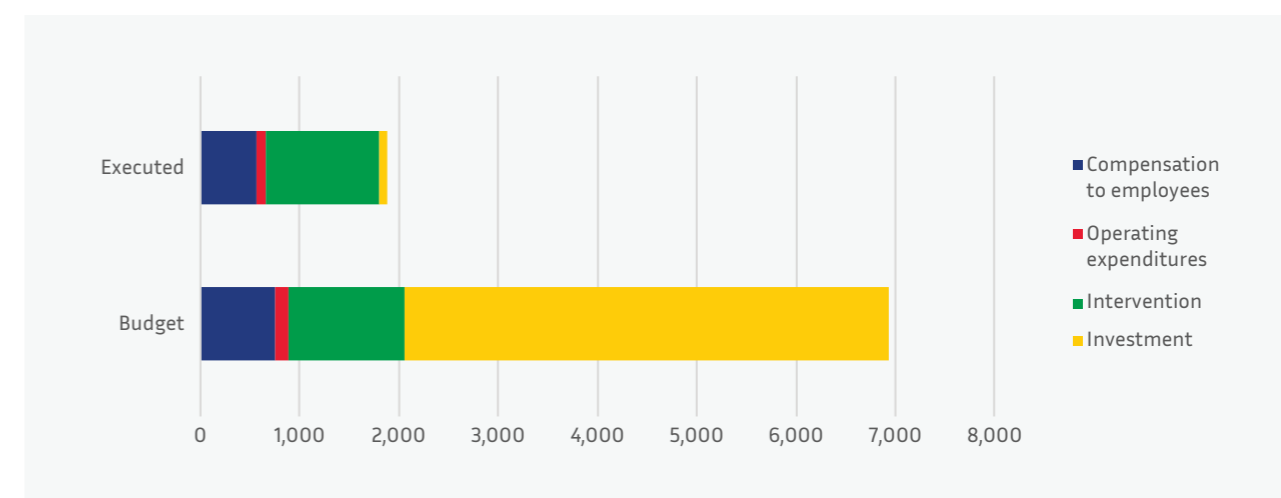


Source: Authors' estimation based on 2019 budget.

Note: Data on executed compensations to employees (*dépenses de personnel*) are not available for both the MPFFPE and MTEPSFP.

The good execution rate of intervention spending of the MAHRN is encouraging. This ministry has relatively large shares of executed spending on wage compensations and intervention spending. The level of operating expenditure (*dépense de fonctionnement*) is similar that of the MPFFPE. The execution rate of intervention expenditure of the MAHRN is close to 100 percent, with CFAF 1,146.7 million being executed over the budget of CFAF 1,170.6 million (figure 6.5). Intervention expenditures include transfer to NGOs, support to local committees (such as *Comités locaux de paix*), and several SSN interventions. The low execution rate of the MAHRN is mainly due to the gap between budgeted investment expenditure and actual investment expenditure. The latter concerns installation, equipment, and renovation of offices, but also allocations to investment projects related to SP. The overall execution rate of the MAHRN deteriorated from 27 percent in 2019 to 16 percent in 2020, indicating persisting issues in the sector.

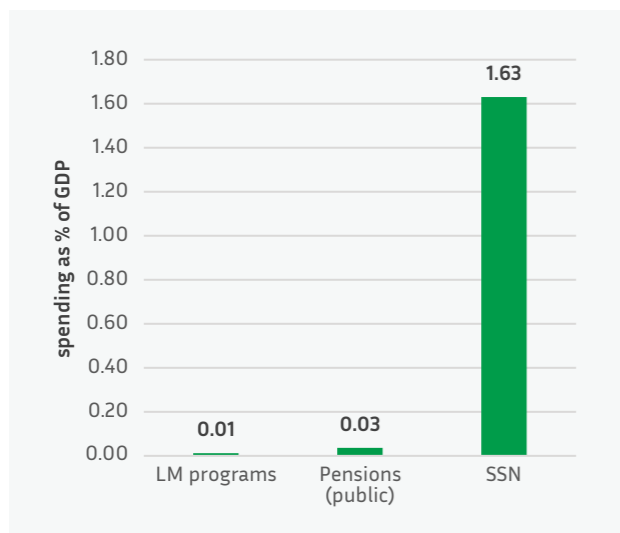
**FIGURE 6.5. EXECUTED AND BUDGET EXPENDITURE, BY TYPE OF EXPENDITURE, MAHRN, 2019 (CFAF MILLION)**



Source: Authors' calculations based on 2019 budget.

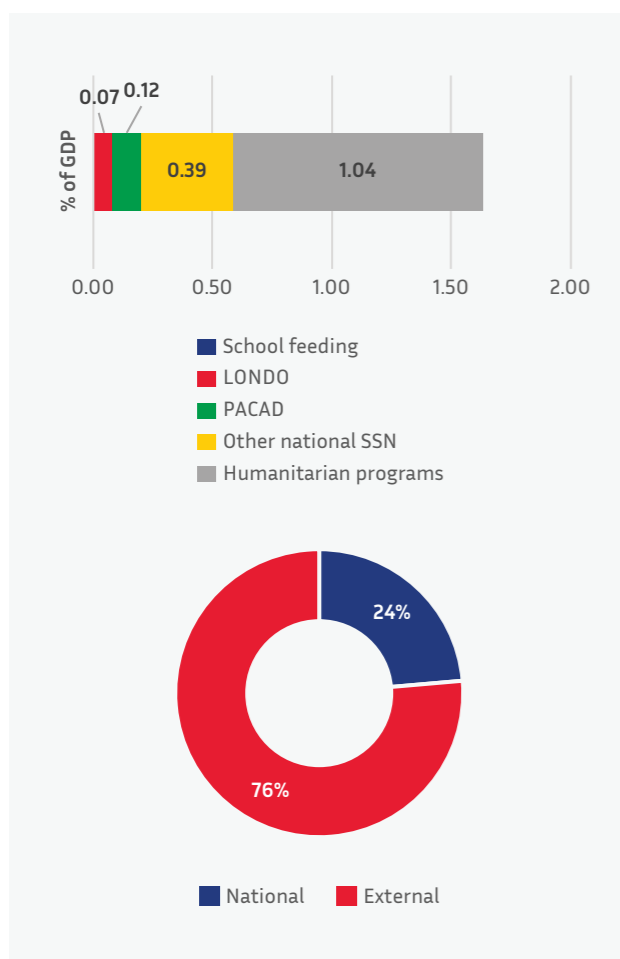


**FIGURE 6.6. SI, LM, AND SSN SPENDING AS A SHARE OF GDP, 2019 (%)**



Source: Authors' calculations based on Appendix A2.

**FIGURE 6.7. SSN SPENDING AS A SHARE OF GDP, BY PROGRAM AND SOURCE OF FUNDING, 2019 (%)**



Source: Authors' calculations based on Appendix A2.

### 6.3.2. Overall social protection expenditure, nationally and externally funded

This subsection presents spending related to all types of SP intervention, including those financed by international partners. It includes spending on SI, LM, and SSN programs. Expenditures of the first two SP pillars are relatively small and our analysis focuses mainly on the SSN sector.

#### 6.3.2.1. COMPOSITION OF SOCIAL PROTECTION EXPENDITURE

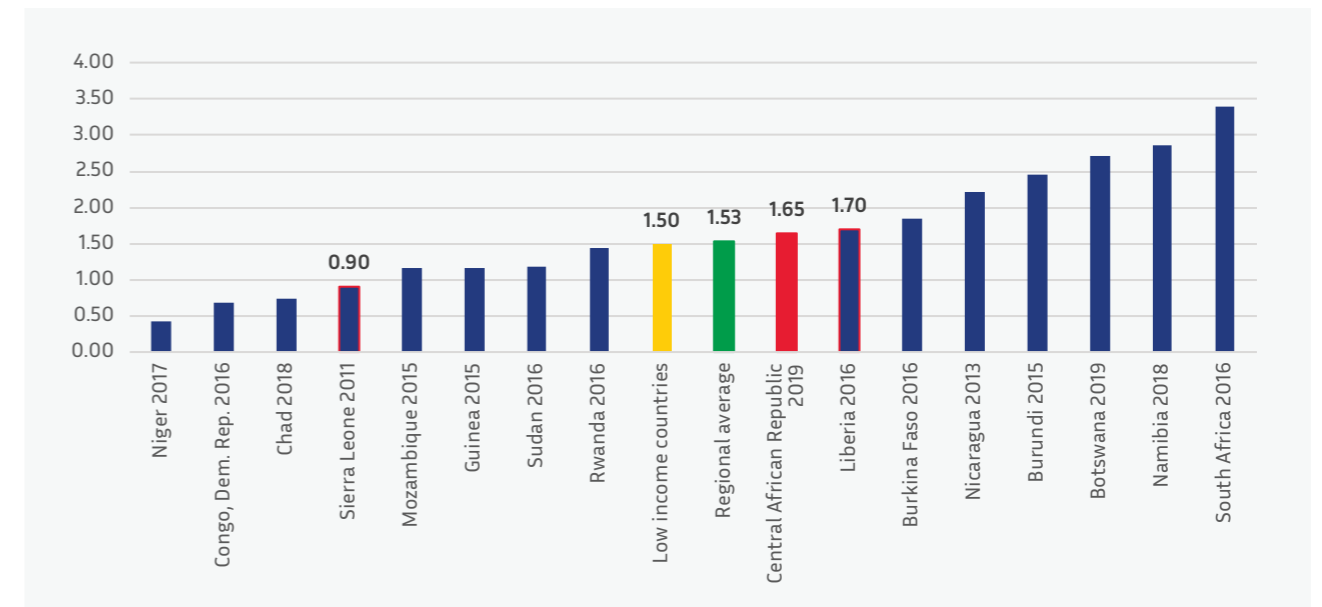
The main bulk of SP spending is in the form of SSN programs. Labor market programs have recently emerged, under the forms of training and income-generating activities. Overall spending on the later remain small, reaching barely 0.01 percent of GDP in 2019 (figure 6.6). Expenditure on pensions (including old age, disability, and survivor) for the public sector are also relatively small (0.03 percent of GDP).<sup>143</sup> In turn, SSNs represent a larger 1.63 percent of GDP.

The SSN system is driven by external financing, threatening the system's sustainability. The share of externally financed SSN programs was 76 percent of GDP in 2019. Only 24 percent of SSN programs are financed nationally, accounting for 0.39 percent of GDP (see Appendix A2 for the list of programs included). The two national SSN programs, PACAD and LONDO (see description in Appendix A2.2 and Appendix A2.3), represented 0.12 and 0.07 percent of GDP respectively in 2019 (figure 6.7). While they are both under the responsibility of national ministries (MAHRN and MEPC respectively), they are financed by World Bank grants. School feeding programs represent less than 0.01 percent of GDP. The main bulk of SSN spending consists of emergency and humanitarian support financed by NGOs and bilateral and multilateral partners (1.04 percent of GDP).

SSN spending in CAR is low and has been decreasing over the last six years. SSN spending represents 1.65 percent of GDP, in line with the SSA regional average (1.53 percent) and the LIC group average (1.5 percent) (figure 6.8). SSN spending has however decreased compared to 2016, when it represented 2.6 percent of GDP. After the donors' conference in Brussels in 2016, the level of humanitarian assistance was in fact particularly high to respond to the damages caused by years of armed conflict.

<sup>143</sup> Data on private pensions are not available, but it can be expected that expenditures are smaller than for the public sector.

**FIGURE 6.8. SSN SPENDING AS A SHARE OF GDP, CROSS-COUNTRY COMPARISON (%)**



Source: ASPIRE database (consulted February 2020) and World Bank (2018) for regional average. CAR 2019 is authors' estimation based on Appendix A2.

The share of nationally financed SSN has increased over time, reflecting growing government engagement with SP. At the end of the political crisis in 2015, a stocktaking exercise of SSN interventions (recorded in the World Bank ASPIRE database) found that no SSN programs were nationally financed. Since then, the government has engaged directly in the provision and financing of SSN programs (0.39 percent of GDP, representing 24 percent of total SSN spending). However, the share of nationally funded SSN programs remains very low. Regionally, nationally funded SSN programs represent 55 percent of total spending, including externally funded programs (Beegle et al. 2018). Beyond national funding, government engagement with building an SSN system is expressed through government management of two donor-funded national SSN programs, PACAD and LONDO.

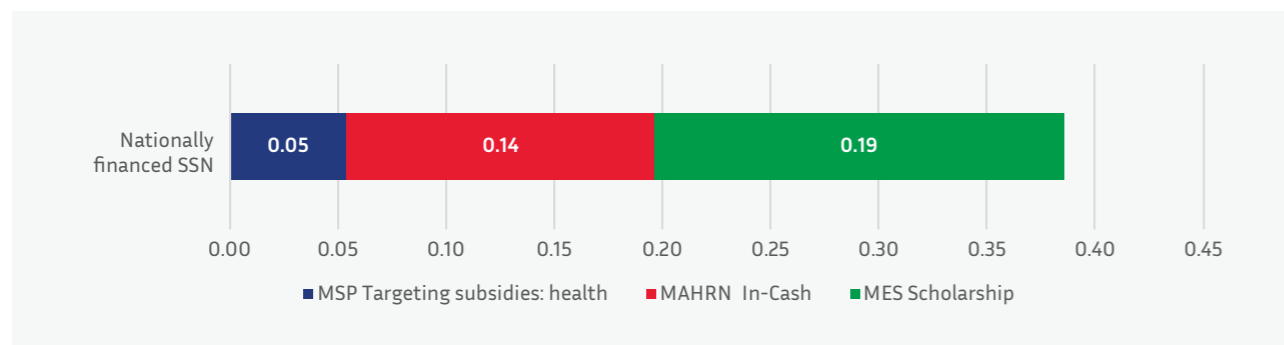
In the following subsections, spending trends and the composition of the following four SSN categories in CAR are detailed: national SSN programs, PACAD, LONDO, and humanitarian programs.

#### 6.3.2.2. NATIONALLY FINANCED SSN PROGRAMS

The share of SSN programs financed in the national budget has grown recently, but half of the spending is not targeted to vulnerable groups. The share of the SSN financed by the government has been growing from 2016 to 2019, reflecting government's engagement toward building a national SSN system. However, the mix of programs shows some signs of inclusion errors, as most of the spending is directed toward non-vulnerable groups. In fact, about half of nationally funded SSN programs are higher education scholarships to study in Bangui, as well as outside the country (equivalent to 0.19 percent of GDP) (figure 6.9). Typically, higher education students are less likely to be from the low-income population. Budget data for scholarships in 2020 and 2021 show a decreasing trend compared to 2019, but scholarships remain the largest share of SSN spending in the forthcoming budgets.

Promising SSN programs targeting the poor and vulnerable have recently emerged. The MAHRN is implementing programs for vulnerable households, amounting to 0.14 percent of GDP (figure 6.9). One example is a new cash transfer program in Berberati along the lines of the PACAD program (see Annex A2.2 for PACAD description), using mobile phone payments. The program is implemented by the CIFS. Other national SSN programs (0.05 percent of GDP) include targeted health subsidies financed by the Ministry of Health (free care for women who are victims of violence, subsidized treatment for HIV patients, and a state contribution to subsidized vaccinations).

**FIGURE 6.9. COMPOSITION OF NATIONALLY FINANCED SSN, 2019**



Source: Authors' estimation based on Appendix A2.

**6.3.2.3. SSN PROGRAMS IMPLEMENTED BY NATIONAL INSTITUTIONS BUT FINANCED EXTERNALLY—THE CASH FOR WORK PROGRAM (LONDO) AND CASH TRANSFER (PACAD)**

**LONDO** ('Stand-Up' in Sango) is the first national SSN program, and the only one to date to have reached national coverage. The project was rolled out in 2016 and by 2020 and was active in all 71 districts of CAR, becoming the largest cash-for-work program in the country. It is administered by MEPC and financed by the World Bank. LONDO is a peacebuilding project that uses labor-intensive public works (LIPWs) as a means to promote social cohesion, economic recovery, and local governance. Under the project, participants are paid to work mainly on road maintenance (including road surface repairs, drainage system, and so forth), which ensures at the same time their community connection to essential socioeconomic services (see Appendix A2.3 for program description).

**LONDO is a good example that implementing a nationwide SSN is possible.** Even though the program implementation faced security challenges (requiring support from MINUSCA<sup>144</sup> in some regions), spending on LONDO has been growing (reaching 0.07 percent of GDP and 4.4 percent of total SSN spending in 2019). By 2020, the program's targets were met, including opening 71 construction sites (one in each district) with 500 workers, supporting a total of 35,500 beneficiaries. Currently, the LONDO LIPW activities have been suspended due to the COVID-19 pandemic and security issues. LONDO has refocused its activities on the production of non-surgical masks to be freely distributed to the population. The mask activities created employment for more than 3,000 tailors (see Appendix A2.3). LIPW activities are expected to resume once security improves, and the project envisions another round of public works in each country's district.

**PACAD is the second national SSN program, launched in 2017, and the first national cash transfer program targeting vulnerable households.** It is administered by the MAHRN and financed by a World Bank grant. It initially included two main components: (i) infrastructure building for displaced and host communities, and (ii) a cash transfer (CT) to vulnerable households. The CT provides timely and regular transfers to selected households for a two-year period. They serve as a relief to vulnerable households in areas affected by forced displacement, helping to fill immediate consumption gaps and preventing negative coping strategies such as selling or loss of assets. With the additional financing in 2020, the CT program is expanding compared to initial plan (AF of US\$12 million for component 2), by scaling up coverage to include communities affected by crisis, including COVID-19 and flooding, in addition to forced displacement. The project duration has also been extended until June 2023 (instead of 2021 according to the initial project) (see Appendix A2.2 for program description).

**The PACAD cash transfer is the largest stand-alone SSN program in CAR.** Spending on PACAD's CTs has been increasing and is expected to grow further with the additional financing. The implementation agency tracks benefit payments per semester in each of the implementation areas, which allows accurate estimates of the CT payments. In 2019, CT payments represented 0.12 percent of GDP, or 7.3 percent of total SSN expenditures, making PACAD the largest SSN program in terms of spending. In fact, other SSN spending categories include several small programs (for example, there are seven different scholarships representing 0.19 percent of GDP, and several dozen programs within the humanitarian and emergency spending).

**TABLE 6.1. PACAD CASH TRANSFER PAYMENTS, 2018–20**

	2018	2019	2020
PACAD CT payments (CFAF million)	740.2	1,572.9	845.1*
% of GDP	0.06	0.12	0.06*

Source: PACAD Implementation Unit.  
\* Data for 2020 are partially available (data from the second quarter are not yet available).

**The PACAD CT could serve as a foundation for scaling up cash transfers in the country.** PACAD is an opportunity to build the pillars of a SSN system that targets vulnerable populations, including an effective delivery system, a social registry, and a community-based targeting method. Such an SSN system would also allow the government to respond more quickly to climate-related crises, including floods, by identifying and targeting new and existing beneficiaries for emergency assistance. The program has the potential to further build institutional capacities in program delivery and beneficiary targeting, as well as establishing a social registry of beneficiaries.

**6.3.2.4. DONOR-FUNDED SSN PROGRAMS**

**Most SSN spending in CAR is for emergency and humanitarian programs funded by international partners.** Most SSN programs are implemented and financed by the humanitarian community, including generally short-term and small-scale programs that focus on immediate support. While these programs are a lifeline for the population, they are implemented with limited coordination (mostly ex post program monitoring, section 6.2.3 above) and do not support building a national SSN system.

**Many actors are involved in humanitarian and emergency programs, leading to high financial unpredictability and potential duplication, jeopardizing the sustainability and efficiency of the system.** In 2020, 37 international partners, including NGOs and bilateral and multilateral donors, were financing different interventions for a total of 1.31 percent of GDP. Spending levels have fluctuated across years, from 2.6 percent in 2016 to 1.04 in 2019 (table 6.2). The surge of spending in 2020 is led by the implementation of projects responding to the COVID-19 pandemic (about one third of humanitarian spending in 2020 were COVID-19 responses). The sustainability of the system is further threatened by the funding volatility, which varies in function of political and financial constraints of the different actors. The large number of partners also argues for setting up pre-intervention coordination mechanisms that could limit project duplication, which undermines the efficiency of the system.

**TABLE 6.2. SPENDING ON EMERGENCY SSN PROGRAMS, AND NUMBERS OF PARTNERS, 2016, 2019, AND 2020**

	2016	2019	2020
Total spending (CFAF million)	21,765.7	13,584.6	15,740.9
% GDP	2.6	1.04	1.31
Number of partners	35	26	37

Source: UN Cash Working Group for 2019 and 2020, ASPIRE for 2016.

**Most emergency SSN programs take the form of a one-off transfer, addressing mainly food security.** Most emergency programs aim to ensure food security of beneficiaries, providing one-off support under the form of food or vouchers. About 85 percent of total spending on emergency programs is in fact addressing food security, while the remaining 15 percent addresses multisectoral objectives (such as building shelters and improving nutrition). While one-off food security interventions are lifesavers for beneficiaries, their short-term design limits their potential contribution to building resilience and human capital.

The government is also involved in the implementation of a national humanitarian project to support return and reintegration of internally displaced persons (IDPs). The PARET project is a government initiative focusing initially (since late 2016) on IDPs living on private sites in Bangui, and since 2019 on IDPs in Kaga-Bandoro and Bambari. The objective is to support families wishing to leave the sites to return voluntarily to their neighborhoods of origin. The project is funded by the United Nations High Commissioner for Refugees in the Central African Republic (UNHCR). Since 2020, the PARET project has been included in the country finance law (*Loi des Finances*), indicating the government's intention to co-finance the project. No data spending levels were available at the time of the report, and the project is therefore not included in the SSN spending aggregate.

### 6.3.3. Coverage of social protection

The analysis of spending on SSN programs reveals that they do not adequately cover the needs of the population. Overall coverage is low with respect to the needs and coverage gaps remain numerous, because most interventions are short-term responses to shocks.

#### 6.3.3.1. OVERALL COVERAGE TRENDS

More than 70 percent of CAR's population lives in poverty, yet SSN coverage is alarmingly low with respect to the needs and consists mainly of emergency projects. Overall, 20.7 percent of the population receives an SSN benefit, as estimated in 2020 using administrative data (see Appendix A1.5 for data source), while 71 percent of the population, representing nearly 3.4 million people, lives on less than US\$1.9 per day (World Bank 2020a). Coverage is driven by emergency and humanitarian projects (17.9 percent), and coverage of other SSN programs remains limited (2.8 percent). The administrative data coverage represents an upper-bound estimate: one household may in fact benefit from several interventions and be counted twice as administrative records do not capture programs' overlap.

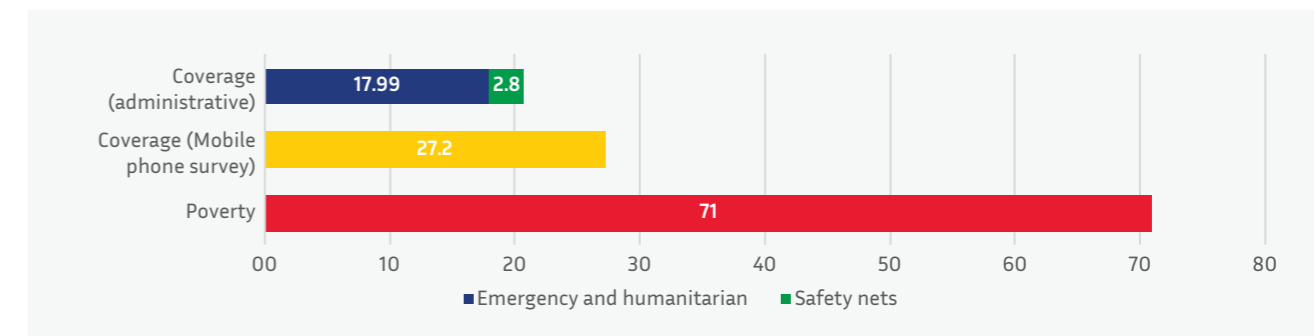
The country moved quickly from a situation with zero national programs to programs with significant coverage of national programs in 2020. Since 2016 and 2017, the country started implementing PACAD and LONDO. The LONDO program reached 0.8 percent of the population in 2020 (approximately 500 workers in each district) and is the only SSN program to date that has achieved national coverage (that is, public works with presence in all CAR districts). The coverage of the CT PACAD program has rapidly increased since its implementation in 2017, reaching by 2020 1.65 percent of the population (77,880 individuals from 15,576 households). Coverage of national programs is expected to further expand in the short run, notably with the additional financing of the PACAD and a new round of LONDO (the final target number of beneficiaries is 129,250 by 2024).



Coverage of humanitarian programs increased with the COVID-19 pandemic. In 2019, humanitarian and emergency projects reached 12 percent of the population. As a response to COVID-19, the humanitarian community scaled up its support in 2020: it covered 848,000 individuals (17.99 percent of the population), among which 375,000 benefited from specific COVID-19 activities.

A rapid mobile phone survey confirmed the increasing trend in coverage. A mobile phone survey was recently conducted by the National Institute for Statistics, with the objective of measuring the impact of COVID-19 on households. The survey offers additional insights and confirms the low coverage of SSN programs, as depicted by the administrative data, but the increasing trend. Overall, 27.2 percent of the population declared having received SSN support since March 2020 (figure 6.10).

FIGURE 6.10. SSN COVERAGE AND POVERTY, 2020 (%)



Source: Rapid mobile phone survey and Appendix A2 for administrative coverage. Poverty rate is based on estimate from World Bank 2020. Note: The data presented have been collected during the second wave of the mobile phone survey (from March to December 2020), covering all regions of the country. In total, 1,180 respondents participated in the survey (representing 240,966 individuals using the population weights). An important drawback of the mobile phone survey is that people who do not own a mobile phone, who are often the poorest among the population, are not represented.

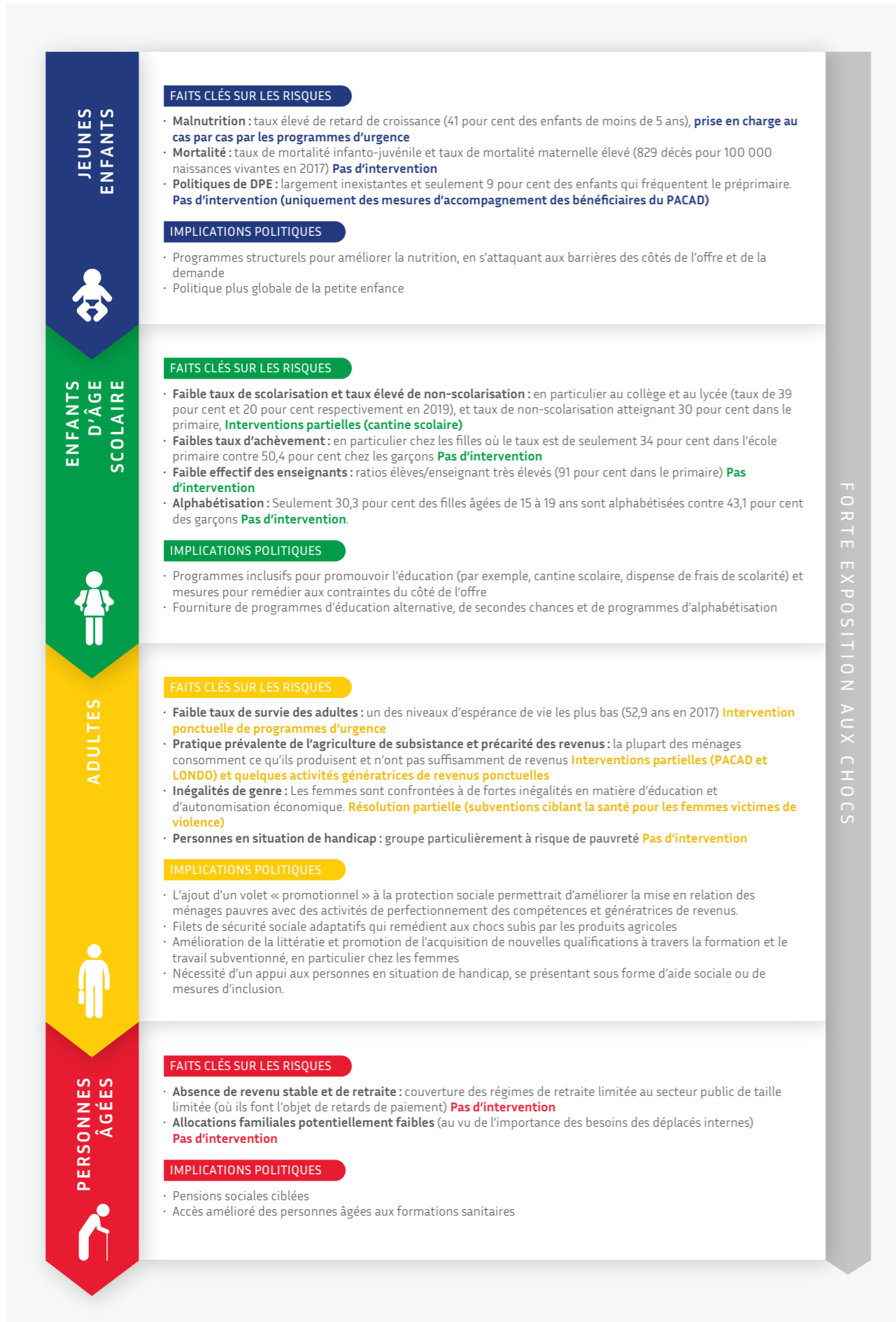
#### 6.3.3.2. COVERAGE GAPS AND NEEDS

There is a large need for SP in CAR, at different level across population groups and along the life cycle, and many gaps remain. The poverty and human capital preliminary diagnosis (based on 2019 estimates, as the latest household survey was in 2008) calls for some SP responses, according to each group, as summarized in the introduction (section 6.1). The current set of programs leaves many needs unaddressed. At the life-cycle level, few programs have a specific focus on (i) young children (small-scale vaccination waiver) and (ii) school ages children (school feeding program from PAM and UNICEF, as well as potentially regressive higher education scholarships). Risks faced by (iii) adults also remain mostly unaddressed or partially (PACAD and LONDO that provide regular cash transfers/wages, a limited fee-waivers program for women victims of violence, and some income-generating activities, mostly under the PARET project, which focuses on IDPs). There are no formal programs focusing on disabled nor on the elderly (only civil servants are covered by the social insurance scheme). The SP needs and policy implications of the current gaps are summarized in figure 6.11.

The policy implications converge toward building (i) SSNs that improve human capital building and (ii) productive SSNs. SSNs could help households protect and improve their own human capital, by increasing the demand for health and education services (such as school feeding programs) and linking programs with accompanying measures (in line with the PACAD program that provides beneficiaries with information on nutrition and hygiene). Productive SSNs have the potential to increase skills and employability, and increase the earning and resilience of poor households.

The high exposure to shocks calls for an adaptive and flexible SP—especially for areas of high insecurity and levels of displacement. The high level of displacement (695,000 persons, World Bank 2020) adds another need for SP responses. These households are particularly at risk of poverty, poor living conditions, and poor health and nutrition. Humanitarian projects specifically focus on IDPs and their efficiency could be enhanced by improving coordination. The national project PARET also focus on IDPs and could potentially serve as the building blocks for an adaptive SP system.

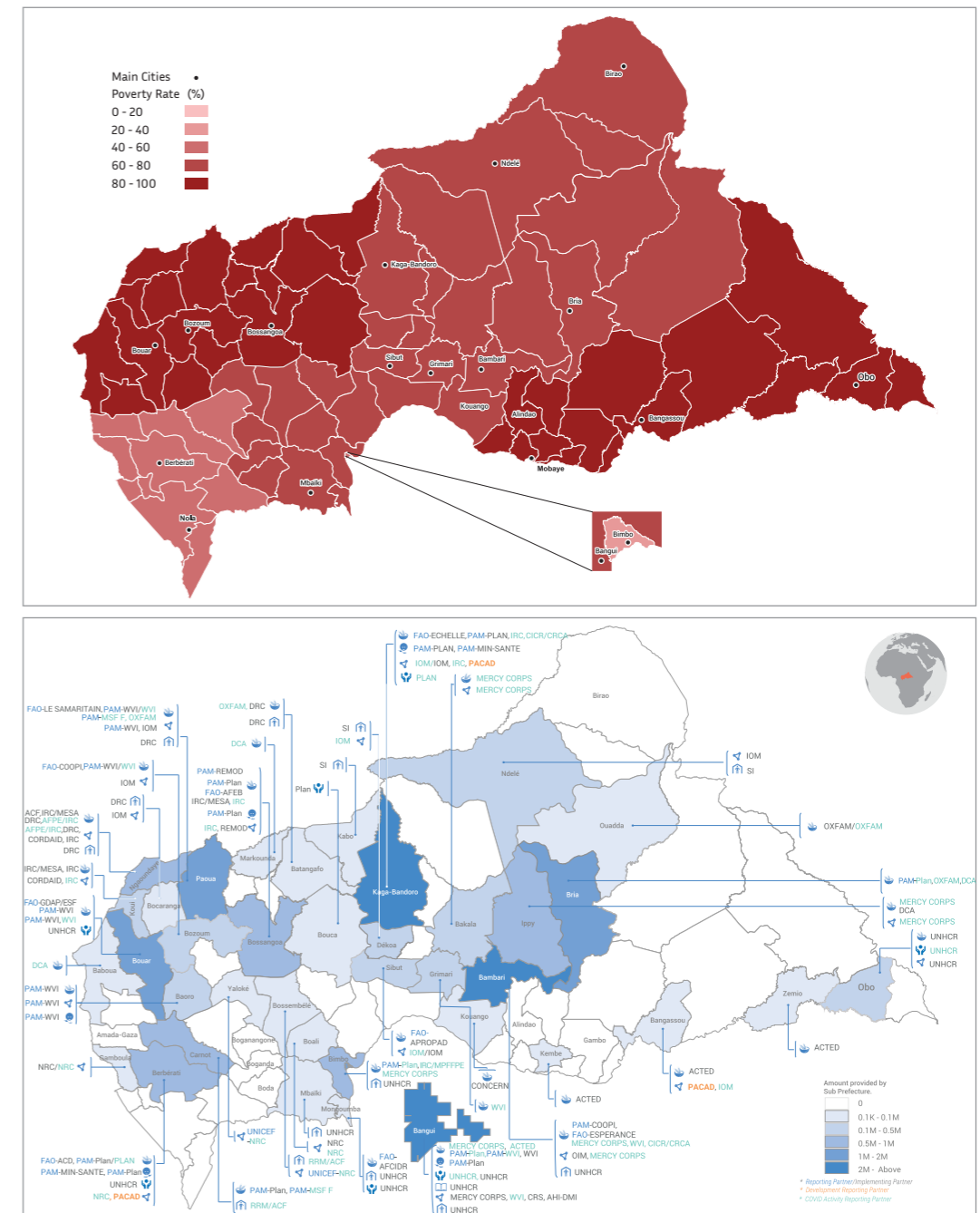
FIGURE 6.11. SOCIAL PROTECTION NEEDS AND POLICY IMPLICATIONS



FORTE EXPOSITION AUX CHOCs

Coverage is not in line with regional poverty. Coverage gaps remain important and interventions are not in line with the regional levels of poverty (figure 6.12). Three regions, Yadé, Kagas, and Plateau, accounted about 60 percent of the poor in the country (World Bank 2019).<sup>145</sup> Most of the humanitarian and emergency support is focused on the West and Central regions of the country (particularly Kaga-Bandoro, Bangui, and Bambari). Some regions benefit from little or no support while facing higher poverty rates, such as Eastern regions. While coverage gaps are partly driven by security challenges, a better distribution of interventions and resources could be envisioned. Other forms of support, using for instance mobile phone technology, could potentially reduce security risks (see section 6.3.4).

FIGURE 6.12. GEOGRAPHICAL DISTRIBUTION OF HUMANITARIAN SSN PROGRAMS AND POVERTY BY REGION, 2019–20



Source: World Bank 2020b; OCHA 2020.

<sup>145</sup> Including respectively Ouham and Ouham Pende prefectorates; Ouaka, Kemo, and Nana Gribizi prefectorates; and Lobaye and Ombella-Mpoko prefectorates.

### 6.3.4. Effectiveness and efficiency

Does the SSN system do the right thing (effectiveness) in the right way (efficiency)? The effectiveness of SSN targeting could be improved by better targeting of interventions, thereby addressing coverage gaps and focusing on the most needy. The efficiency of SSN could be increased by tailoring the type of SSN interventions with the specific context (for example, choosing benefit types that minimize implementation costs) and by reducing fragmentation.

#### 6.3.4.1. TARGETING

In a context of widespread poverty and tight budget constraints, prioritizing interventions is not an easy task. With more than 70 percent of the population living below the extreme poverty line (US\$1.9), targeting limited resources means identifying priorities, population groups, categories, or specific regions. The most critical issue in a setting with such large incidence of poverty is to make sure to limit inclusion errors—that is, not to provide SSN benefits to the relatively well-off population and to cover those most in need.

The nationally financed SSN programs present a risk of regressiveness. About half of national SSN expenditures are for higher education scholarships (post secondary). Such scholarships are known to be regressive, as students with secondary school diplomas usually come from non-vulnerable families. It is critical to ensure that limited national resources are spent on interventions that have high returns on human building capital. Such interventions usually target the earlier stages of life (prenatal care, early childhood development, and so forth).

PACAD is the first SSN program that applies a targeting process focusing on vulnerable households. It uses vulnerability and community-based criteria for household targeting. There are three steps in the selection process: (i) all households located in a target area are screened using eligibility criteria related to IDPs and gender; (ii) a survey of these households is conducted, and households are ranked and selected based on poverty levels, characteristics, and capabilities; and (iii) the communities validate the list of beneficiaries. A recent CT program from UNICEF also uses vulnerability targeting methods, using community and a proxy means-test.

In the fragile context of CAR, with households facing recurrent shocks and crisis, emergency transfers usually target households based on the localization of the crisis. Precise information on the targeting methods of humanitarian and emergency programs is not available. However, most interventions are based on geographical targeting as a function of identified needs and crisis. Such targeting appears appropriate for responding to emergency situations, such as food insecurity.

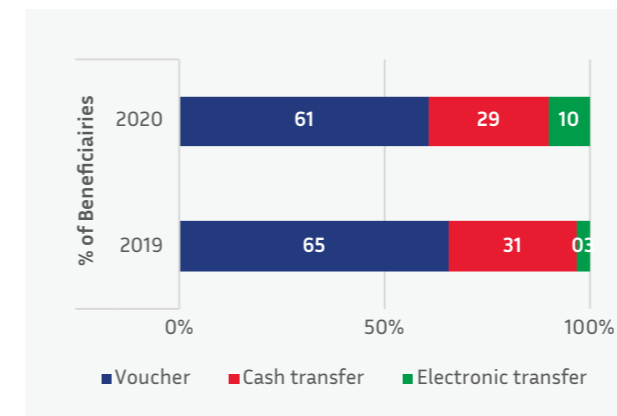
The targeting of SSN interventions and the coverage gaps at the geographical level may be driven by security challenges. The latter could, however, be mitigated by making use of new technologies, such as mobile phone payments.

#### 6.3.4.2. PROGRAM TYPES

The type of SSN program implemented (cash transfer, food distribution, or other in-kind transfer) is influenced by security challenges. Cash transfers present many advantages over food or in-kind support, by enabling poor households to spend more on goods (food, clean water, and medicine) and services (health and education) that generate human capital accumulation. However, CT may be difficult to implement in areas affected by armed conflicts.<sup>146</sup> The LONDO project for instance faced security issues that required the support of MINUSCA for the delivery of the daily wage to reduce the risk of theft. The cost associated with ensuring secure delivery of the benefits undermines the system efficiency.

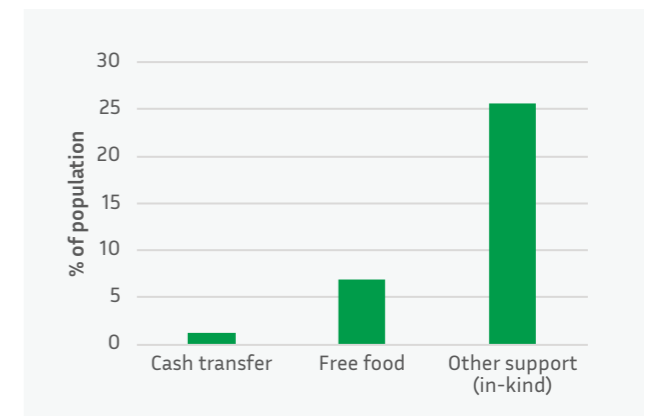
There has been growing attention to electronic transfer of SSN benefits, which appears to be a promising delivery mechanism given the security context. Over 2019–20, humanitarian and emergency programs using electronic transfers have been increasing. In 2020, 10 percent of SSN beneficiaries were receiving mobile phone payments (figure 6.13). The national CT program (in Berberati) also successfully disbursed benefits through mobile phones. The PACAD, supported by additional financing from the World Bank, has also envisioned a switch to mobile

FIGURE 6.13. COMPOSITION OF HUMANITARIAN AND EMERGENCY SSN PROGRAMS AS SHARE OF TOTAL BENEFICIARIES, 2019–20 (%)



Source: Authors' calculations based on UN Cash Working Group (2020 and 2021).

FIGURE 6.14. COMPOSITION OF SSN BENEFITS REPORTED IN PHONE SURVEY, % OF RESPONDENTS



Source: Mobile phone survey 2021.

Note: The data presented have been collected during the second wave of the phone survey, covering all regions of the country. In total, 1,180 respondents participated in the survey (representing 240,966 individuals using the population weights). An important drawback of the mobile phone survey is that people who do not own a mobile phone, who are often the poorest among the population, are not represented.

phone payments. Mobile payments have the potential to reduce the costs of security challenges related to the physical transport and delivery of cash, and therefore increase overall efficiency. In addition, providing mobile phones to beneficiary households would help link them to communication, financial, and education services (such as accompanying measuring messages transmitted via SMS) (World Bank 2020).

There is a need to build SSN programs with a medium-term approach, since one-off food vouchers and in-kind support are still the predominant form of assistance. Most emergency and humanitarian programs focus on food security in the form of vouchers. In 2019 and 2020, only about 30 percent of the beneficiaries were receiving CTs. Overall, most programs are short-term responses, which have limited capabilities for building resilience and human capital. A medium-term approach for the SSN, with programs that allow beneficiaries to rely on predictable transfers, would improve the system effectiveness.

Transfers received in the aftermath of the pandemic are also mainly in-kind support. Under the mobile phone survey, 27.2 percent of the population reported receiving a benefit since March 2020, with 6.9 percent benefiting from free food items and only 1.2 percent from CTs (figure 6.14). The remaining support was in the form of in-kind transfers, including buckets, sanitizing gel, masks, and so forth.

#### 6.3.4.3. FRAGMENTATION

A first step toward building a coherent SSN system is to take stock of all interventions. The absence of coordination mechanism exacerbates fragmentation and the risk of program duplication. A take stock exercise would allow the government to have a clear vision of the activities in the sector, identify gaps and overlaps, assess the available funding, and build institutional capacities for monitoring. The exercise would then allow the government to frame an SP strategy based on current capabilities and proven interventions. While program evaluations are sparse, the mobile CT in Berberati for example has proven to be effective.<sup>147</sup>

<sup>147</sup> Only LONDO and the national CT program in Berberati have benefited from some sort of evaluation. An impact evaluation was conducted on LONDO, showing several positive impacts of the program, including increased numbers of working days, increased levels of earnings, and increased ownership of productive assets and savings after program participation (Alik-Lagrange et al. 2020). A satisfaction survey on the national CT program was conducted in Bambari by UNOPS (UNOPS 2020). It showed very positive results: 99.62 percent of respondents felt that the CT had a positive impact on their household and 91 percent said the CT increased their level of consumption.

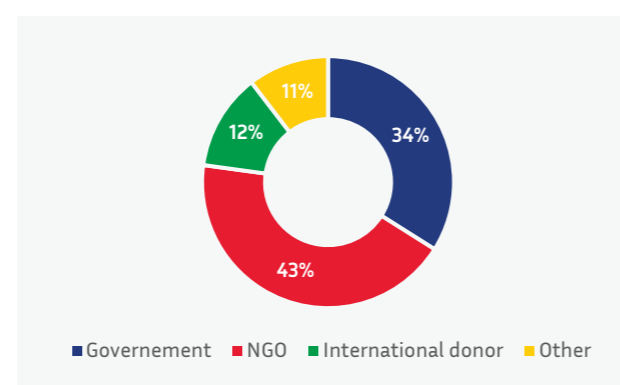
**Rationalization of SSNs could reduce inefficiencies and redirect funding toward flagship national programs.** Program fragmentation and duplication often occur in a context of weak institutional environment. The numerous SSNs funded by international partners lack coordination and do not use national agencies for programs implementation. Channeling some resources on a national SSN, such as the national CT PACAD, has the potential to reduce inefficiencies and at the same time build institutional capacities. In 2019, PACAD reached 77,888 individuals with 0.12 percent of GDP.<sup>148</sup> Scaling-up cash or mobile phone transfers to cover the poor (representing about 3.3 million individuals) has the potential to decrease poverty substantially. In the absence of recent survey data, it is not possible to estimate the potential cost and impact of scaling up CT, but a similar exercise in Burkina Faso shows that CT spending may reduce poverty by up to 7 percentage points (Vandeninden, Grun, and Semlali 2019). A programmatic approach to SSN also could also improve the system sustainability.

### 6.3.5. Sustainability

**Spending on the social safety net is volatile and shows sustainability issues.** More than 75 percent of SSN programs are financed by external partners, mainly under the form of emergency and humanitarian support. This kind of aid is quite volatile and has been fluctuating greatly over the past years (section 6.3.1 and 6.3.4). The mobile phone survey also reports that international partners are the main source of post-COVID assistance to households (with only 34 percent from national sources, see figure 6.15).

**A programmatic approach to the SSN could also improve sustainability.** Federating interventions around one or several large national SSN programs has the potential to increase the system sustainability. International partners could directly contribute to the financing of such a program. The government would then be able to plan and secure funding for larger-scale programs while using national systems.

**FIGURE 6.15. SOURCES OF SSN ASSISTANCE SINCE THE COVID-19 PANDEMIC FROM RAPID SURVEY MOBILE PHONE, 2021**



*Source:* Mobile phone survey 2021.  
*Note:* The data presented were collected during the second wave of the phone survey, covering all regions of the country. In total, 1,180 respondents participated in the survey (representing 240,966 individuals using the population weights). An important drawback of the mobile phone survey is that people who do not own a mobile phone, who are often the poorest among the population, are not represented.

## 6.4. RECOMMENDATIONS

The recommendations are based on the keys constraints that were identified in the review of SP expenditure. Table 6.3 outlines an action plan for each recommendation. It distinguishes recommendations that require actions in the short term (within a year) and the medium term (1–3 years).

The **short-term recommendations** include two axes: (1) Improve allocative efficiency of national resources, (2) Put in place the building block of the SP system (including both short-term and medium-term actions) and (3) Increase efficiency and effectiveness of the system.

### Axis 1. Improve allocative efficiency of national resources.

In a context of tight budget constraints, it is crucial that national expenditures are directed to programs with the maximum impact on poverty and vulnerability. The current mix of nationally financed SSN programs shows clear signs of regressiveness. In fact, about half of national SSN spending is on higher-education scholarships. These typically have a low impact on poverty alleviation as beneficiaries are usually better off. Priority should be given to programs that yield high returns on investments, such as those focusing on the early stages of life. Actions include:

1. Shift national expenditure away from regressive programs; and (*short term*)
2. Redirect spending toward programs that yield high returns on investments. (*short term*)

### Axis 2. Put in place the building blocks of a national SP system

**Adopt a coherent SP strategy through a bottom up-approach and move away from short-term projects to build an SSN system that includes medium-term interventions.** The SP sector is characterized by a plethora of short-term interventions and a lack of common understanding of the sector. There is a need to create a roadmap toward building resilience and reducing vulnerability—by adopting a coherent SP strategy based on a programmatic umbrella ('up') built on what exists and what works ('bottom'). While a lifeline for beneficiaries, emergency support is mostly in the form of one-off transfers that are unlikely to build resilience. Predictable transfers over a medium-term perspective would allow households to invest in human capital and reduce vulnerabilities, henceforth breaking the intergenerational transmission of poverty.

The first step toward building a such a strategy is to take stock of all interventions. The exercise should be led by a national institution, which would allow building institutional capacity. Overall actions include:

1. **Identify a national institution** to lead the stock-taking exercise. The responsibilities of the Inter-Ministerial Unit for SSN (CIFS) include the setting up of a monitoring and coordination system, but the system is not yet operational. CIFS could potentially lead the stock-taking exercise. (*short term*)
2. **Take stock of interventions** currently in place. The stock-taking exercise would give the government a better overview of the range and types of interventions, and help more accurately size the level of spending in the sector. (*short term*)
3. **Prioritize the needs** of the population and align interventions accordingly. Forthcoming household survey data could help identifying priority groups, based on socioeconomic characteristics of the most vulnerable. (*medium term*)
4. **Adopt an actionable SP strategy** that builds consensus in the government and among partners and ensures gradual transition from the donor-managed system to a government system. (*medium term*)

The SP strategy should be based on:

- Interventions that exist and work in the country context—as identified by the stock-taking exercise and available evaluations, like the evaluation of mobile phone transfers in Berberati;
- Respond to the needs of the populations—as identified by the prioritization exercise; and
- Take into account security challenges and use new technologies for benefits delivery when appropriate.<sup>149</sup>

The SP strategy should respond to the coverage gaps (identified in section 6.3.3) and include:

- *Human capital SSNs* to help households protect and improve their own human capital;
- *Productive SSN* to increase skills and employability, and increase resilience of households; and
- *Adaptive and flexible SP*—especially for areas of high insecurity and levels of displacement.

5. **Build leadership.** Redefine attributions and stewardship toward a national SP system. Identifying a line ministry responsible for SSN interventions is key to ensuring leadership. While this process is constraint by the current political context (uncertainty about the government formation), the institution identified as responsible of the coordination mechanism (for instance, CIFS) could act as a key actor. The stock-taking exercise would facilitate a constructive dialogue with international partners and legitimize the leader of the exercise as the main focal point for all SSN matters.

6. **Invest in system SP tools** such as a payment mechanism, unique social registry, and targeting system.

<sup>148</sup> This comprised a CT of CFAF 25,000 per household per quarter (this level of transfer is approximately 10–15 percent of the food consumption level of a household of five people); see Appendix A2.2.

<sup>149</sup> New technologies have the potential to respond to the security challenge in program delivery and help establish nationwide SSN coverage. Mobile phone transfers appear to lower the risks associated with CTs, and are free of the logistical issues associated with food and nutrition distribution programs. Extending Berberati's mobile phone transfer program to other regions and including a program evaluation would help build evidence for the program's efficiency.

### Axis 3. Increase efficiency and effectiveness of the system

**Build a national SP coordination mechanism.** Given the management and institutional context of SP in CAR (lack of national strategy, large numbers of international partners, and diffused leadership across national institutions), building a coordination mechanism is crucial. The stock-taking exercise is the foundation of a pre-intervention coordination mechanism. It would allow the government to accurately size the level of potential interventions and increase spending efficiency by reducing duplication. An ex post monitoring function would identify bottlenecks and delivery constraints (the first medium-term action). The work on SP coordination has the potential to strengthen institutional capacities in monitoring and data collection and ensure national ownership of the SP strategy. Setting up a national coordination mechanism calls for the following actions:

1. **Formalize the SP stock taking as an annual coordination exercise** and plan a budget line for the exercise. (medium term)
2. **Set up a national ex post monitoring system** to identify bottlenecks and delivery constraints by comparing the budgeted and executed spending of SP interventions. The system should build over the coordination mechanism and entails annual reports that track levels of spending and beneficiaries for each intervention. (medium term)

**TABLE 6.3. ACTION PLAN FOR RECOMMENDATIONS**

Proposed reforms	Time frame	Action: What to do concretely	Expected impact	Institutions
<b>Shift national expenditure away from regressive programs</b> and redirect spending towards programs that yield high returns on investments	Short term	<ul style="list-style-type: none"> <li>Shift national expenditure away from regressive programs</li> <li>Redirect spending toward programs that yield high returns on investments</li> </ul>	Improve allocative efficiency of national resources, given potential regressiveness of national SP spending (half of them goes to higher education scholarship) and tight budget constraint	<ul style="list-style-type: none"> <li>MAHRN</li> <li>MES</li> <li>MSP</li> <li>MPFFPE</li> <li>MTEPS</li> </ul>
<b>Take stock of SP-related interventions</b> to give a better overview of the range and types of interventions, and help more accurately size the level of spending in the sector	Short to medium term	<ul style="list-style-type: none"> <li>Identify a national institution to lead the SP stock taking</li> <li>Take stock of SP-related interventions (identify the 'bottom')</li> <li>Prioritize the needs of the population (identify the most vulnerable groups using latest survey data)</li> <li>Adopt an actionable SP strategy that makes consensus within all actors involved in the sector</li> <li>Build leadership</li> </ul>	Create a roadmap toward building resilience and reducing vulnerability—by adopting a coherent SP strategy based on a programmatic umbrella ('up') built on what exists and what works ('bottom').	Need to identify who will be in charge of the coordination mechanism
<b>Increase efficiency and effectiveness of the system</b> - Build SP coordination and reporting mechanism, under the leadership of a national institution	Medium term	<ul style="list-style-type: none"> <li>Formalize the stock taking as an annual coordination exercise</li> <li>Include a budget line for the coordination exercise</li> <li>Set-up a national ex post monitoring system</li> </ul>	Increase spending efficiency by reducing duplication and identify bottlenecks and delivery constraints by comparing the budgeted and executed spending of SP interventions	To be identified

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# APPENDIXES



# A1. EDUCATION

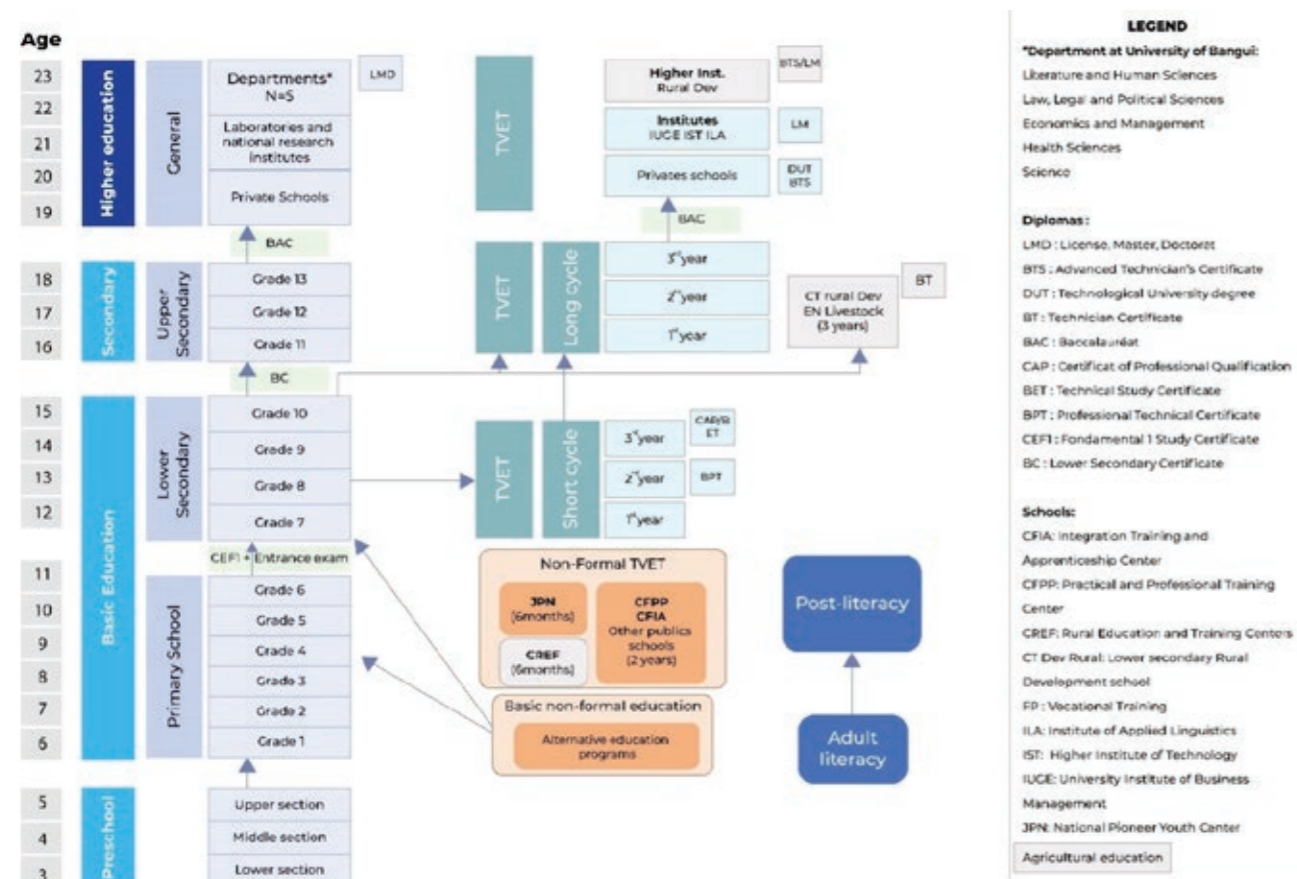
## A.1.1 Additional notes on the overview of the education system.

### Sectoral priorities and goals

The government, with the financial support of the GPE, and technical support of the World Bank, prepared the ESP 2020–2029. It presents its long-term vision of the sector and it is structured around four strategic axes which are described in figure A1.1 below.

### Organization of the Education System

FIGURE A1.2 PRESENTS A SCHEMATIC REPRESENTATION OF THE CAR'S EDUCATION SYSTEM BY LEVEL, GRADE, AND AGE.



### Key education performance

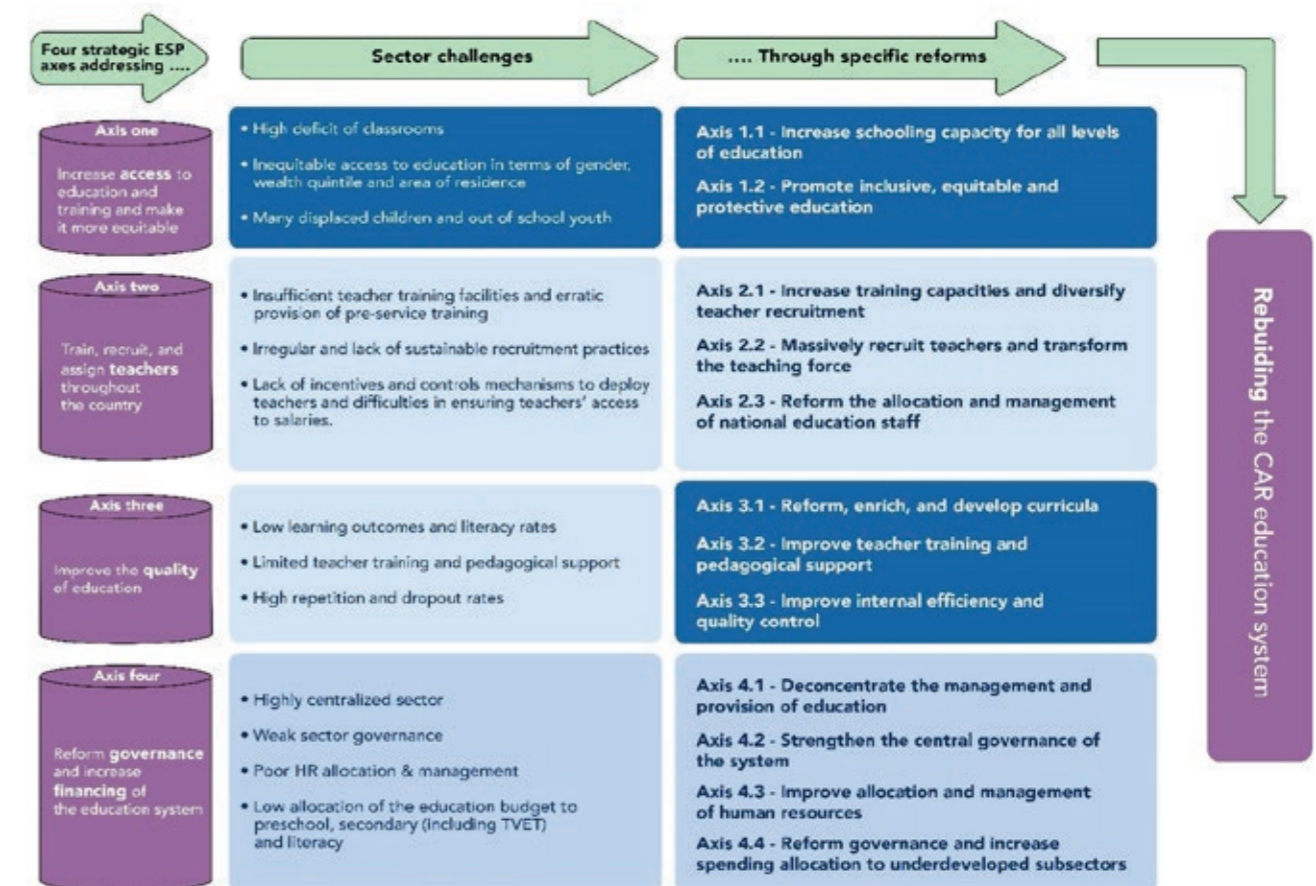
Supply-side constraints

CAR has an insufficient number of schools and a huge deficit of classrooms at the primary and secondary levels. For many girls (and boys), there is no school near where they live and many students travel long distances to reach the nearest primary school and even longer to reach secondary schools (or have to find accommodation locally).<sup>150</sup> Moreover, about one third of classrooms in public primary schools are inadequate—not in 'good condition'. The

lack of schools in CAR often results in increased physical risks in commuting to and from school such as exposure to GBV, including sexual exploitation, abuse, and harassment (SEA/H). Furthermore, many schools in CAR lack appropriate water, sanitation, and hygiene (WASH) facilities and therefore cannot provide a safe and healthy school environment where students, especially girls, can focus on learning. The lack of latrines is substantial: there are no functional latrines in 56 percent of primary schools and this proportion increases to 62 percent in the case of separate-sex latrines. At the secondary level, there is only one latrine per 369 students in public schools on average. Lastly, textbooks and learning materials are in scarce supply and their dissemination to schools remains weak.

CAR has a huge lack of qualified teachers, especially outside Bangui, which proves to be a major bottleneck in terms of access to education. Student-teacher ratios (STR) are among the highest in the world at both the primary and secondary levels. In 2018–19, the average STR at the primary level in CAR was 91, significantly higher than the SSA average of 37. Moreover, the majority of teachers lack the requisite skills and qualifications to effectively teach, and they work in precarious conditions. In 2018–19, 63 percent of primary teachers in public schools were community teachers who typically have very little, if any, training. Although the proportion of community teachers is low in Bangui (5 percent), it is much higher in the rest of the country (70 percent). At the secondary level, 66 percent of public secondary teachers are temporary teachers (*enseignants vacataires*); they were paid by the government until 2020 but most of them have not received any pedagogical training.

FIGURE A1.1. FOUR STRATEGIC AXES OF THE ESP 2020–2029



<sup>150</sup> Based on the findings of the field visits conducted in Bamingui-Bangoran and Ombella-Mpoko as part of the CAR 2020 Education Sector Plan.

## Demand-side constraints

Low enrollments especially at post-primary can be explained primarily by households' financial constraints and low returns to education. First, extreme poverty is a critical challenge. As of early 2021, it was estimated that approximately 40 percent of CAR households are in a situation of acute food insecurity (OCHA 2021). The prolonged period of conflicts has resulted in a sharp deterioration in families' economic situations, which has led to their inability to pay school fees. Second, returns to education are perceived to be low due to poor quality of education, low employment opportunities, and insecurity, in comparison to opportunity costs of education for poor families. Economic opportunities for children and youth are readily available in mining areas of the country and girls are required to perform extensive domestic tasks. There are even young people who engage in "negative mechanisms of adaptation like joining armed groups, use of drugs and participation in other criminal activities."<sup>151</sup>

**Social and gender norms are unfavorable to girls' schooling.** In many communities, a woman's role is primarily understood as that of a wife and mother with little value placed on her educational attainment. Child brides are much more likely to drop out of school and complete fewer years of education than their peers who marry later. Pregnant girls often leave school and do not return. Moreover, discrimination in schools continues to discourage pregnant girls from staying in school and teenage mothers from returning to school. CAR is among 24 African countries that lacks a re-entry policy or law to protect pregnant girls' right to education (Human Rights Watch 2018). This often leads to irregular enforcement of compulsory education at the school level.

## Literacy rates

Table A1.1 shows literacy rates by age group and gender. As shown, literacy rates are low both among the young cohort and old cohort. Women are the most disadvantaged.

**TABLE A1.1. LITERACY RATES BY AGE GROUP AND GENDER**

Age	Women	Men	Ratio W/M
15-19	30.3%	43.1%	0.70
20-24	30.7%	57.9%	0.53
25-29	24.7%	47.9%	0.52
30-34	21.6%	44.5%	0.49
35-39	18.5%	44.3%	0.42
40-44	18.8%	50.8%	0.37
45-49	17.7%	43.2%	0.41
<b>Bangui Metrop Area</b>	68.7%	81.9%	0.84
<b>Rest of CAR</b>	13.2%	37.2%	0.35
Urban areas (-BMA)	33.4%	59.0%	0.57
Rural areas	7.6%	30.4%	0.25
<b>Total</b>	<b>24.9%</b>	<b>47.5%</b>	<b>0.52</b>

Source: MICS 2019, authors' calculations  
Note: All persons with minimum lower secondary education are assumed to be literate

## A1.2. Additional notes on sector financing

### TFP FINANCING OF ALL SECTORS IN CAR

Table A1.2 shows the distribution of external financing (planned and disbursed) by all sectors in CAR. First, the execution rate of this spending increased from 32 percent in 2018 to 84 percent in 2020. According to TFPs, the low disbursement rate reflects constraints related to insecurity and continued presence of armed groups; the lack of leadership and coordination; the heavy regulation on the work of NGOs; low level of DRM; and more recently, the COVID-19 pandemic, which led in delays in implementation of several projects. The actual share of total external financing allocated to the education sector stood at 1.6 percent in 2018, 4.4 percent in 2019, and 5.4 percent in 2020. This share is very low compared to the transport sector (25.8 percent), and lower than the health sector share (7.9 percent).

**TABLE A1.2. EXTERNAL FINANCING PROJECT GRANTS AND CREDITS, 2018–20 (CFAF MILLION)**

	— 2018 —			— 2019 —			— 2020 —		
	Planned	Disbursed	% TFP funding	Planned	Disbursed	% TFP funding	Planned	Disbursed	% TFP funding
<b>Social sectors</b>	18,443	16,347	24.8%	21,322	20,861	30.5%	47,051	22,600	22.0%
Education	3,299	1,055	1.6%	6,593	3,023	4.4%	6,608	5,582	5.4%
Project grants	2,439	1,055	1.6%	6,033	3,023	4.4%	5,808	5,513	5.4%
Credits	860	0	0.0%	560	0	0.0%	800	69	0.1%
Health	5,982	7,868	12.0%	9,874	3,836	5.6%	21,176	7,072	6.9%
SP & gender	9,161	7,424	11.3%	4,855	14,002	20.4%	19,267	9,946	9.7%
Defense & public order	5,212	1,348	2.0%	4,290	5,609	8.2%	4,171	4,225	4.1%
<b>Economic affairs</b>	40,610	38,258	58.2%	34,974	31,097	45.4%	54,387	42,265	41.1%
Transport	15,942	29,014	44.1%	10,842	14,549	21.2%	9,384	17,700	17.2%
Energie	12,263	3,583	5.4%	8,598	2,750	4.0%	20,740	10,133	9.9%
Agriculture	3,568	299	0.5%	6,537	4,367	6.4%	12,602	4,862	4.7%
Finance & rel. affairs	8,837	5,362	8.2%	8,998	9,430	13.8%	11,661	9,570	9.3%
General pub. services	1,064	233	0.4%	486	1,075	1.6%	1,017	25,968	25.3%
Others	8,417	9,600	14.6%	3,252	9,865	14.4%	3,196	7,659	7.5%
<b>Total</b>	73,746	65,787	100.0%	64,325	68,508	100.0%	109,821	102,717	100.0%
<b>Educ. ext. fin (% of tot. gov. spend. on educ.)</b>		<b>4.9%</b>			<b>11.9%</b>			<b>18.2%</b>	

Source: Authors' calculations based on data from the Ministry of Economy, Planning and Cooperation (2018–2020)  
Others include ministries of justice, youth and sports, environment, housing, and culture

<sup>151</sup> Translated from MEPSTA. 2018. "Des mécanismes d'adaptation négatifs comme l'adhésion à des groupes armés, le recours à la drogue et la participation à d'autres activités criminelles." Programme Pluriannuel de Résilience (Multi-Year Resilience Programme) 2019–2021; p.1–2.

## MATRIX OF TFP INTERVENTIONS

As mentioned in section 4.3.2, TFP supports the education sector via project grants, credits, and budget support. Table A1.3 provides the list of projects and a succinct description of projects' main activities. In addition to these projects, the *Fonds Saoudien de Développement* supports, via credits, the rehabilitation of a secondary school in Bangui (Lycée Marie Jeanne CARON) and the extension of the University of Bangui.

Concerning budget support:

- The European Union series (2018–2019) included six indicators linked to the education system: (i) the adoption of the 2018–2019 *Education Transition Plan* by the Council of Ministers; (ii) the publication of the 2017–2018 *Statistical Yearbook*; (iii) an allocation of at least 17 percent of the total government spending (excluding capital spending) to the education sector in the 2019 Finance Law; (iv) an execution rate of the 2018 education budget equal to or higher than 70 percent (including salary spending); (v) a net enrollment rate of girls in the primary education cycle equal to or higher than 70 percent (according to the 2017–2018 *Statistical Yearbook*); and (vi) the organization of national exams before August 30, 2019 in at least 96 percent of the planned examination centers. However, it should be noted that in 2019, the government did not meet the target as mentioned in (iii), hence the amount of the budget support associated with this indicator has not been disbursed.
- The proposed IDA-financed CAR First Resilient and Inclusive Institutions for State Effectiveness DPF 2021–2022 (P175173) will help lay the foundations for successful implementation of the “Plan to Recruit all Graduate Student-Teachers as Contractual Teachers and/or Civil Servant Teachers” by establishing a national registry of all graduate student-teachers (prior action). Establishing a comprehensive database will lay a foundation for the second reform aimed to support the operationalization of the Plan (policy trigger).

**TABLE A1.3. INTERVENTIONS FINANCED BY PROJECT GRANTS TO SUPPORT THE EDUCATION SECTOR**

TFP	Subsector	Description of Main Activities	Period
African Development Bank Multisectoral project with specific activities related to the education sector	Secondary (TVET)	<ul style="list-style-type: none"> <li>This multisectoral project (education, health, and SP) supports the construction/rehabilitation of classrooms in three secondary TVET schools (in the capital city) and in-service TVET teacher training.</li> <li>Area of intervention is Bangui.</li> </ul>	2015–2019
Agence Française de Développement	Vocational training	<ul style="list-style-type: none"> <li>This project seeks to offer short-term vocational training and apprenticeship training to 2,054 out-of-school youth in 30 key promising professions.</li> <li>Areas of interventions are Bangui and 5 prefectures (Ombella-Mpoko, Lobaye, Mambere-Kadéï, and Nana-Mambere and Ouham).</li> </ul>	2019–2022
	Second chance programs	<ul style="list-style-type: none"> <li>A project that will support the provision of employment opportunities to vulnerable youth, particularly young girls, by improving their employability through vocational training, apprenticeship, and by funding start-ups.</li> <li>Areas of interventions are Bangui and 3 prefectures (Lobaye, Nana-Mambéré, and Mambéré-Kadéï). The expected numbers of beneficiaries are 11,401 young men and 11,687 young women.</li> </ul>	2021–2024
Ambassade de France	Secondary (TVET)	<ul style="list-style-type: none"> <li>A project that seeks to transform two secondary TVET schools into professional schools (<i>lycée de métiers</i>). A new curriculum will be developed, teachers will be trained, and TVET equipment will be provided.</li> <li>Area of intervention is Bangui.</li> </ul>	

TFP	Subsector	Description of Main Activities	Period
EU Implementing agency: UNICEF	ECD Primary	<ul style="list-style-type: none"> <li>An emergency project that supports the provision of basic services to vulnerable children affected by the conflict through (a) construction/rehabilitation of 54 classrooms in schools and in IDP camps, separate toilets for girls/boys; (b) pre-service teacher training; (c) school feeding programs; (d) catchup programs and psychological support to teachers and students.</li> <li>Areas of intervention are Bangui and four prefectures (Ombella-Mpoko, Kémo, Nana-Gribizi, and Bamingui-Bangoran).</li> </ul>	2015–2021
GPE Grant Agent for the Education Sector Transition Plan Support Project: UNICEF	ECD Primary	<ul style="list-style-type: none"> <li>An emergency project aligned with the government's education sector transition plan (2018/19) focus on emergency interventions such as temporary classroom construction in IDP camps, construction/rehabilitation of schools, school feeding programs, catchup programs, distribution of learning materials, hygiene kits, back-to-school campaigns, awareness campaigns, and institutional support.</li> <li>Areas of interventions are Ouham, Ouham-Pendé, Nana-Mambéré, Ouaka, Basse-Kotto, and Mbomou.</li> </ul>	2018–2021
GPE Grant Agent for the COVID-19 project: UNICEF	Primary	<ul style="list-style-type: none"> <li>An emergency COVID-19 project to support the government in mitigating the impact of the pandemic by focusing on the most vulnerable children through radio education programs, purchase and distribution of solar radios, awareness campaigns for the prevention and control of COVID-19, as well as catch-up programs for grades 6, 10, and 13 students.</li> </ul>	2020–2021
UNICEF German Development Bank Education Cannot Wait UNICEF Funds	ECD Primary	<ul style="list-style-type: none"> <li>A series of emergency interventions to cater to the conflict context: alternative education programs, back-to-school campaigns, school feeding programs, construction of temporary classrooms on IDP camps, expansion/rehabilitation of existing schools, community teacher training, distribution of teaching guides, learning materials, and hygiene kits.</li> </ul>	2018–2021
World Bank	ECD Primary Secondary	<ul style="list-style-type: none"> <li>An emergency project that seeks to improve access to quality basic education and strengthen capacity in education sector management. Relevant interventions include construction/rehabilitation of classrooms, in-service teacher training, accelerated education, remedial programs, and institutional support.</li> </ul>	2018–2023

## METHODOLOGY TO BREAKDOWN GOVERNMENT SPENDING BY SECTORS

Using the 2019–20 budget data, government spending was broken down into five main sectors: social, defense and public order, economic affairs, general public services and other (such as housing, environment, justice, youth and culture). Using the broad categories of the Classification of the Functions of Government (COFOG) developed by the OECD, ministries were grouped into five main sectors. The classification under this PER is an institutional classification whereby spending was classified based on the executing ministry. In this case education spending was the spending executed by the four ministries of education. Table A1.4 presents the results of this classification.

**TABLE A1.4. CAR MINISTRIES BY SECTOR**

Sector	Ministry
Social	Primary and Secondary Education
	Technical Education and Literacy
	Scientific Research and Technological Innovation
	Higher Education
	Health and Population
	Humanitarian Action and National Reconciliation
	Labor, Employment, Vocational Training, and Social Protection
Advancement Women's and Children's Affairs	
Defense and public order	Office of the President of the Republic
	National Defense and Army Restructuring
	Disarmament, Demobilization, Reintegration of ex-combattants
	Interior in charge of Public Security
Economic affairs	Finances and Budget
	Agriculture and Rural Development
	Water, Forests, Hunting and Fishing
	Livestock and Animal Health
	Public Works and Road Maintenance
	Development of Energy and Hydraulic Resources
	Mines and Geology
	Postal services and Telecommunications
	Commerce and Industry
	Communication and Medias
	Small and Medium Enterprises and Handicrafts
	Transport and Civil Aviation
	Economy, Planning and Cooperation
	General public services
Prime Minister	
Constitutional Court	
Economic and Social Council	
High Council for Communication	
National Mediation Council	
High Authority in charge of good governance	
General Secretariat of the Government	
Foreign Affairs and Central Africans Abroad	
Public service	
Modernization of Administration and Innovation	
Administration of Territory, and Decentralization	
Relations with the Institutions of the Republic	
Other	Justice, Human Rights Keeper of the Seals
	Advancement of Youth and Sports
	Arts, Culture and Tourism
	Urbanism, the City and the Habitat
	Environment and Sustainable Development

Source: Authors's classification using COFOG categories

Based on this classification, the level of public spending on defense and public order stood at 28 percent over the last two years (2019–20) in comparison to 21.4 percent for social sectors of which only 11.9 percent was for education (see table A1.5).

**TABLE A1.5. ACTUAL GOVERNMENT SPENDING BY SECTOR, AVERAGE 2019-2020**

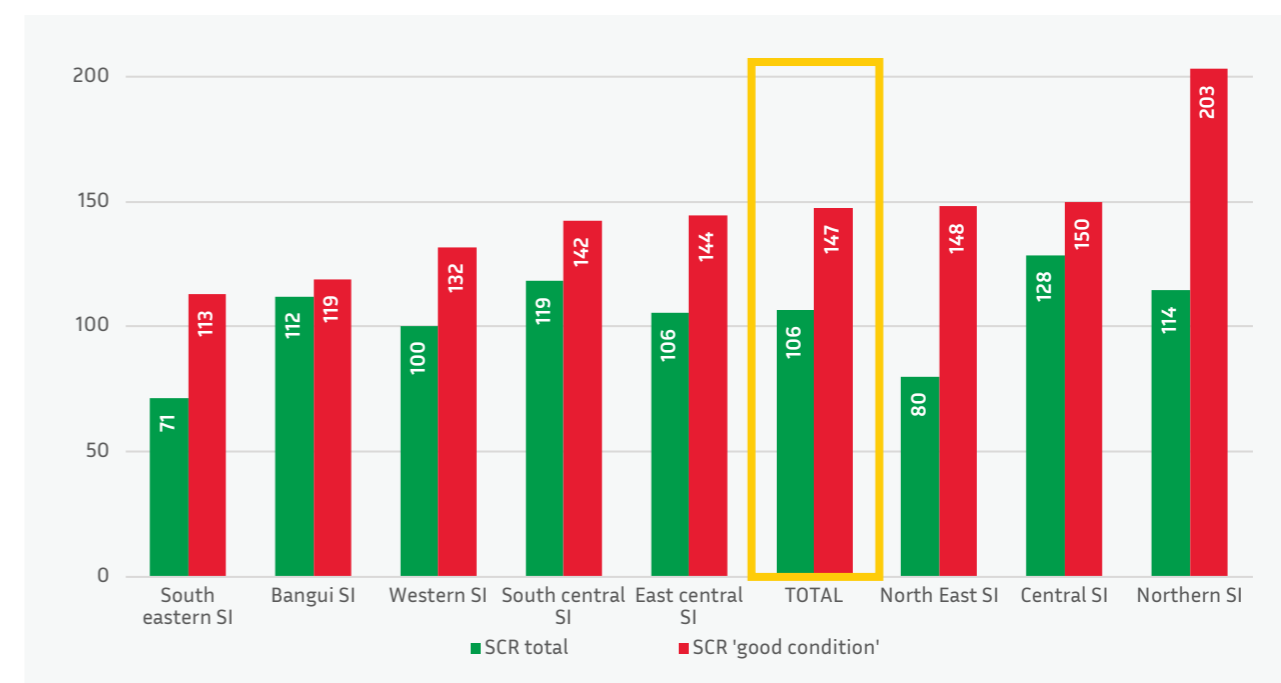
	— Total spending —		— Salary spending —		— Staff —	
	Million CFAF	% gov. spending	Million CFAF	% total salaries	N	% total staff
Social sectors	39,279	21.4%	14,721	26.0%	n.a	n.a
Education	21,671	11.9%	11,179	19.8%	6,529	22.3%
Health	15,436	8.2%	2,999	5.3%	1,853	6.3%
Social Protection	2,172	1.2%	543	1.0%	n.a	n.a
Defense and public order	51,268	28.0%	22,322	39.4%	14,116	48.0%
Economic affairs	35,404	19.2%	8,957	15.8%	n.a	n.a
General Public Services	27,605	15.0%	5,744	10.2%	n.a	n.a
Others(*)	29,704	16.4%	4,840	8.6%	n.a	n.a
<b>Total</b>	<b>183,260</b>	<b>100.0%</b>	<b>56,583</b>	<b>100.0%</b>	<b>29,345</b>	<b>100.0%</b>

Source: Calculations based on data from the Ministry of Finance and Budget (Ges'Co and payroll data 2019-2020)  
 (\*) include ministries of justice, youth and sports, environment, housing, and culture

**ADEQUACY OF SPENDING**

Current government capital spending is not enough to provide adequate learning and teaching environment to students and reduce student-classroom ratios (SCR) to reasonable levels. Figure A1.3 shows SCR in public primary schools.

**FIGURE A1.3. SCR IN PUBLIC PRIMARY SCHOOLS, TOTAL AND 'GOOD CONDITION' BY SI, 2019**



Source: Authors' calculations based on EMIS 2018-2019.

## METHODOLOGY TO BREAKDOWN EDUCATION SPENDING BY SUBSECTOR

Note that based on the current structure of the budget, it is feasible to identify with certainty HER spending, which is listed under the MES and MSRTI. However, the distribution of spending among the other subsectors was more challenging because the MPSE and METL budget structure does not allow such distribution. Therefore, an algorithm was used to separate spending by subsector. This algorithm comes with a margin of uncertainty on the values found for preschool, TVET, and literacy; but given the low level of spending for these subsectors, it can be certain that spending in preschool and TVET is low.

The breakdown of the government spending (both actual and planned) on education by subsector was carried out in two stages:

1. Breakdown of government spending into two categories: higher education and scientific research (HER) and all other subsectors (non-HER);
2. Breakdown of non-HER spending between four subsectors—preschool, primary, general secondary, and technical and vocational secondary.

### Distribution of spending between HER and all non-HER subsectors

Government spending on education was broken down as follows:

1. Spending on HER relates to all expenditures of MES and of MSRTI to which were added the expenditure of the Teachers' Training College (ENI), currently under the supervision of MPSE.
2. Spending on non-HER subsectors include expenditures for preschool, primary, general secondary, and TVET. They consist of all the expenditure of the MPSE and META.

### Breakdown of non-HER expenditure

An algorithm was used to breakdown non-HER expenditures into four subsectors: preschool, primary, general secondary and technical and vocational secondary education. This breakdown is carried out in four steps:

1. First, the share of each subsector in the education wage bill is estimated based on the payroll data from the MFB.
2. Second, the salary and wages spending is estimated for each subsector using total salaries and spending recorded on the MFB budget and the share of each subsector in the education wage bill obtained in step 1.
3. Third, other spending categories—"goods and services" and "capital spending"—are then adjusted based on the results obtained in the previous steps.
4. Fourth, the total spending per subsector is obtained by summing up values obtained in steps 2 and 3.

Each step is described below.

#### Step 1: share of each subsector in the education wage bill (excluding HER)

The share of the education wage bill<sup>152</sup> for each subsector ( $p_i$ ) was calculated by dividing the observed wage bill for all civil servants for a specific subsector ( $S_i$ ) by the total education wage bill excluding HER ( $S_{HER}$ )

$$p_i = \frac{S_i}{S_{HER}}$$

The observed wage bill for each subsector ( $S_i$ ) is calculated as follows:

1. First, the wage bill for civil servants whose subsector is unambiguously identified is calculated. For example, for the primary subsector, this will be the wage bill for primary teachers, assistant primary teachers and school principals.

2. Second, the wage bill for civil servants who can work either in the primary or in the secondary subsectors is distributed over these two subsectors in proportion to their wage bill calculated above (point 1). This is the case, for example, for heads of school districts and school counsellors who work in both primary and secondary cycles schools.
3. Third, the wage bill of civil servants at the central level (civil servants who work at the ministries in charge of education) and civil servants whose subsector is unknown (government employees awaiting assignment, civil servants placed in internships positions, and so forth) is distributed over all subsectors in proportion to the wage bill calculated above (point 2).

Based on the payroll data, it is impossible to identify civil servants who work in preschool and literacy subsectors because there is no teaching rank for these employees unlike the primary and secondary subsectors. Based on consultations held with MPSE units, primary school teachers would teach in preschool or assume the role of instructors in literacy centers.

Salaries and wages spending for the primary subsector listed under the MPSE budget therefore includes all preschool (MPSE) and literacy (MTEL)<sup>153</sup> civil servants. However, the number of preschool and literacy employees is negligible. Indeed, according to information collected, a minority of preschool teachers would be integrated into the public service, among whom only five teachers would be paid out of the MPSE payroll; the other teachers would be instructors or social workers, under the Ministry for the Promotion of Women, Family and Child Protection (MPFFPE).<sup>154</sup>

The five primary school teachers who teach at the preschool level are used in the algorithm to estimate the share of expenditure allocated to the preschool cycle by the ministries directly in charge of education. The MPFFPE expenditure is then added to obtain the total public expenditure for the preschool cycle.

#### Step 2: adjusted salaries and wages spending

Adjusted salaries and wages spending ( $S_i^a$ ) for each subsector were obtained by multiplying the observed proportion of the education wage bill ( $p_i$ ) for each subsector by the salaries and wages expenditures excluding HER ( $S_{HER}^E$ ), as illustrated by the following formula.

$$S_i^a = p_i * S_{HER}^E$$

According to the budget nomenclature of the MFB, the payment of contractual teachers (primary subsector) and temporary teachers (secondary subsector) is recorded as goods and services spending. As part of the ESP, the salary payments of contractual teachers have been reclassified and proportionally distributed over salaries and wages expenditures of the preschool and primary subsectors. Similarly, the salaries of secondary temporary teachers were proportionally distributed between general secondary and TVET. The adjusted total salaries and wages expenditures ( $S_i^{Ta}$ ) is therefore obtained as follows:

$$S_i^{Ta} = S_i^a + S_i^C + S_i^V$$

where  $S_i^C$  is the total for the wage expenditure for contractual teachers and  $S_i^V$  that of the estimate for secondary temporary teachers for subsector  $i$ .

Finally, the adjusted value of total salaries and wages expenditures for all subsectors excluding HER ( $S_{HER}^A$ ) is therefore the sum of salaries and wages expenditures for all non-HER subsectors ( $S_{HER}^E$ ) and the salaries paid to contractual teachers and secondary temporary teachers.

<sup>153</sup> Field visits in the prefecture of Nana-Mambéré and Bamingui-Bangoran revealed that all literacy instructors are either volunteers (churches) or paid by NGOs.

<sup>154</sup> Based on the data on the wage bill from the MFB for 2019, out of 353 MPFFPE civil servants, there are only 11 social workers, 7 coaches, and 27 social workers. The wage bill for the teaching staff of the MPFFPE is therefore low, which means that a small proportion of public expenditure is allocated to the preschool subsector.

### Step 3: adjusted expenditure for other spending categories

The adjusted value of goods and services expenditures (excluding the salaries of contractual teachers and secondary temporary teachers) and capital spending is obtained by multiplying the value of each spending category by the share of the total adjusted salaries and wages expenditures ( $S^{T_a}$ ) of each subsector.

### Step 4: total adjusted spending of each subsector

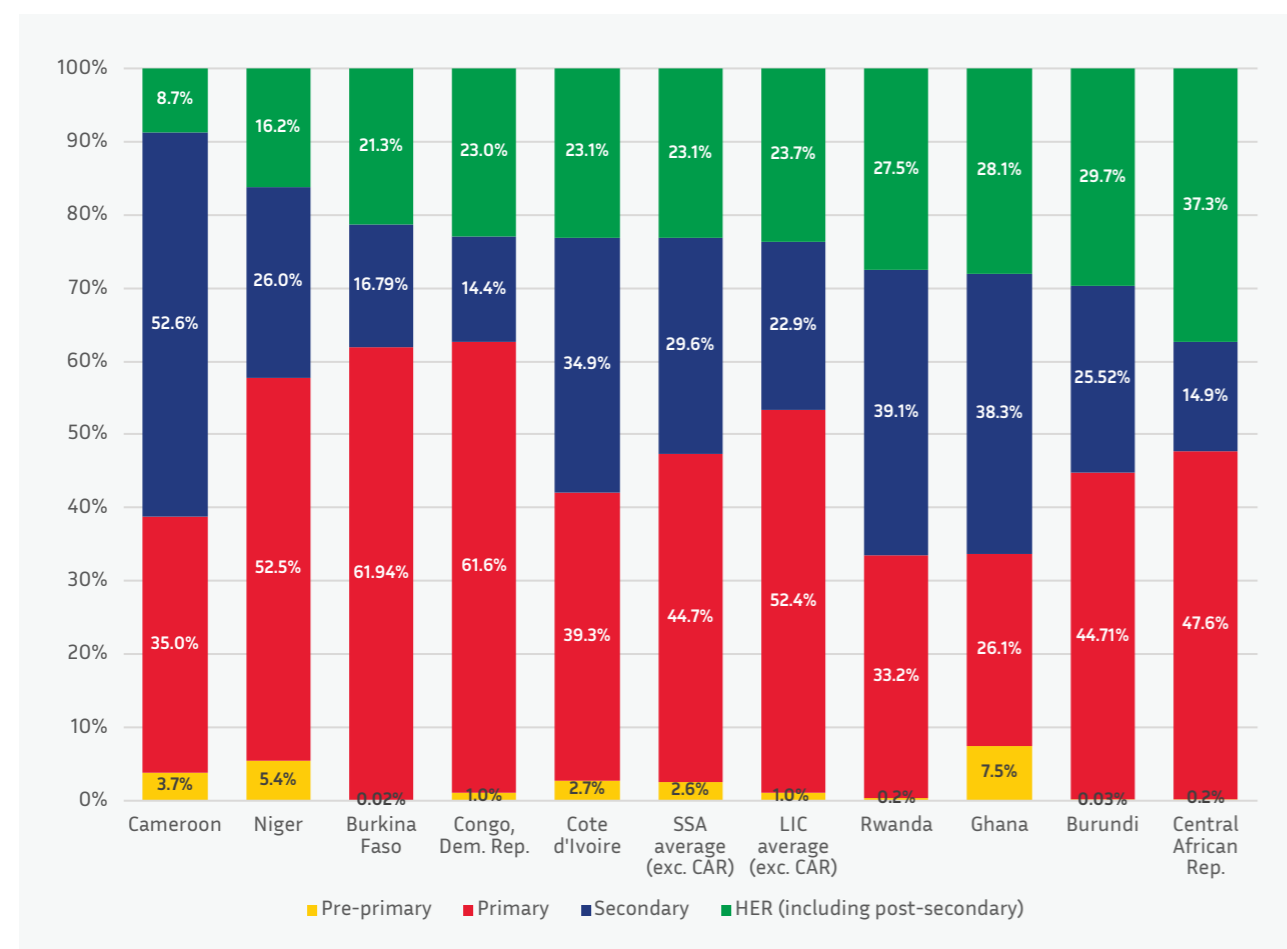
The total adjusted spending for each subsector equals the sum of the adjusted values of salaries and wages expenditures (including the salary paid to contractual teachers and secondary temporary teachers) obtained in step 2, goods and services (excluding costs of contractual teachers and secondary temporary teachers), and capital spending obtained in step 3.

## HIGHER EDUCATION (HER) SPENDING

### Diagnostic of HER spending

Government spending on higher education is disproportionately high which is at the expense of key subsectors. Spending on HER represented 40.3 percent of total education spending in 2018, then 37 percent in 2019 and 34 percent in 2020. The variation in the HER budget from 2018 to 2020 is explained from payment of scholarships arrears. It is worth noting that scholarships are regularly paid late after their scheduled date of payment. For example, scholarship recipients for the 2017–18 academic year who should have received their stipend in 2018 only received it in 2019. The same goes for the 2018–19 academic year; recipients received their scholarships in 2020.

FIGURE A14. GOVERNMENT SPENDING BY EDUCATION LEVEL, CAR AND SELECTED COUNTRIES



Source: Calculations based on data from the Ministry of Finance and Budget (2019) and Edstat consulted in May 2021 for other countries.

The high spending on HER is mainly driven by high wages and salaries expenditures and social expenditures. The breakdown of total HER spending shows that, on average, between 2018 and 2020: (a) wages and salaries amounted to just over CFAF 4.6 billion, which represented 54.9 percent of this subsector spending; (b) social expenditures amounted just under CFAF 3 billion, which represented over a third of ESR expenditures (mostly scholarships—CFAF 2.4 billion) and 13–14 percent of the total public spending on education; (c) capital expenditures account for only 3.2 percent of HER spending (or CFAF 267 million); and (d) expenditures on research and HER quality activities (computers, library, and so forth) are low standing at CFAF 51 million, accounting for only 8 percent of the “other goods, services, transfers and subsidies” (table A1.6). Note that the share of social expenditures in HER spending is more than double the average for English-speaking African countries (15 percent).<sup>155</sup>

TABLE A1.6. BREAKDOWN OF GOVERNMENT SPENDING ON HER, 2018–20

	2018	2019	2020
Total ESR expenditures	8,347	8,256	8,709
Wages and Salaries	4,146	5,046	4,706
Social expenditures			
Scholarships(*)	2,431	2,431	2,431
Food(*)	500	500	500
Capital expenditures	133	354	313
Other goods, services, transfers and subsidies	1,137	-74	758
Social expenditure as a % of ESR spending	35.1%	35.5%	33.7%
Social expenditure as a % of gov. spending on education	14.3%	13.1%	13.1%

Source: Calculations based on data from the Ministry of Finance and Budget (2020).

Note: The ESR budget includes ENI's spending  
(\*) Planned expenditures

Scholarships constitute the bulk of social expenditures and the award process does not favor students from vulnerable families. Scholarships represent about 82.9 percent of social expenditures over the period 2018–20 and target primarily: (a) students enrolled in technical, agricultural, professional, and scientific fields of study; and (b) students who enrolled in an advanced study program: priority is given to doctoral students, then to masters and finally to bachelor's degree students. There are two types of scholarships in the CAR: internal scholarships, granted to Central African students enrolled in public and private Central African universities; and external scholarships intended for Central African students enrolled in universities outside the CAR, which represent the majority of scholarships spending (61.7 percent). Three main types of criteria are taken into account for the awarding of internal and external scholarships: academic excellence, special criteria, and social criteria. An additional condition is applied for the awarding of an external scholarship: students must be enrolled in a training program that is not offered in the CAR. Social criteria take into account, among other elements: the income of the household to which the student belongs, the age of the student, and if the student is member of a minority group or has a disability. According to the Directorate General of Scholarships and Internships (DGBS), these criteria are not applied and remain, in practice, imprecise or subjective. For example, as the DGBS does not have the means to know the exact income of a student's household; it is based on a proxy: the average standard of living of the inhabitants of the prefecture where the student comes from. As indicated in section 4.3.4, “Allocative efficiency of spending,” HER uses up a lot of resources and expenses relating to the financing of scholarships account for an important item of expenditure in the subsector: 33.7 percent of HER expenditure in 2020 and 13.1 percent of total public spending on education.

## HER spending recommendations

To contain spending of this subsector, the ESP recommended to (a) conduct an audit of spending and (b) diversify the sources of funding.

Specifically, the HER expenditures audit should particularly look into:

1. **The relevance and cost/benefit ratio of each training course:** a large number of training courses are currently offered at the University of Bangui, with some of them having limited attendance and/or relevance; they could be grouped<sup>156</sup> to optimize resource use.
2. **Social expenditures (scholarships, student accommodation, food):** their allocation criteria will have to be specified or redefined in order to improve their targeting<sup>157</sup> and efficiency.<sup>158</sup>

Proposals to diversify HER funding source include the following:

1. **Setting up a performance-based contract linking the financing of the University of Bangui to specific performance criteria,** to create incentives for quality improvement and/or more efficient resource use. A similar program has put in place at the Cheikh Anta Diop University (UCAD) in Senegal since 2015, and another is in the pipeline at the Félix Houphouët Boigny University in Côte d'Ivoire. Niger is also contemplating introducing a similar approach to improve funding stability and transparency, as well as university management and quality of education.<sup>159</sup>
2. **Review the organization of research centers within the Bangui University to enable them to carry out research and consultancy services.** These centers could then secure funding from international organizations and the private sector. Their operation would subscribe to principles widely shared by academic centers worldwide: dissemination and sharing of research results; a commitment to the basic academic mission of the university; a steering committee made up of experts; periodic activity reports; and so forth. These research centers could, that way, generate funding for the university while facilitating the development of scientific networks and institutional capacity building.
3. **Mobilize funds from the diaspora and external aid organizations.** According to the World Bank, private transfers from the diaspora to SSA in 2015 amounted to US\$46 billion, that is, 10 times the amount of foreign direct investments. Donations and endowments from the Central African diaspora as well as external aid organizations could therefore be an important source of funding for scientific research. This type of philanthropy could be encouraged through the creation of trust funds.<sup>160</sup>
4. **Develop public-private partnerships:** CAR is already involved in this dynamic with the call for proposals for the financing of the construction of University of Bangui II.
5. **Increase the financial participation of students in the system costs.**<sup>161</sup> The financial resources of higher education in the CAR could be increased by increasing tuition fees and/or reducing subsidies for social

<sup>156</sup> For example, several subjects of the scientific and technical training courses of ENS, that currently attract and enroll few students, could be taught as part of a single common core course with equivalent training courses of the Faculty of Sciences.

<sup>157</sup> For example, scholarships to study abroad funded by the Central African Government should be limited.

<sup>158</sup> In Botswana, for example, grants for university meals were eliminated, catering services were privatized, and this reform was expected to result in significant savings (see Saint 1992).

In Burkina Faso, a study conducted in 2005 shows that a student housing program mainly funded by small private developers would be at the advantage of the government: publicly managed student residences cost an average of four times higher the cost of a privately managed equivalent (see World Bank 2010).

<sup>159</sup> In Senegal, the program was developed and financed in collaboration with the World Bank and other donors. Significant progress has, as such, been made, and a new consensus around the operation of UCAD was reached. All actors adhere to this consensus of progress because they benefit from it. Thanks to this new social pact and a now pacified environment, UCAD is improving its internal efficiency. The other area where progress is noted is teaching governance. The rector is now the Chair of the University Assembly. This body is the forum where decisions relating to university policy are made and the daily steering of management is reviewed, critiqued, amended, and corrected, where necessary.

<sup>160</sup> Electronic platforms that give an organized voice to diaspora members by influencing development choices in their countries of origin already exist. Movement Capital, for example, addresses investment projects focused on development goals selected by the diaspora, ranging from infrastructure to healthcare. This platform operates in several countries of Africa. See <https://www.crunchbase.com/organization/movement-capital#section-overview>.

<sup>161</sup> Proposition expressed by the HER subsector group (June 2019). However, for other ministry executives, this proposition would be hard to implement from a political point of view and because it goes against the objective of equity.

expenditures, on the basis of household income. Participation in tuition costs by families who can afford it should vary according to the diploma level<sup>162</sup> (*license*, *masters*, and *doctorate*) and should be flexible to promote access to certain training courses (or certain groups of students) according to country priorities (adequacy between qualification supply and demand).

## Additional notes on external efficiency of spending

Table A1.7 below shows literacy rates for individuals who have attended primary education. The quality of primary education does not seem to have improved recently since the literacy rates of the younger cohort (15–24 years old) who reached grade 6 are still lower than those of the older cohort. These figures clearly state that the MICS approach for estimating literacy overestimates the proportion of literates given that the approach assumes that all individuals who attended secondary education are literate.

TABLE A1.7. LITERACY RATE BY GRADE, 15–49 YEARS OLD

	Women	Men	Ratio W/M
Never attended	0.0%	0.3%	
Grade 1	0.0%	0.0%	
Grade 2	0.2%	1.0%	
Grade 3	0.6%	0.6%	
Grade 4	0.5%	3.1%	0.15
Grade 5	3.9%	9.1%	0.43
<b>Grade 6</b>	<b>12.4%</b>	<b>22.0%</b>	<b>0.56</b>
BMA	11.7%	25.3%	0.46
Rest of CAR	12.7%	21.5%	0.59
<i>Urban areas</i>	16.4%	25.0%	0.66
<i>Rural areas</i>	11.2%	20.6%	0.54
15-24 years-old	9.0%	18.8%	0.48
25-49 years-old	15.6%	24.1%	0.65

Source: MICS 2019, authors' calculations.

## A1.3. Additional notes on HR management

### Categories of teachers in the education system

#### Government-paid teachers in public schools

**Permanent teachers are the minority at all levels of education except the tertiary level.** They account for only around a third of the teacher workforce at both primary and secondary levels and 17 percent at the preschool level. Below is a description of permanent teachers by level of education.

<sup>162</sup> Registration fees to the first two cycles of tertiary education in CAR (as a percent of GDP per capita) are lower than in other countries of SSA.

At the primary level, there are two groups of permanent teachers based on their teaching rank in civil service and they both account for 30 percent of the teacher workforce in 2018–19.<sup>163</sup> The first group consists of *instituteurs* who are enrolled with an Upper Secondary Education Certificate at minimum and received a two-year pre-service education at the Bambari teacher training college. The second group consists of *instituteurs adjoint* or *maître d'enseignement* who are enrolled with a Basic Education Certificate at minimum and received a two-year pre-service training in one of the 10 regional teacher training centers.

At the secondary level, there are also two groups of permanent teachers who have received pre-service education from the teacher training college for secondary teachers (*professeur de collège* and *professeur de lycée*<sup>164</sup>). They represented 34 percent of the teacher workforce in general education and 36 percent in TVET in 2018–19.

At the preschool level, permanent teachers are made up of (a) primary teachers who are hired to teach at this level; and (b) assistant social workers under the mandate of the MPFFPE.

Lastly, at the tertiary level, four groups of permanent teachers (69 percent of the teaching force)—*assistants*, *maîtres assistants*, *maîtres de conférence*, and *professeur d'université*.

**Contractual teachers are graduates from teacher training colleges and centers who are awaiting integration into civil service.** They are hired on a renewable annual contract basis by the government to help make up for the lack of permanent teachers at the primary level. In 2018–19, they represented 7 percent of the teacher workforce in public primary schools and 5 percent in preschools.

**Temporary teachers represented around two thirds of the teacher workforce in general secondary schools and TVET schools and centers and one third at the University of Bangui.** They are (a) often civil servants or private sector professionals who provide teaching hours in addition to their main activity; (b) sometimes graduates from teacher training institutes who are awaiting integration into civil service; or (c) individuals who wish to become secondary permanent teachers but who have not received pre-service training.

#### Community or NGO-paid teachers

**Community teachers are hired and paid by parents and NGOs to make up for the shortage of government paid teachers in primary and pre-schools.** They are often untrained and with low qualifications, but the education system could not be functioning without them. On average, only 7 percent have reached grade 13, 69 percent have grade 10 level, and 24 percent have less than grade 10 education level.<sup>165</sup> Community teachers represented 63 percent of the teacher workforce in public primary schools and 84 percent in public preschools in 2018–19. This proportion has increased from 2010–11 when it stood at 42 percent in both public and private schools<sup>166</sup> to 58 percent in 2018–19.

#### Female teachers

**With the exception of the preschool subsector, female teachers constitute a very small proportion of the teacher workforce.** Less than one in five primary teachers (19 percent) was a woman in 2018–19 and the proportion is even lower at the secondary (11 percent) and tertiary (8.4 percent) levels. This low proportion is somewhat in line with the proportion of women in public sector employment which stood at 19.2 percent, signaling that women in CAR register low levels of participation in the labor market. On the contrary, 90 percent of preschool teachers are women; their proportion is a little lower outside Bangui (85 percent) than in Bangui (95 percent). Given the importance of female teachers on girls' education, it will be necessary to increase the participation of women in the teaching profession.

<sup>163</sup> Teaching rank as recorded in the EMIS should be interpreted based on where the teacher received his training. *Instituteurs* are those who were trained in teacher training colleges and may not necessarily have been integrated into civil service. This is the same for *instituteur adjoint*.

<sup>164</sup> To be enrolled, future *professeur de collège* are required an Upper Secondary Education Certificate whereas *professeur de lycée* are required a bachelors' degree.

<sup>165</sup> Calculations based on EMIS 2018–2019.

<sup>166</sup> Calculations based on EMIS 2010–2011.

### Teacher training capacities

Recruiting a large number of teachers will require an increase in the capacity of ENI, ENS, and CPRs to provide pre-service teacher education, especially outside Bangui. In this regard, TFPs provide support under the: (a) World Bank-financed Emergency Basic Education Support Project (P164295), which is expected to build the second ENI to train not only primary teachers but also preschool and lower secondary teachers; and (b) GPE-financed Education Sector Plan Support Project (P173103), which is expected to build one new CPR and expand the capacity of the three existing CPRs to provide training to not only assistant primary teachers but also versatile secondary teachers, community teachers, and teachers for the preschool subsector.

### Teacher recruitment and deployment

Since 2009, teachers who graduate from teacher training college and centers are no longer integrated systematically into civil service. Approximately 4,032 teachers were awaiting integration into civil service as of May 2021. Table A1.8 provides the number of graduates-students awaiting integration by level of education.

**TABLE A1.8. GRADUATE STUDENT-TEACHERS AWAITING INTEGRATION INTO THE CIVIL SERVICE**

	Number	Graduating Cohort year
<b>Primary</b>		
Instituteur	1,256	2009 to 2014; 2016 to 2020
Inst. adjoint/maître d'ensgt	2,133	2012, 2015, 2017, 2018, 2020
<b>Secondary</b>		
Secondary teachers (ENS)	643	2012 to 2020
<b>Future 2021 graduate student teachers</b>		
Instituteur	150	
Inst. adjoint/maître d'ensgt	0	
Secondary teachers (*)	258	
<b>Total</b>	<b>4,440</b>	

Source: Authors' calculations based on ministerial decrees for awarding teacher' contract and teacher integration into civil service (2017–21).  
(\*): Assumption based on the last year for which the number of graduates is known

**One of the key and pressing strategies put forth in the ESP is to implement a plan to recruit all graduate student-teachers as contractual teacher and/or civil servant teacher.** It was planned that between 2020 and 2024, the government will annually recruit as civil servants about 1,520 graduate student-teachers on average while the remainder will be recruited as contractual teachers. Recruitment of these graduate student-teachers were supposed to be done by order of seniority beginning with those who graduated in 2009. It was expected that new graduate student-teachers will first be recruited as contractual teachers, and this contract will be renewed every year until their integration into civil service. Then as a second step, starting from 2024, the government was expected to revert to the virtuous practice of systematically recruiting as contractual teachers and/or civil servant teachers all student-teachers as soon as they graduate from the teacher training institutes.

**However, implementation of this plan was derailed in light of recent events, and consultations held with the government as part of this PER helped in designing a revised recruitment plan.** Due to teachers strikes and the heat of presidential elections, more than one thousand teachers were recruited as civil servants between December 2020 and February 2021. But at the same time, the government cancelled the budget lines used to pay for contractual and temporary teachers with no plan in place to recruit the remaining student-teachers who are awaiting integration. To address these challenges, a revised five-year plan is proposed under this PER and is expected to begin in 2023. The government would recruit on average each year about 1,720 graduate student-teachers as civil servants and the remainder as contractual teachers.



The implementation of this plan will require:

1. Restoring and securing all budget lines dedicated for paying contractual and temporary teachers (see wage bill section).
2. Identifying and making a registry of all graduate student-teachers awaiting integration into civil service that are still interested to work as teachers and are likely to be recruited as contractual and/or civil servants. This registry will exclude graduate student-teachers: (a) who have found jobs in private schools or in another industry and wish to remain in these occupations, (b) who have emigrated or are deceased, and so forth. Therefore, as part of the simulation model, it was assumed that 80 percent of the 665 ENI graduate student-teachers, 90 percent of the 1,289 CPR graduate student-teachers, and 75 percent of the 458 upper secondary teachers (ENS graduate student-teachers) and 658 lower secondary teachers (ENS graduate student-teachers) awaiting integration into civil service (and were not recruited as contractual teachers) will effectively be recruited as civil servants, in addition to the 1,461 contractual teachers at the primary education level. There are many graduate student-teachers at the secondary education level who work in the private sector, hence the lower proportion of those who will be recruited as civil servants in the public sector.
3. Offering a contract to all these graduate student-teachers (i.e. those awaiting integration into civil service) and new graduate student-teachers starting in September 2023 (i.e. beginning of the school year). The contract to be offered to primary teachers will remain the same. Since there is no existing contract for secondary teachers, a contract equivalent to a *double vacation* should be offered (that is a compensation equivalent to that of a primary teacher who is recruited a contractual teacher<sup>167</sup>) in order to provide the same teaching hours equivalent to a secondary teacher rank.<sup>168</sup>

**Absence of government-paid teacher from their posts.** Government-paid teachers are sometimes not at their duty station as perceived to some extent through the differences between teachers recorded in the EMIS (supposed to be those in their duty station) and teachers recorded on the payroll and budget. These differences between these two teacher counts can be explained by (i) errors in the EMIS and/or payroll data, and (ii) teachers being paid by the government but absent from their duty station.

**TABLE A1.9. COMPARISON BETWEEN THE NUMBER OF GOVERNMENT-PAID TEACHERS LISTED IN THE EMIS (2018–19) AND PAYROLL SYSTEM (2019–20)**

	– EMIS 2018-2019 –		Budget (payroll/decrees)	
	Total	Public	Total -2019	Total -2020
<b>Primary level</b>				
Instituteur	2,687	1,567	1,586	1,366
Principals ( <i>with no teaching duties</i> )	765	546	994	1,119
Other	211	128	19	17
Contractual teachers	840	681	1,461	1,461
Instituteur adjoint/maître d'enseignement	1,676	1,277	1,240	1,138
<b>Total primary (excluding community teachers)</b>	<b>6,179</b>	<b>4,199</b>	<b>5,300</b>	<b>5,101</b>
<b>Secondary level</b>				
Professeur de lycée	1,279	340	344	355
Professeur de collège	797	252	261	259

<sup>167</sup> A contractual teacher at the primary education level receives CFAF 60,000 per month for 9 months during an academic year whereas a temporary teacher at the secondary education level receives CFAF 30,000 per month over the same period. Therefore, offering a contract equivalent to a *double vacation* will be equivalent to a contractual teacher at the primary education level.

<sup>168</sup> Respectively 18 and 21 hours per week for lower and upper secondary teachers.

	– EMIS 2018-2019 –		Budget (payroll/decrees)	
	Total	Public	Total -2019	Total -2020
Other secondary teachers	174	77	66	81
Temporary teachers	2,372	1,401	1885(*)	1885(*)
<b>Total secondary (excluding PE teachers)</b>	<b>4,622</b>	<b>2,070</b>	<b>2,749</b>	<b>2,580</b>

Source: Authors' calculations based on EMIS 2018–2019, payroll data (2019,2020), and data from ministerial decrees for awarding teacher' contract and teacher integration into civil service  
Notes: (\*) Data for the year 2017–2018, the latest data available.  
PE stands for Physical Education

## Teachers' salaries

Table A1.10 shows salaries of all categories of teachers in CAR by level of education. Both starting and current gross salaries are displayed.

**TABLE A1.10. AVERAGE YEARLY STARTING AND CURRENT GROSS SALARIES OF TEACHERS IN CAR IN 2020**

	Starting salary (CFAF)	Average salary (CFAF)
<b>Primary level</b>		
<i>Government-paid teachers</i>		
Instituteur	1,143,554	1,441,007
Instituteur adjoint	1,005,046	1,153,879
Contractual teacher	n.a	540,000
<i>Community/NGO-paid teachers</i>		
Community teacher	n.a	9,000 - 315,000
<b>Secondary level - Government-paid teachers</b>		
Professeur de lycée	1,369,594	1,952,447
Professeur de collège	1,246,754	1,557,519
Temporary teacher	n.a	270,000
<b>Tertiary level - Government-paid teachers</b>		
Professeur d'Université	7,604,112	11,109,494
Maître de conférence	7,458,108	9,232,913
Maître assistant	4,641,445	6,336,170
Assistant	4,389,882	4,950,467
Temporary teacher	n.a	4,500 per hour

Source: Authors's calculations based on the MFB data (Payroll 2017-2020) and the CAR Education Sector Plan 2020-2029

## A1.4. Additional notes on financing needs and sustainability of spending

### INFORMATION ON THE SCENARII (WITH ASSOCIATED TARGETS) USED IN THE SIMULATION MODEL OF THE ESP

The projections employ four scenarii to estimate financing needs of the education sector and associated costs and implication on government spending. These scenarii and main parameters on which targets were set are described in Table A1.11:

1. First, three main scenarii corresponding to three different levels of access to education—high, average, and low—are considered in the simulation model. These scenarii are based on targets set on the gross access rate (at the preschool level) or on repetition and dropout rates (at the primary and secondary levels). These targets are reflected in the projections of student enrollment. These three scenarii are named based on the level of access to education they represent, but each scenario implies reaching a certain level of quality of education. For example a high level of access to education (low repetition and dropout rates) will be incompatible with a poor level of quality of education (i.e. an extremely STR).
2. Second, comparing the above mentioned scenarii and financing needs of the sector led to designing a “baseline” scenario, which combines certain elements of the three main scenarii to generate a plan that is realistic from a financial point of view and consistent in the light of sectorial recommendations of the ESP.
3. Lastly, the other parameters on which targets were set used in the model, in addition to the access rates targets mentioned above are: (a) STR; (b) SCR; (c) number of training institutes; and (d) teacher ranks.

TABLE A1.11. SCENARII AND MAIN PARAMETERS OF THE SIMULATION MODEL

Scenarii/Parameters	Description
Scenarii used in the simulation model	Scenario 1 - High access
	Scenario 2 - Average access
	Scenario 3 - Low access
	<b>Baseline scenario</b> - the median scenario with targets that are deemed feasible and attainable over the next decade
Main parameters on which targets are set	Access rate at the preschool
	Repetition and dropout rates at the primary and secondary levels
	STR, SCR
	Number of training institutes
	Teacher ranks

Source: MS ESP

### ADDITIONAL NOTES ON TEACHERS NEEDED IN PUBLIC SCHOOLS BY 2030–31

#### Primary level

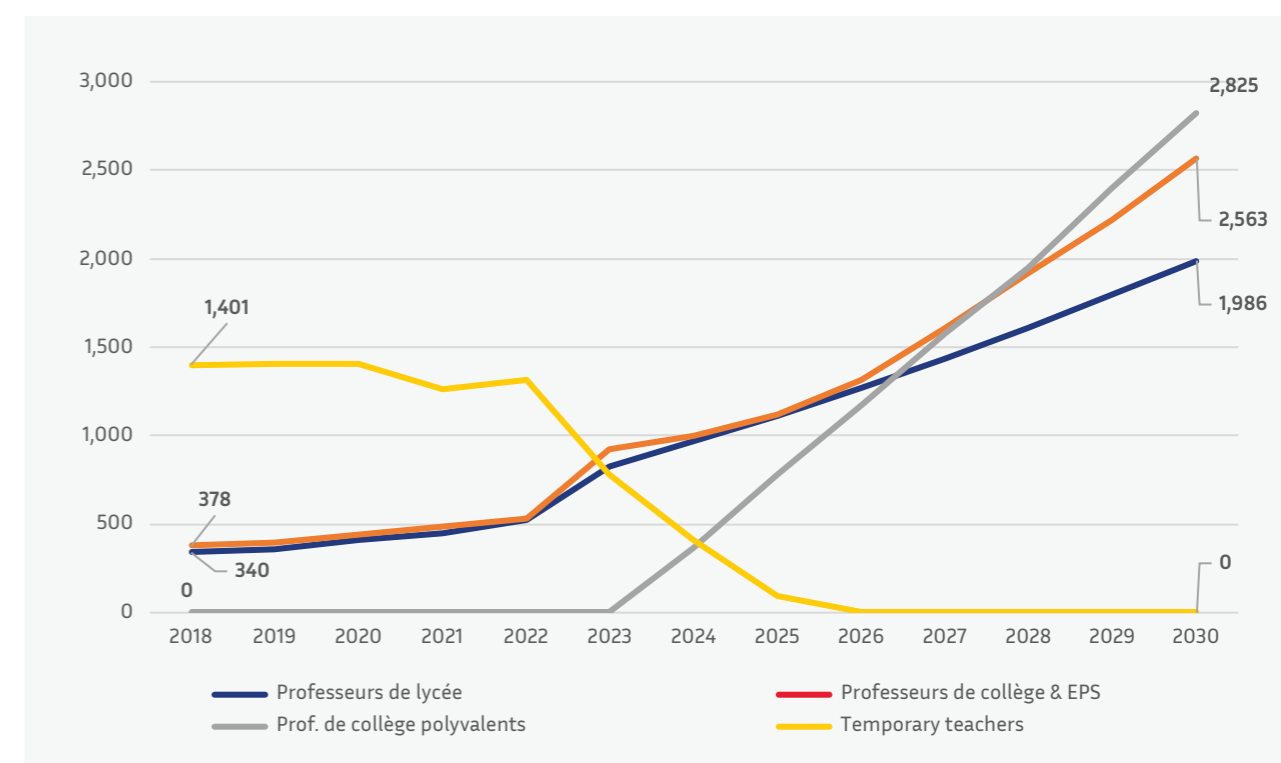
Projections on the number and composition of the teacher workforce used a target on STR of 50 by 2030 which is below the Bruns et al. (2003) recommendation of 40 to achieve universal primary education (Bruns et al. 2003). This recommendation, which is based on the academic literature on class size and average STR observed in countries with a high primary school attendance rate, and is adopted by the GPE, does however not appear

achievable by 2030 in CAR, given the current starting point. Therefore the baseline scenario assumed a target STR of 50, that is, half the ratio currently prevailing in the public sector (STR = 101). The target STR for the two other scenarii are 60 for a moderate level of access to education and 90 for a poor level of access (this is the current average level, when taking the private sector into account).

#### Secondary level

Projections on the number and composition of the teacher workforce used a target on STR of 50 which is below the recommended level as per Mingat et al. (2010) for expanding provision of secondary education (42 and 30 in lower and upper secondary education, respectively). In 2018–19, the STR stood at 54 in public schools, and 72 when STR is calculated accounting for only *professeur de collège*. As shown in the main section above, reaching a STR of 50 by 2030, will require training and recruiting a large number of *professeurs polyvalent du secondaire* (N=2,825 in 2030), *professeurs de college* (N=2,563), and *professeurs de lycée* (N=1,986). Figure A1.5 presents the projected changes in the composition of the teacher workforce in public schools.

FIGURE A1.5. BASELINE SCENARIO—PROJECTED CHANGES IN THE COMPOSITION OF THE TEACHER WORKFORCE AT THE SECONDARY LEVEL (PUBLIC SECTOR ONLY)



Source: ESP Simulation Model revised in 2021; EMIS 2018–2019.

#### Preschool level

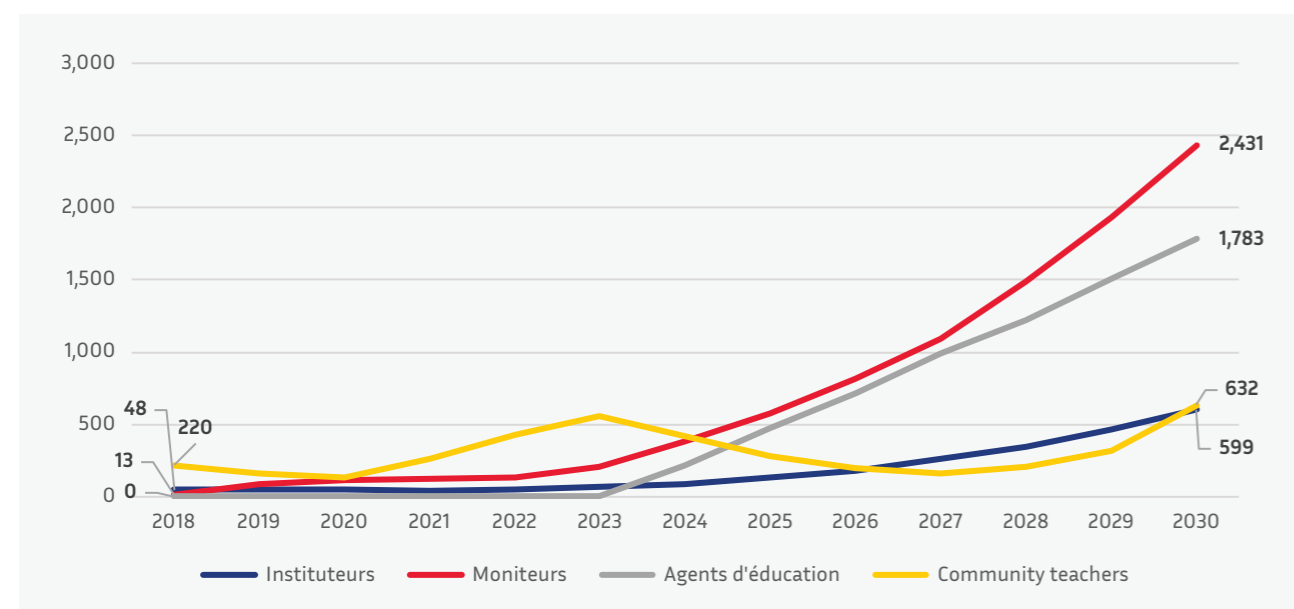
Given the lack of specially trained preschool teachers and the shortage of teachers for all levels of education, a pragmatic strategy is needed to train and recruit the large number of preschool teachers needed to develop the subsector. UNICEF suggests adopting “a transitional strategy by recruiting teachers who may not have the required qualifications or have undergone formal training but who have the necessary qualities to provide children with a positive learning experience”<sup>169</sup> (UNICEF 2019). In order to develop their skills, these teachers

<sup>169</sup> According to the database of the UNESCO Institute for Statistics (ISU 2019; cited in the UNICEF 2019 report), “in low-income countries, barely half of the teachers in the pre-primary system are trained.”

need to be provided with on-the-job mentoring and structured in-service training.<sup>170</sup> This transitional strategy can be carried out simultaneously with the development of a pre-service training program in which the level of qualification required for teachers is higher and can be gradually increased according to the financial and human resources available.<sup>171</sup>

As shown in figure A1.6 below (per the baseline scenario), expanding the provision of preschool education will require: (a) training many teachers in the CPRs and ENI in order to have 4,813 permanent teachers in public preschools in 2030–31, whereas there were only 61 in 2018–19; and (b) still relying on community instructors (*moniteurs communautaires*; N=632).

**FIGURE A1.6. BASELINE SCENARIO—PROJECTED CHANGES IN THE COMPOSITION OF THE TEACHER WORKFORCE AT THE PRESCHOOL LEVEL (PUBLIC SECTOR ONLY)**



Source: ESP Simulation Model revised in 2021; EMIS 2018–2019.

#### ADDITIONAL NOTES ON CLASSROOMS NEEDED BY 2030

Estimations based on EMIS indicate that overcrowded classrooms result from the shortage of teachers rather than shortage of classrooms. For example, only 42 percent of classrooms in “good condition” are used as single shifts and at least 10 percent of schools are in fact a cluster of multiple schools using the same location. Therefore, the ESP recommended the following:

1. First, the government should consider increasing the intensity of using classrooms on a single-shift basis<sup>172</sup> (by recruiting new teachers), and to focus construction and rehabilitation efforts on schools where classrooms are both overcrowded and overused (several shifts combined with a large number of students).
2. Second, in the longer term, the government should increase the number of classrooms so as to use them only in single shifts while increasing school time at the same time.

<sup>170</sup> The UNICEF (2019) report (“A World Ready to Learn”) further notes that “on-going professional development and relevant in-service training are more effective and less costly in the long run than hiring qualified teachers.” This argument is based on the following sources: (i) OECD 2018; (ii) Namit 2017.

<sup>171</sup> As noted in the UNICEF (2019) report, “it is illusory to simply demand a high standard of education for teachers. In Uganda, teachers in the pre-primary system must have completed secondary education. Given the low number of young Ugandans graduating from secondary school each year, 80 percent of them would need to teach in a pre-primary school to ensure that all children receive pre-primary education. Even in countries with enough graduates, the cost of attracting them to work at the preprimary level may be too high.”

<sup>172</sup> Classrooms which could be used more (change from single to double-shift) are those located in areas where the demand is high (classrooms are little used in low-density areas simply because there are few students) but is constrained by the shortage of teachers.

Based on the above recommendation, the average values of SCRs (not the lowest values) were targeted at both primary and preschool levels to be achieved by 2030. Thus, at the primary level in the baseline scenario (with STR=50), the target objective of a SCR equal to 65 corresponds to classrooms used in double shifts in one half and 30 percent of cases,<sup>173</sup> respectively. In preschool, a SCR of 45 associated with a STR of 30 implies that one third of students use a classroom (either in preschools or primary schools) in double shifts.

#### MACROECONOMIC OUTLOOK

**TABLE A1.12. GOVERNMENT REVENUES AND EXPENDITURES FORECASTS FOR THE PERIOD 2020–30**

		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>GDP at current prices</b>	Billion CFAF	1,359.9	1,360.0	1,442.9	1,553.7	1,671.9	1,798.7	1,934.9	2,075.3	2,219.5	2,377.7	2,541.9	2,715.3
Annual growth rate of real GDP		4.5%	0.0%	3.5%	5.0%	5.0%	5.0%	5.0%	4.8%	4.7%	4.5%	4.3%	4.2%
GDP deflator, annual inflation rate		2.8%	2.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.3%	2.2%	2.5%	2.5%	2.5%
Annual growth rate of real GDP per capita		2.7%	-1.8%	1.6%	3.0%	2.9%	2.8%	2.8%	2.6%	2.4%	2.3%	2.1%	2.0%
<b>Total Revenues</b>	% of GDP	18.0%	21.8%	18.0%	18.3%	18.1%	17.7%	17.4%	17.3%	17.3%	17.2%	17.0%	16.9%
	Billion CFAF	244.8	296.2	259.4	283.6	302.2	318.5	336.9	359.5	383.8	408.0	433.1	459.3
Domestic financing	% of GDP	8.5%	8.5%	9.3%	10.2%	10.7%	10.9%	11.1%	11.3%	11.5%	11.6%	11.8%	12.0%
	Billion CFAF	116.1	115.7	133.9	159.0	178.6	195.8	214.4	234.3	254.5	276.5	300.1	325.5
External financing	% of GDP	9.5%	13.3%	8.7%	8.0%	7.4%	6.8%	6.3%	6.0%	5.8%	5.5%	5.2%	4.9%
	Billion CFAF	128.7	180.5	125.4	124.6	123.6	122.7	122.5	125.1	129.4	131.5	132.9	133.9
<b>Total Expenditures</b>	% of GDP	16.6%	24.3%	19.3%	18.6%	18.6%	18.8%	19.0%	18.7%	18.6%	18.3%	18.2%	18.0%
	Billion CFAF	225.7	330.2	278.3	289.5	311.4	338.9	367.9	388.2	411.9	435.8	462.1	487.6
Current expenditure (excl. public debt)	% of GDP	10.7%	12.8%	11.4%	11.0%	11.1%	11.1%	11.1%	11.0%	10.9%	10.8%	10.7%	10.6%
	Billion CFAF	146.1	174.7	164.8	171.6	184.8	199.6	214.9	228.6	242.6	256.6	272.1	287.1
Capital expenditure	% of GDP	5.5%	11.1%	7.5%	7.3%	7.3%	7.5%	7.6%	7.4%	7.3%	7.3%	7.2%	7.1%
	Billion CFAF	75.0	150.6	108.5	113.0	121.9	134.1	147.3	153.7	163.1	172.5	182.9	193.0
<b>Total expenditures (excl. external financing)</b>	% of GDP	12.3%	15.1%	13.7%	13.3%	13.5%	13.7%	13.9%	13.6%	13.5%	13.3%	13.2%	13.1%
	Billion CFAF	167.8	205.2	197.3	207.4	225.3	246.2	269.0	282.2	299.5	316.8	336.0	354.5

Source: Ministry of Finance and Budget; Debt Sustainability Analysis (IMF and WB projections) April 2021; ESP team projections

<sup>173</sup> It is not possible to consider using all the country’s classrooms in double-shift because many are located in sparsely populated areas where the numbers of students and teachers allow only one shift.

## Implications for government spending on education

Achieving the baseline scenario requires increasing progressively total public spending on education, as a proportion of GDP, from the average value of 1.9 percent during 2018–20 to 3.3 percent in 2030. This also has implications for the evolution of spending by category and by subsector as described below. The breakdown of public spending on education into current and capital expenditures and by subsector are presented in table A1.13 and table A1.14 below, respectively.

**TABLE A1.13. PROJECTED PUBLIC SPENDING ON EDUCATION 2021–2030, BY CATEGORY**

		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Moyenne 2021-2030
T. spending on education (inc. external financing)	% of GDP	2.2%	2.4%	2.6%	2.9%	2.9%	3.0%	3.0%	3.1%	3.2%	3.3%	2.9%
	Million CFAF at c.p. 2020	30,449	36,195	40,043	46,803	48,888	53,324	56,178	60,522	65,604	71,324	
Current expenditures	% government current expenditures	14.7%	15.1%	15.9%	17.1%	18.3%	19.2%	20.6%	22.0%	23.6%	25.5%	19.2%
	Million CFAF at c.p. 2020	23,563	24,711	27,307	31,015	34,803	37,970	42,265	46,618	51,700	57,431	
Wages and salaries	% total spending on education	61.3%	53.6%	52.9%	50.9%	54.3%	53.9%	56.5%	57.5%	58.4%	59.3%	55.8%
	Million CFAF at c.p. 2020	18,654	19,391	21,199	23,838	26,535	28,732	31,746	34,775	38,316	42,265	
Goods and services	% education current expenditures	20.8%	21.5%	22.4%	23.1%	23.8%	24.3%	24.9%	25.4%	25.9%	26.4%	23.9%
	Million CFAF at c.p. 2020	4,909	5,320	6,109	7,177	8,268	9,237	10,520	11,843	13,384	15,166	
Capital expenditures	% total spending on education	22.6%	31.7%	31.8%	33.7%	28.8%	28.8%	24.8%	23.0%	21.2%	19.5%	26.6%
	% government capital expenditures	6.5%	10.7%	11.3%	13.0%	10.8%	11.6%	10.1%	9.8%	9.4%	9.2%	10.2%
	Million CFAF at c.p. 2020	6,886	11,485	12,736	15,787	14,085	15,354	13,913	13,905	13,904	13,893	
Government spending on education	% government revenue	14.2%	15.0%	15.9%	16.8%	17.6%	18.5%	19.4%	20.3%	21.1%	22.0%	18.1%
	Million CFAF at c.p. 2020	30,449	36,195	40,043	46,803	48,888	53,324	56,178	60,522	65,604	71,324	
Financing gap	Million CFAF at c.p. 2020	3,205	6,545	6,785	9,395	6,935	8,169	7,080	7,575	8,465	10,101	7,425
	Million USD at c.p. 2020	5.9	12.0	12.5	17.3	12.8	15.0	13.0	13.9	15.6	18.6	13.7
	% total spending on education	10.5%	18.1%	16.9%	20.1%	14.2%	15.3%	12.6%	12.5%	12.9%	14.2%	14.7%
	% government expenditures (exc. External financing)	1.7%	3.3%	3.2%	4.2%	2.9%	3.3%	2.8%	2.9%	3.1%	3.6%	3.1%
	% external financing	4.6%	9.2%	9.3%	12.5%	9.0%	10.2%	8.5%	8.8%	9.5%	11.0%	9.3%

Source: ESP Simulation Model revised in 2021.  
Note: Prices are in constants value, base 2020.

**TABLE A1.14. PROJECTED PUBLIC SPENDING ON EDUCATION 2021–2030, BY SUBSECTOR**

		2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Average 2021-2030
Public spending on primary education	% tot. spending on educ.	41.2%	39.8%	40.4%	39.1%	38.0%	37.9%	37.3%	36.9%	36.4%	36.3%	38.3%
	CFAF million	12,535	14,395	16,165	18,289	18,593	20,193	20,977	22,329	23,849	25,863	
Public spending on secondary education	% tot. spending on educ.	21.3%	23.3%	21.9%	23.3%	24.9%	26.1%	26.9%	27.8%	28.6%	28.9%	25.3%
	CFAF million	6,498	8,435	8,765	10,895	12,159	13,914	15,104	16,850	18,744	20,612	
Public spending on TVET	% tot. spending on educ.	3.1%	3.6%	4.2%	5.8%	4.3%	4.1%	3.9%	3.8%	3.9%	4.0%	4.1%
	CFAF million	940	1,299	1,674	2,708	2,093	2,187	2,180	2,301	2,531	2,846	
Public spending on preschool education	% tot. spending on educ.	4.2%	6.9%	8.0%	8.3%	8.6%	9.2%	9.6%	10.2%	11.1%	12.0%	8.8%
	CFAF million	1,280	2,508	3,190	3,885	4,205	4,912	5,384	6,183	7,274	8,533	
Tot. spending on education (excl. ESR-FPA)	% tot. spending on educ.	69.8%	73.6%	74.4%	76.4%	75.8%	77.3%	77.7%	78.8%	79.9%	81.1%	76.5%
	CFAF million	21,253	26,637	29,795	35,777	37,050	41,206	43,645	47,663	52,397	57,855	
Current spending (excl. ESR-FPA)	% tot. gov. current spending excl. debt	9.3%	9.7%	10.5%	11.7%	12.8%	13.8%	15.2%	16.6%	18.2%	20.2%	13.8%
	CFAF million	14,942	15,894	17,983	21,152	24,353	27,279	31,168	35,215	39,971	45,449	
Capital spending (excl. ESR-FPA)	% tot. spending on educ. Excl. HER-VET-Literacy	29.7%	40.3%	39.6%	40.9%	34.3%	33.8%	28.6%	26.1%	23.7%	21.4%	31.8%
	CFAF million	6,311	10,742	11,811	14,625	12,698	13,927	12,477	12,448	12,426	12,406	
Public spending on FPA	% tot. spending on educ.	1.1%	1.1%	1.3%	1.4%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.5%
	CFAF million	327	415	532	673	839	903	982	1,059	1,143	1,224	
Public spending on ESR	% tot. spending on educ.	29.1%	25.3%	24.3%	22.1%	22.5%	21.0%	20.6%	19.5%	18.4%	17.2%	22.0%
	CFAF million	8,869	9,144	9,716	10,352	10,999	11,214	11,551	11,800	12,063	12,245	
Tot. spending on educ. (inc. ext. financing)	CFAF million	30,449	36,195	40,043	46,803	48,888	53,324	56,178	60,522	65,604	71,324	

Source: ESP Simulation Model revised in 2021.  
Note: Prices are in constants value, base 2020.

## A1.5. Data used for the analysis

### MAIN DATA SOURCES

Data used for the education chapter were taken from multiple sources, and the analyses were done with the most recent data and information available. These include:

1. Household survey data, namely the Multiple Indicator Cluster Surveys (MICS) 2000, 2006, 2010, and 2019; and the *Enquête Nationale sur les Monographies Communales* (ENMC) 2016.
2. The Education Management Information System (EMIS) for 2018–2019 and the *2010–2011 Statistical Yearbook*
3. Budget data extracted from Ges'Co for the period 2012–20 on domestically financed expenditures from the MFB
4. External financing data for the period 2018–20 from the MEPC
5. Payroll data extracted from GIRAFFE for the period 2017–20 from MFB
6. Learning outcomes data from the 2018–2019 EGRA conducted in the Bangui school inspectorate as part of the Education Sector Plan 2020–2030
7. The World Development Indicators (WDI), the World Economic Outlook (WEO), the UNESCO Institute of Statistics (UIS) consulted in May 2021, and the World Population Prospects (2019 revision)
8. Projections data on macroeconomic variables for the period 2021–30 from the IMF and the World Bank
9. Education Sector Plan Simulation Model for projections on the key variables of the education sector (enrollment of student, teachers, classrooms, and associated costs, etc.)

### LIMITATIONS OF THE DATA

The limitations encountered are as follows:

1. The greatest challenges in carrying out the empirical analysis using the administrative data collected was the inability to link different datasets. For example, there are discrepancies between the information provided on the payroll data and wages and salaries as recorded on the budget data extracted from Ges'Co, constraining the analysis on the wage bill.
2. The current budget nomenclature does not allow tracking of the budget allocation at the regional level and cannot be disaggregated by level of education. The lack of an integrated and effective data collection process within the different entities of the sector is a critical weakness of the system that has direct repercussions on the validity and accuracy of policy making.
3. External financing is also classified based on the implementing ministry and as such does not allow to distinguish funding by sector.
4. Another challenge was the inability to receive usable data on retirement costs and database on contractual and temporary teachers:
  - It was not feasible to ascertain how much a retired teacher costs to the government and how the government plans to pay for such future costs, etc.
  - Payroll data on contractual and temporary teachers who are paid from a specific budget line, with a particular dataset, which is different from the payroll budget line.

### ADJUSTMENTS MADE TO THE DATA FOR THE ANALYSIS

For the purpose of the analysis of spending in the education sector, two main adjustments were made and are presented below.

In terms of economic classification three spending items were adjusted in the following manner:

1. Textbooks and learning materials as “goods and services” instead of capital expenditures.
2. Salaries of contractual and temporary teachers as “salaries and wages” instead of goods and services.
3. In terms of external financing in the education sector, project grants were classified as education projects based on the project's objective. In addition to these education projects (such as the World Bank-financed Emergency Basic Education Support Project), multisectoral projects that appear to be “mostly” focused on education (such as the African Development Bank-financed Support Programme for the Reconstruction of

Grassroots Communities 1) have therefore been taken into to determine the total amount of project grants awarded to the education sector.<sup>174</sup>

### UPDATES PROVIDED TO THE SIMULATION MODEL OF THE ESP 2020–2029

The strong impact of the COVID-19 pandemic and 2020–21 elections turmoil on the government revenues and education sector are taken into account in the revised version of the ESP simulation model. Most importantly, the realization of all the ESP targets originally planned for 2029 have been postponed by one year, and the final target for the proportion of spending on education in total government spending has also been reduced by one percentage point (22 percent instead of 23).

The impact on the education system of the near absence of schooling for about a year has been taken into account in the simulation model as follows:

1. A negative impact on repetition and dropout rates in 2020–21 of +25 percent and a hysteresis effect (this shock only gradually decreases).
2. The increase in the number of teacher training institutes (ENF, CPR etc.) has been postponed by one year.
3. The target for STR in secondary schools in 2030 has been revised upwards, from 47.5 to 50, to take into account the shock of not hiring temporary teachers in 2020–21.
4. It is assumed that only an average of 8 percent of the classroom constructions planned for 2020–21 has been completed (estimate based on the EBESP).
5. The remaining parameters used in the simulation model for the 2020–21 school year are considered to be the same as they were in 2019–20 (i.e. there is no improvement as it was anticipated when the simulation model was developed in 2019–20).

Finally, the following information is taken into account:

1. There was no enrollment of student-teachers in CPRs in 2020–21 and 2021–22, as opposed to what was planned in the initial version of the simulation model.
2. The number of teachers recruited in 2020–21 and new information from the payroll data 2017–20.

## A2. SOCIAL PROTECTION

### A2.1. SP spending in CAR: administrative data collection and sources

**There is no official SP estimate in CAR.** Computing the SP spending aggregate is complex as it involved several constraints: (1) there are different types of SP interventions, (2) there are many actors, and (3) there are no reporting or monitoring mechanisms that track SP interventions in the country. Most SSN programs are externally financed, and when data is available, it is often under the form of aggregated expenditure, including both administrative and spending on benefits (what goes into hands of beneficiaries). Disentangling administrative data from the benefits is a key element to estimate the SSN spending in the country. Additionally, program expenditure data from donor agencies are often available for the project duration (usually several years), leading to annual averages of SSN spending rather than actual disbursements per year. Section A2 below offers an estimate for the annual SSN spending in 2019, focusing on benefits only. The source of data varies by program, as well as the method used to estimate SSN spending, as detailed below:

#### A1. National programs financed by international partners:

**PACAD:** Spending on the Service Delivery and Support to Communities Affected by Displacement Project (PACAD) project has been accurately estimated using monitoring data on CT payments (see program description in Appendix A2.2). The implementation unit of the PACAD tracks all CT payments by district (*sous-prefecture*) from May 2018 to November 2020 (see summary of spending by trimester and region in PACAD description below). The national SSN aggregate includes PACAD spending from 2019.

<sup>174</sup> Conversely, the amounts of projects in which the component related to the education sector is the minority are not included in the total value of direct support to this sector.

**LONDO:** The Implementation Status Results Reports (Bance 2016, 2017, 2018; Fraiji 2020a,b; Fraiji 2021) from the World Bank present the cumulative numbers of LIPW beneficiaries, in terms of worked-days. The cumulative numbers of LIPW beneficiaries have been multiplied by the daily salary, to obtain the cumulative expenditure since the beginning of the project in 2016 until June 2020, which was then divided by the numbers of years. In addition to stipends, beneficiaries receive a bike after completion of the 40-day contract (see program description in Appendix A2.3), which represents an in-kind benefit. The latter has been estimated using the price of the bike from the project procurement plan (CFAF 65,000) and multiplied by the number of cumulative number of LIPW beneficiaries, and then divided by the number of years. A detailed description of LONDO is available in Appendix A2.3.

## A2. Nationally financed SSN interventions:

Nationally financed SSN interventions (next to PACAD and LONDO) have been estimated using executed budget data of 2019 and 2020. More specifically, we reviewed intervention expenditure of all ministries (not only MAHRN, MPFFDE, and MTEPS) and included in our estimate those directly linked with SSN. The SSN aggregate relates to 2019 executed spending only (as 2020 executed spending data was not available). The following interventions are included in our SSN aggregate:

From MPFFPE:

- 2 social care interventions targeting mothers and children (*Direction de la Petite Enfance et de la Solidarité* and *Centre de la Mère et de l'Enfant*) (not executed in 2019)
- 1 social care intervention targeting blind and deaf beneficiaries (*Centre de Formation des Sourds Muets et Aveugles de Ben-zvi*) (not executed in 2019)
- From MSP:
- Health targeting subsidies (free care for women victims of violence, subsidized treatment for HIV patients, and state contributions to subsidized vaccinations)

From MES:

- 7 scholarships programs for higher education (including 3 for studying abroad)

From MAHRN:

- 1 cash transfer for displaced community members (PACAD). Following the PACAD model, the MAHRN has financed a CT using mobile phones in Berberati.
- 7 interventions to vulnerable households (2 for victims of natural disasters)
- 5 interventions supporting activities of NGOs and local associations

**TABLE A2.1. NATIONALLY FINANCED SSN INTERVENTIONS**

Ministry	Program type	Program category	Budget 2019	Executed 2019	Budget 2020	Budget 2021
MPFFDE	Social care services	For children and mother	20,000	0	5,000	5,000
MPFFDE	Social care services	For disabled (blind and deaf)	15,000	0	16,000	0
MSP	Food/in-Kind	Targeting subsidies: health	700,000	700,000	530,000	130,000
MES	In-Cash	Scholarships	3,410,000	2,460,016	2,675,000	2,275,000
MAHRN	In-Cash	Support to NGOs and local association (for program implementation)	410,560	407,450	310,000	155,000
MAHRN	In-Cash	PACAD	550,000	550,000	550,000	550,000
MAHRN	n.a.	Support to vulnerable households	900,560	895,506	1,016,219	841,219

Source: Compiled from Executed 2019 and *Loi des Finances* 2020.

## A3. Donor-financed SSNs:

Other SSNs funded and implemented by donors have been identified, including: (1) school feeding programs, started in 2017 by the World Food Programme (*Programme Alimentaire Mondial*—PAM) and UNICEF; and (2) a set of trainings, income generating activities (*activité génératrices de revenue*—AGR), and agricultural inputs distributions. Annual data on the school feeding program is partially available: only school feeding financed by UNICEF in 2019 is included in the SSN spending estimate. PAM school feeding data is not available for 2019 (the PAM school feeding budget was US\$7.6 million in 2018, for an estimated 100,000 children (MEPC 2018). Training and AGR activities have been estimated using data reported in the annual report of the RCPCA in 2020 (Central African Republic Government 2020).

## A4. Humanitarian projects:

There are a large number of emergency and humanitarian projects from NGOs and bilateral and multilateral donors reported under the **Cash Working Group** from the United Nation Office for the Coordination of Humanitarian Affairs (OCHA). The Cash Working Group collects information on program spending and beneficiaries per semester, covering 26 partners in 2019 and 37 in 2020.

Next to activities recorded under the OCHA Cash Working group, the “Return and Reintegration Support Project in the Central African Republic” (**PARET**) is a large-scale national humanitarian project. The project started in 2017, under the management of the Ministry of Humanitarian Action and National Reconciliation and with the financial support from UNHCR. The project aims to support the voluntary return of internally displaced persons to their areas of habitual residence by ensuring that the return takes place in safety and dignity with particular attention to vulnerable people. The main activities over 2017–20 were the closure of more than 43 IDP sites including 32 sites in Bangui. The closure of camps was accompanied by mostly one-time financial support for the return of 23,189 households (50,227 people), over the period 2017–20.

## A5. LM data:

LM data includes spending on training and income-generating activities (*activité génératrice de revenu*—ARG). Information come from the annual report of the National Recovery and Peacebuilding Plan for the Central African Republic Mutual Commitment Framework (*Plan national de relèvement et de consolidation de la paix en république centrafricaine et du cadre d'engagement mutuel*—RCPCA-CEM 2017–2021). The PARET project also includes income-generating activities for IDPs reintegration. In 2019, 20 associations carrying income-generating activities provided financial support for the implementation of socioeconomic activities to 300 returnees.

## A6. Coverage:

Coverage is estimated using available administrative data. It includes coverage from all humanitarian projects, PACAD, and LONDO. Coverage from nationally financed SSN programs is partially available only (3,200 households benefited from the mobile phone CT, representing approximately 16,000 individuals). Note that coverage of LONDO is estimated using the total of direct beneficiaries of the public work (those who are hired under the program) over the four years (2016–20) of the program implementation (see Appendix A2.3 on LONDO). PACAD coverage, including direct and indirect household members, reached 77,880 individuals (equivalent to 15,576 households) (see Appendix A2.2 on PACAD). The humanitarian and emergency-related coverage has been estimated at the individual level using UN Cash Working Group reports. Coverage from PARET has been estimated taking into account the 2019 coverage (1,702 households, representing 6,012 individuals), and included in humanitarian coverage.

## A2.2. PACAD description

The Service Delivery and Support to Communities Affected by Displacement Project (PACAD) project started in 2017, with the objectives of alleviating poverty and improving living conditions and economic opportunities for both IDPs and host communities. It consists of two main activities: the provision of safety nets (component 2); and improvements in services and investments in infrastructure (component 1), which also lead to temporary job creation. It also includes community mobilization, capacity building, technical assistance, and project management

related to the implementation of activities in component 1 and 2 (component 3). The project is financed by the World Bank (initial cost of US\$28 million over 2017–21, with US\$15 million for component 1, US\$8 million for component 2, and \$5 million for component 3). PACAD has been scaled up by an additional financing (AF) in 2020–21 (IDA grant of US\$16 million) to support the government's effort to mitigate the impacts of crises, such as COVID-19 and ongoing flooding, and promote stability, while building the government's capacity to manage safety net programs.

Component 1: The project initially focused on building infrastructure and investments that can benefit both the displaced and the host communities. Infrastructure investments focus on a mix of basic services, urban roads, and roadside drainage that can benefit the general population, have limited maintenance requirements, and are labor intensive. Over 2017–21, several projects are taking place, from the construction of urban roads in Bambari, to the rehabilitation of the Bangui PK5 Madou and Kokoro drainage system collection, and the Bambari city hall park, and solar streetlamps in Kaga Bandoro and Paoua. Ongoing projects are expected to be finalized by June 2021.

Component 2: The cash transfer program of the PACAD provides timely and regular cash transfers (CT) to selected households for a two-year period. They serve as a relief to vulnerable households in areas affected by forced displacement so as to fill immediate consumption gaps and prevent negative coping strategies such as sell/loss of assets. With the additional financing in 2020, the CT program is expanding compared to initial plan (AF of US\$12 million for component 2), by scaling up coverage to include communities affected by crisis, including COVID-19 and flooding, in addition to forced displacement. The project duration has also been extended until June 2023 (instead of 2021 according to the initial project).

The additional financing also aims at reinforcing project coordination, monitoring and evaluation, and building the basis for an SSN system (AF of \$4 million for component 3).

In addition to CT, the PACAD provided additional benefits to the following populations (over 2017–20): (i) 44,356 person-days of employment have been created, (ii) 92,020 people were provided with improved urban living conditions, and (iii) 2,067 individuals have participated in consultation activities.

**TABLE A2.2. MAIN FEATURES AND BENEFICIARIES OF PACAD**

Regions	Bambari, Kaga Bandoro, Paoua and Bangassou
Financing agency	World Bank
Responsible agency (borrower)	MEPC
Implementation agency	Ministry of Humanitarian Action and National Reconciliation, with UNOPS contracted as service provided
Targeting	Vulnerability and Community
Type of transfer	In Cash (+ expected transition to mobile payments)
Benefit level	CT of CFAF 25,000 per household per quarter (this level of transfer is approximately 10–15 percent of the food consumption level of a household of five people) <sup>175</sup>
Coverage	2020: 77,880 individuals (15,576 households)
Spending	2020: CFAF 845 million
Gender equity	63% of female beneficiaries
Starting year	2017

<sup>175</sup> Under the AF, a COVID response CT is also planned. Due to their emergency nature, the crisis-response CTs (for COVID-19 and floods) would consist of four quarterly payments of CFAF 25,000 to protect their food security and assets. The crisis-response CTs would be available only to those who do not already benefit from the PACAD standard CT in order to spread benefits. The total number of expected beneficiaries is estimated at 30,000 households, corresponding to 150,000 individuals.

Beneficiaries:

	2017	2018	2019	2020	2021 (AF)
Households	1,000	8250	15000	15,576	
Individual	5000	63,250	77,660	77,880	
% of female	60	60	53	63	
% of displaced	80		56	80	
Locations	Bambari	Bambari and Kaga Bandoro	Bambari, Kaga Bandoro, Paoua and Bangassou	Bambari, Kaga Bandoro, Paoua, and Bangassou	Bambari, Kaga Bandoro, Paoua, Bangassou, + Bria and Bangui (if security situation permits)

Sources: World Bank 2017; Fialho Lopes 2017; Fialho Lopes 2018; Fialho Lopes 2018a, Fialho Lopes 2018b, Fialho Lopes 2019, Auffret 2020a and Auffret 2020b; and World Bank 2020.

### A2.3. LONDO description

LONDO provides temporary employment to vulnerable household through a large public lottery system for all individuals ages 18 years old and more. Beneficiaries are offered a 40-day work contract, at the subsistence wage of CFAF 1,500 per day (approximately US\$3). They also receive a bike as a way to join the worksite, which they can keep after successful completion of the 40 days of work. Women's participation in the LIPWs is encouraged through project communications, but there is no formal quota of female beneficiaries. As of June 2019, 34 percent of beneficiaries were women.

With the COVID-19 pandemic, LIPW activities have been suspended and resources under the project have been refocused on two activities: (1) production of non-surgical masks to distribute to population, which created employment for 328 sewing workshops—10 million masks were produced and 10,752 tailors and their assistants employed, for a total of 741,496 worked days (person days); (2) construction of boreholes in the suburbs of Bangui (Bégoua and Bimbo II), which allow access to clean water for an estimated 45,000 beneficiaries.

The project is under the leadership of MEPC and is financed by a World Bank grant. The ministry delegated project implementation through a service agreement with the CAR Agency for the Execution of Works of Public Interest. Since 2020, the implementation has been directly executed by the LONDO+ Project Implementation Unit.

**TABLE A2.2. MAIN FEATURES AND SPENDING OF LONDO**

Regions	National (present in the 71 sous-prefectures)
Financing agency	World Bank
Responsible agency (borrower)	Under the leadership of the Minister of Economy, Planning and Cooperation
Implementation agency	CAR Agency for the Execution of Works of Public Interest (AGETIP-CAF) (until 2020, then with the LONDO+ Project Implementation Unit)
Targeting	Lottery
Type of transfer	40 days of work at CFAF 1,500/day (equivalent to US\$3)
Coverage	In 2020: 38,000 LIPW beneficiaries in 70 districts and maintained 2,296.04 km of roads (1,499,194 person-days). Thus, the total numbers of beneficiaries over 2016–20. COVID response: 3,349 beneficiaries were remunerated to produce the non-medical masks, and 544,203 non-medical masks were manufactured

Regions	National (present in the 71 sous-prefectures)
Spending on benefits	2020 spending on stipends: CFAF 2,450 million 2020 spending on bikes: CFAF 2,470 million Total: 0.07 percent of GDP
Gender equity	36 percent of female beneficiaries in 2018, 34 in 2019, and 38 in 2020
Starting year	2016

LONDO spending, 2016–20

	2016	2017	2018	2019	2020
Cumulative spending* on LIPW (CFAF thousand)	504,583	1,100,872	1,464,565	1,750,978	2,248,791
Yearly spending increase** (CFAF thousand)	504,583	596,289	363,693	286,413	497,812

Source: Own compilation based on Bance 2016, 2017, 2018; Fraiji 2020a,b, 2021; and Grumelard 2019.

\* Including investment expenditure in tools and equipment, management, and administrative cost as well as the spending on salaries and the cost of bikes.

\*\*The month of reporting varies per years (June in 2016, 2017, and 2020 and March in 2018 and 2019); hence the yearly increases do not necessarily represent 12 months' increase.

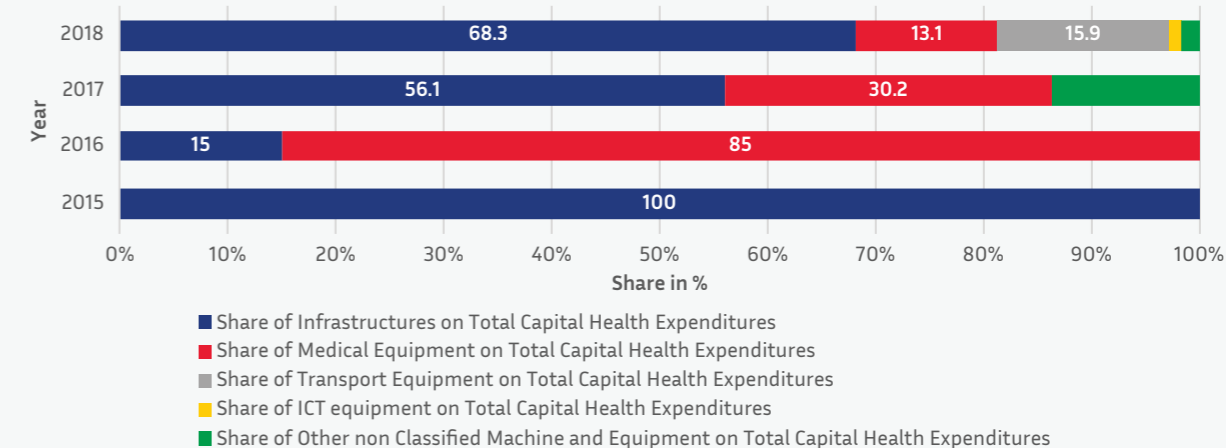
## A3. HEALTH

TABLE A3.1. DISTRIBUTION OF HEALTH FACILITIES BY FUNCTIONALITY STATUS AND HEALTH REGIONS FROM THE LATEST WHO HERAMS/SURVEY

Health regions	Central hospitals		Districts hospitals		Regional hospitals		Secondary hospitals		Health centers		Health posts		TOTAL		TOTAL
	F <sup>1</sup>	NF <sup>2</sup>	F	NF	F	NF	F	NF	F	NF	F	NF	F	NF	
Health region 1	1	0	5	0	0	0	4	0	80	3	58	16	148	19	167
Health region 2	0	0	5	0	1	0	2	0	72	3	56	13	136	16	152
Health region 3	0	0	7	0	1	0	1	0	53	8	129	37	191	45	236
Health region 4	0	0	3	0	1	0	3	0	47	2	79	20	133	22	155
Health region 5	0	0	2	0	1	0	2	0	19	1	47	5	71	6	77
Health region 6	0	0	5	0	1	0	3	0	51	10	57	41	117	51	168
Health region 7	4	0	0	0	0	0	0	0	44	7	9	0	57	7	64
Total	5	0	27	0	5	0	15	0	366	34	435	132	853	166	1019

Source: 2019 SARA/HeRAMS Survey (this is from the SARA/HeRAMS Survey sample covering 98 percent of total health facilities in the country).  
\*1 F: Functional \*1 NF: Non Functional

FIGURE A3.1. DIFFERENT TYPE OF CAPITAL HEALTH SPENDING

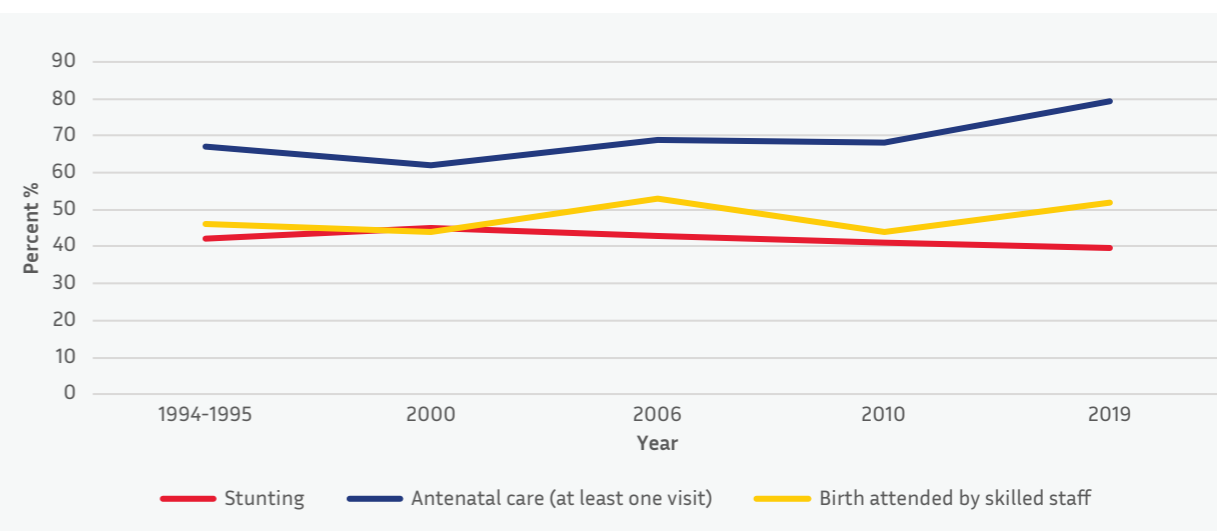


Source: Author computations using the 2015–2018 NHA.

### Box A 3.1. The uneven distribution of health workers in CAR

Region 4, with 13 percent of the population, has the highest rate of under-five mortality in the country (2 times more than in Bangui); a stunting rate of 39.6 percent (18.6 percentage points higher than in Bangui); twice as many health facilities per 10,000 inhabitants as Bangui, including 79 total functional health posts (the second largest after Region 3 and roughly 8.7 times more than Bangui); 7 functional hospitals (3 more than in Bangui); and 49 functional health centers (5 more than Bangui). Region 4 only has 1 health professional per 10,000 inhabitants as compared to 31 health professionals per 10,000 inhabitants in Bangui. Region 6, with 12 percent of the population, has the second highest stunting rate in the country (43.1 percent, roughly 2 times more than in Bangui); the second-highest under-five mortality rate in the country of 108.2 per 1,000 live births (1.8 times higher than in Bangui); twice the total number of health facilities per 10,000 inhabitants as Bangui, including 57 total function health posts (roughly 6 times more than Bangui), 9 functional hospitals (5 more than Bangui), and 61 functional health centers (17 more than Bangui). Region 6 only has 1 health professional per 10,000 inhabitants as compared to 31 health professionals per 10,000 inhabitants in Bangui.

FIGURE A3.2. TREND IN KEY HEALTH OUTCOMES INDICATORS IN CAR



Sources: WDI and CAR 2018 MICS survey.



**TABLE A3.2. TOTAL GENERAL HEALTH EXPENDITURES BY FINANCING SOURCES (TREND 2012–18)**

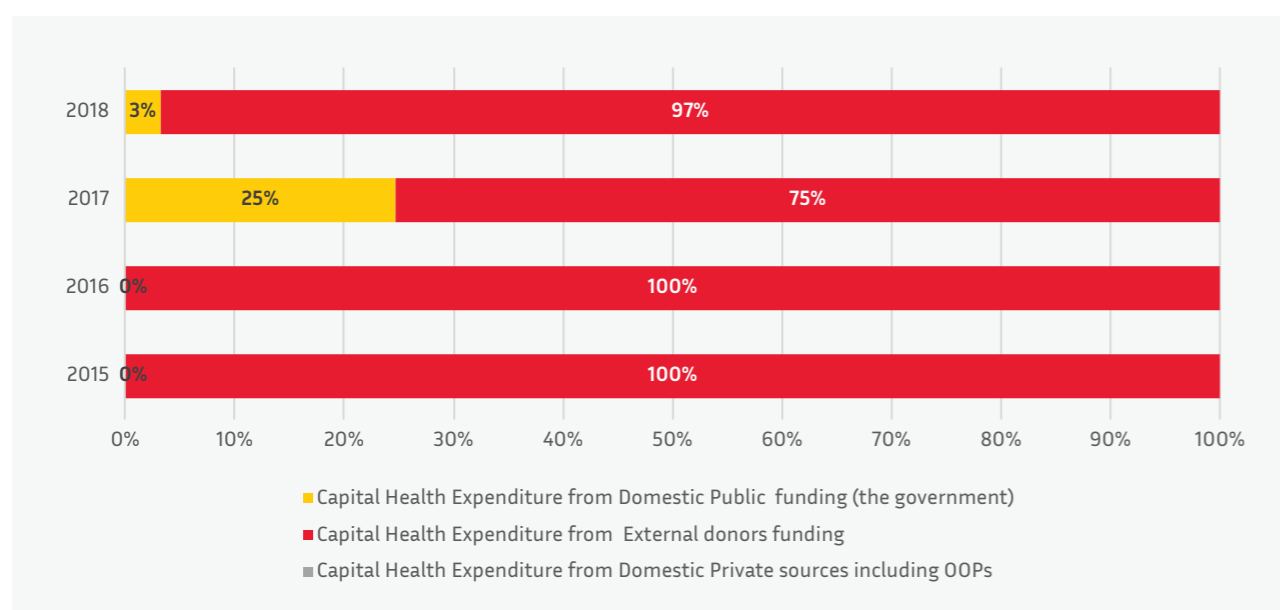
Indicators	Donor spending per capita (in US\$)	Donor spending (% of current health expenditure)	Domestic general government health expenditure per capita (in US\$)	Domestic general government health expenditure (% of current health expenditure)	Out-of-pocket per capita (in US\$)	Out-of-pocket (% of current health expenditure)	Other Domestic Private health spending per capita (in US\$)	Other domestic private health spending (% of current health expenditure)	Total current health expenditures per capita (in US\$)
2012	5.5	27.0	3.5	17.2	11.2	54.7	0.2	1.1	20.5
2013	6.1	34.1	3.6	20.1	8.1	44.8	0.2	1.0	18
2014	7.2	34.5	3.0	14.5	10.4	50.2	0.2	0.9	20.8
2015	7.9	41.4	1.7	9.1	9.3	48.8	0.1	0.8	19.0
2016	7.2	32.8	2.4	11.0	12.1	55.2	0.2	1.0	21.9
2017	9.4	31.5	3.3	10.9	16.9	56.4	0.4	1.2	30
2018	27.6	51.4	3.4	6.3	22.4	41.7	0.4	0.7	53.7
Percentage change (base year 2015)	249%	24%	100%	-31%	141%	-15%	300%	-13%	183%

**TABLE A3.3. CURRENT HEALTH EXPENDITURES BY FUNDING SOURCES IN CAR WITH RELEVANT COMPARATOR COUNTRIES**

	Donor spending per capita (in \$ USD international PPP) <sup>a</sup> (in 2018)	Donor spending (% of current health expenditure)	Domestic general government health expenditure per capita (in US\$ international PPP)	Domestic general government health expenditure (% of current health expenditure)	Out-of-pocket per capita (in \$ USD international PPP)	Out-of-pocket (% of current health expenditure)	Other domestic private health spending per capita (in \$ USD international PPP)	Other domestic private health spending (% of current health expenditure)
Burundi	20.4	30.9	16.2	24.6	16.8	25.6	12.4	18.9
Cameroon	11.4	8.5	8.0	6.0	101.0	75.6	13.2	9.9
<b>CAR</b>	<b>49.8</b>	<b>51.4</b>	<b>6.1</b>	<b>6.3</b>	<b>40.4</b>	<b>41.7</b>	<b>0.7</b>	<b>0.7</b>
Chad	12.4	15.6	13.4	17.0	48.9	61.9	4.3	5.5
Congo	10.0	7.9	46.1	36.8	65.6	52.3	3.8	3.0
Ethiopia	23.9	35.9	15.6	23.4	23.6	35.5	3.5	5.2
Guinea	10.8	9.9	18.0	16.4	66.2	60.6	14.3	13.1
Kenya	27.8	15.5	75.5	42.1	42.3	23.6	33.6	18.7
Sierra Leone	66.6	25.9	25.0	9.7	115.2	44.8	50.5	19.6
Liberia	3,187.9 <sup>b</sup>	25.2	3,180.7	25.2	5,283.1	41.8	991.1	7.8
Mali	32.4	36.0	25.4	28.2	30.5	33.9	1.7	1.9
Mozambique	74.1	62.9	24.9	21.2	11.4	9.7	7.3	6.2
Niger	9.2	11.8	25.9	33.2	38.0	48.8	4.9	6.2
Burkina Faso	17.0	15.2	47.5	42.5	40.0	35.8	7.2	6.5
Sudan	22.3	7.6	66.9	22.8	194.1	66.2	9.7	3.3
SSA <sup>c</sup>	104.3	22.1	206.3	31.9	202.6	36.6	57.1	9.3
SSA excluding Liberia	37.2	22.1	141.7	32.1	92.2	36.5	36.8	9.4
<b>SSA excluding Liberia and CAR</b>	<b>37.0</b>	<b>21.4</b>	<b>144.7</b>	<b>32.6</b>	<b>93.3</b>	<b>36.4</b>	<b>37.6</b>	<b>9.6</b>
FCV	143.4	24.1	194.7	31.8	239.3	39.0	43.4	5.1
FCV <sup>d</sup> (Excluding Liberia)	48.21	24.05	101.36	32.01	81.69	38.92	13.77	5.03
<b>FCV<sup>d</sup> (Excluding Liberia and CAR)</b>	<b>48.15</b>	<b>23.16</b>	<b>104.44</b>	<b>32.84</b>	<b>83.02</b>	<b>38.83</b>	<b>14.19</b>	<b>5.17</b>
CEMAC	17.6	14.5	83.3	24.1	149.0	55.0	20.5	6.4
<b>CEMAC (excluding CAR)</b>	<b>11.2</b>	<b>7.1</b>	<b>98.7</b>	<b>27.6</b>	<b>170.7</b>	<b>57.6</b>	<b>24.5</b>	<b>7.6</b>
LIC <sup>e</sup>	150.0	29.9	141.6	21.8	244.7	41.1	45.5	7.2
<b>LIC (excluding Liberia and CAR)</b>	<b>32.5</b>	<b>29.2</b>	<b>25.5</b>	<b>22.3</b>	<b>51.3</b>	<b>41.1</b>	<b>9.5</b>	<b>7.4</b>

a. A PPP exchange rate is the number of units of a country's currency required to buy the same amount of goods and services in the domestic market as the U.S. dollars would buy in the United States.  
b. Such high values are attributed to the \$ PPP exchange rate which has been the lowest in Liberia in 2018 with 1 international dollar equal to only 0.5 Liberian dollars and with a US\$ to Liberian dollars exchange rate equivalent to 144.0 implying that the US Current international dollars in Liberia should be multiplied by 278.32 to get the PPP International \$ amount equivalent.  
c. 47 countries as per the WHO.  
d. For a total of 33 countries, excluding West Bank and Gaza territory and Kosovo whose data doesn't exist in the WHO GED database and also excluding 4 FCV countries with missing data across our core indicators in the dataset namely Libya, Somalia, Syria and Yemen in lieu of the 39 FCV countries listed here: <https://pubdocs.worldbank.org/en/888211594267968803/FCVList-FY21.pdf>.  
e. For a total of 33 countries, excluding West Bank and Gaza territory and Kosovo whose data doesn't exist in the WHO GED database and also excluding 4 FCV countries with missing data across our core indicators in the dataset namely Libya, Somalia, Syria and Yemen in lieu of the 39 FCV countries listed here: <https://pubdocs.worldbank.org/en/888211594267968803/FCVList-FY21.pdf>.  
f. Using the 2018 Income group classification.

**FIGURE A3.3. BREAKDOWN OF CAPITAL HEALTH EXPENDITURES BY FINANCING SOURCES**



Source: Author computations using the WHO GED database.

**TABLE A3.4. CAPITAL HEALTH EXPENDITURES BY FINANCING SOURCES IN CAR**

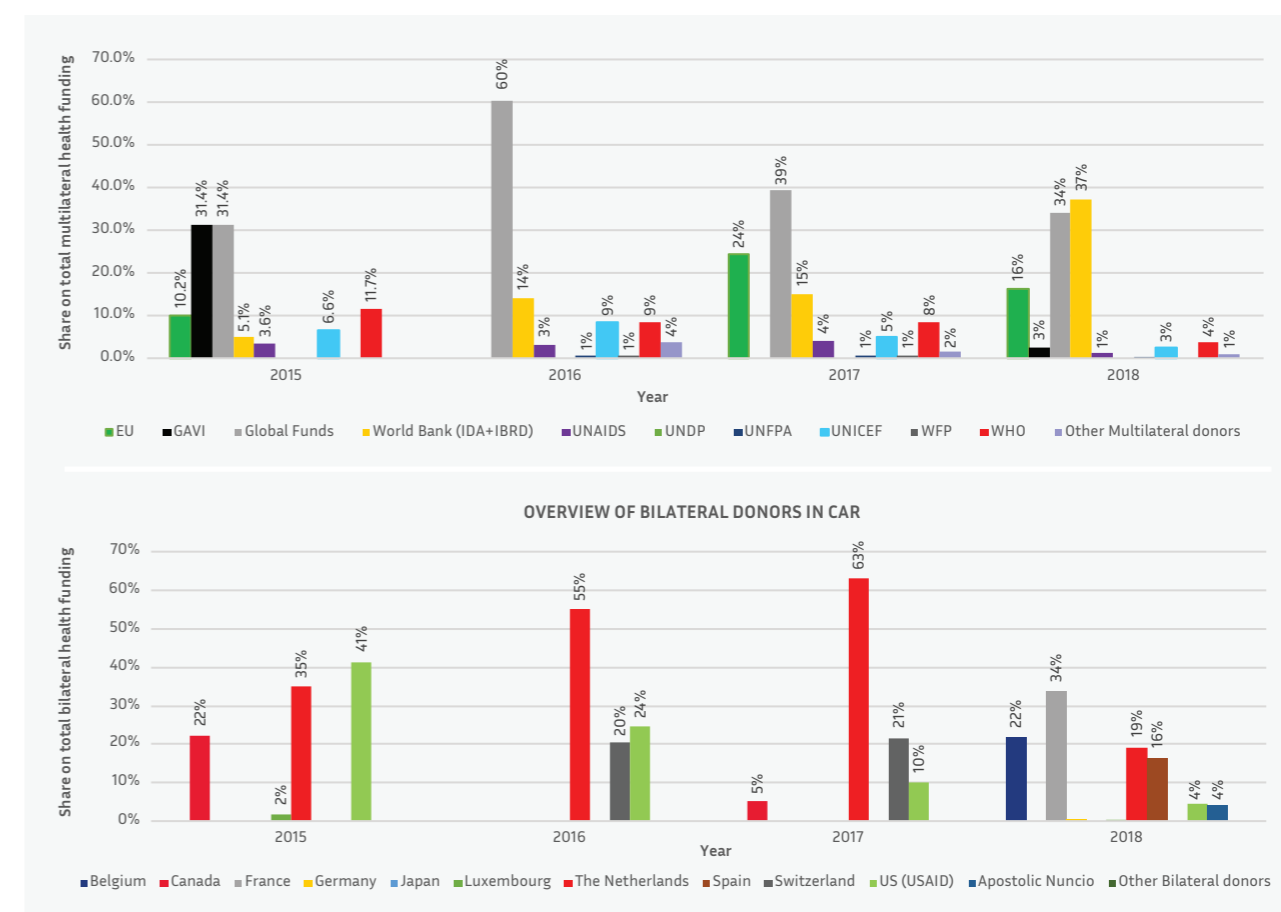
	Capital health expenditures (in US\$ millions PPP)	Capital health expenditures per capita (in \$ PPP international)	Capital health expenditures funded by external donors (in millions international \$ PPP)	Capital health expenditures funded by external donors (% of total capital health expenditures)	Capital health expenditures funded by domestic public sources (government) (in US\$ millions PPP)	Capital health expenditures funded by domestic public sources (government) (% of capital health expenditures)	Capital health expenditures funded by domestic private sources including out-of-pocket sources (in US\$ millions PPP)	Capital health expenditures funded by domestic private sources (% of capital health expenditures)
Cameroon	404.08	16.02	NA	NA	NA	NA	NA	NA
<b>CAR</b>	<b>8.3</b>	<b>1.8</b>	<b>8.0</b>	<b>97</b>	<b>0.3</b>	<b>3</b>	<b>0</b>	<b>0</b>
Congo, Rep.	24.0	4.6	NA	NA	NA	NA	NA	NA
Niger	113.18	5.04	46.00	41	52.6	46	14.6	13
Burkina Faso	156.3	7.9	8.6	5	140.0	90	7.7	5
<b>SSA<sup>a</sup> (excluding CAR)</b>	<b>212.5</b>	<b>20.2</b>	<b>103.6</b>	<b>48.7</b>	<b>69.1</b>	<b>32.5</b>	<b>39.8</b>	<b>18.7</b>
<b>FCV<sup>b</sup> (excluding CAR)</b>	<b>105.9</b>	<b>4.5</b>	<b>30.7</b>	<b>29</b>	<b>67.4</b>	<b>63.6</b>	<b>7.8</b>	<b>7.4</b>

Source: Author computations using the 2018 WHO GED database.

a. Here only 6 countries had data available on Capital Health Expenditures broken down by financing sources.

b. Here only 3 countries had data available on Capital Health Expenditures broken down by financing sources.

**FIGURE A3.4. YEARLY CONTRIBUTION OF MULTILATERAL DONORS ON TOTAL MULTILATERAL FUNDING IN CAR**



Source: Author computations using the 2015–2018 NHA.

**Box A3.2. Landscape of external financing in CAR**

From 2015 to 2018, The Global Funds had one of the highest contributions of total multilateral funding, followed by the World Bank, the UNDP, WHO, UNICEF, and GAVI. The share of bilateral funding on total external health financing in CAR increased by 16 percentage points, from 39 percent of total external financing in 2017 to 55 percent in 2018. Between 2015 and 2017, the Netherlands was the main bilateral donors in CAR with over 35 percent of total bilateral funding in the health sector, followed by the United States (USAID) and Switzerland

**TABLE A3.5. BREAKDOWN OF CURRENT HEALTH EXPENDITURES BY HEALTH CARE FUNCTIONS**

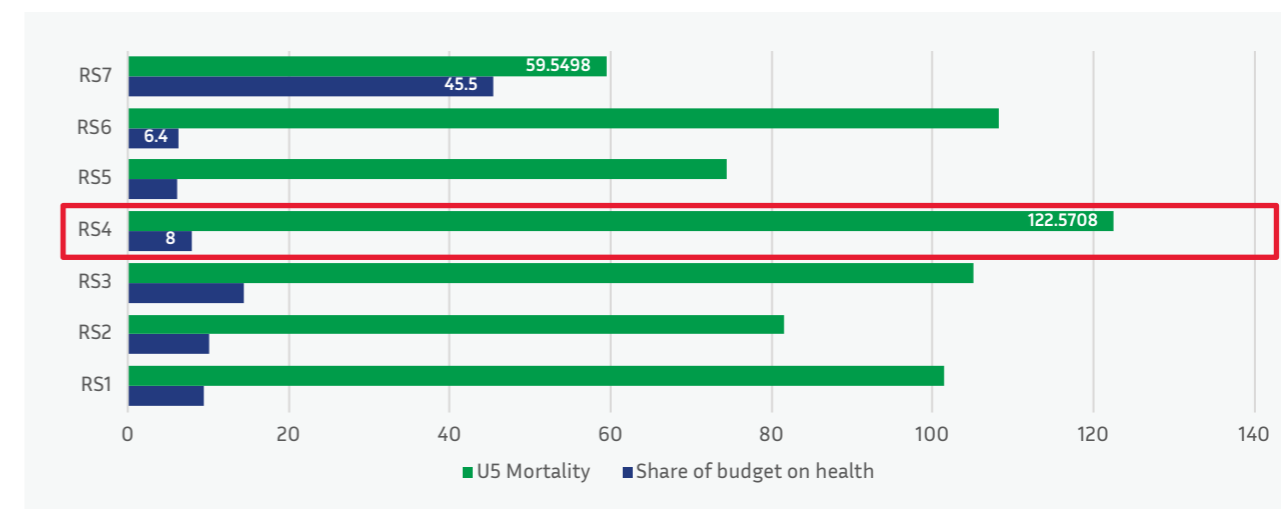
	Inpatient curative care (share of current health expenditures)	Outpatient curative care (share of current health expenditures)	Medical goods (share of current health expenditures)	Preventive care (share of current health expenditures)	Governance, health system and financing and administration (share of current health expenditures)
<b>CAR</b>	<b>5%</b>	<b>48%</b>	<b>1%</b>	<b>37%</b>	<b>8%</b>
Congo	32%	17%	26%	7%	15%
Ethiopia	5%	43%	1%	30%	10%
Guinea	6%	14%	44%	18%	10%
Kenya	22%	40%	3%	16%	18%
Liberia	4%	32%	11%	11%	19%
Mali	12%	42%	9%	30%	7%
Mozambique	6%	30%	0%	29%	23%
Niger	20%	19%	29%	14%	14%
Burkina Faso	15%	34%	18%	20%	10%

**TABLE A3.6. LEVEL AND SHARE OF REPRODUCTIVE HEALTH ON CURRENT HEALTH EXPENDITURES**

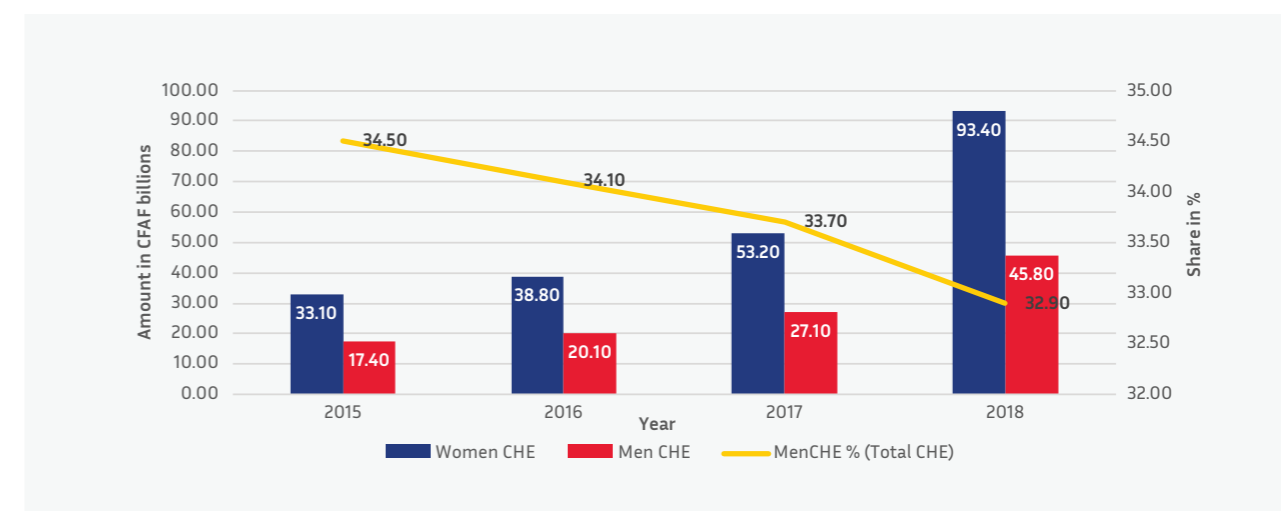
	Maternal conditions, in CFAF millions	Contraceptive management (family planning), in CFAF millions	Other reproductive health and contraceptive, in CFAF millions	TOTAL Category2: reproductive health, in CFAF millions
2015	1,519.99	128.13	5066.86	6,714.98
	3%	0.3%	10%	13%
2016	1,945.81	160.29	6501.85	8,607.94
	3%	0.3%	11%	15%
2017	2,872.48	374.66	9412.50	12,659.64
	4%	0.5%	12%	16%
2018	7,230.47	1046.01	18707.89	26,984.36
	5%	1%	13%	19%

Source: Authors' computations using the WHO GED.  
Note: The percentage in italic represents the share in current health expenditures.

**FIGURE A3.5. UNDER FIVE YEARS OLD MORTALITY RATE PER REGIONS AND SHARE ON CURRENT HEALTH EXPENDITURES**



**FIGURE A3.6. TREND OF CURRENT HEALTH EXPENDITURES BY GENDER**



Source: Author computations using the 2018 NHA, CAR.

**TABLE A3.7. LEVEL AND SHARE OF MISCELLANEOUS HEALTH CONDITIONS ON CURRENT HEALTH EXPENDITURES**

	Category 3: nutritional deficiencies, in CFAF millions	Category 4: noncommunicable diseases (NCDs), in CFAF millions	Category 5: injuries, in CFAF millions	Category 6: other and unspecified diseases and conditions, in CFAF millions
2015	3,443.46	2,605.39	0	684.73
	7%	5%	0%	1%
2016	2,531.19	4,053.71	0	812.08
	4%	7%	0%	1%
2017	5,485.49	5,564.12	0	1,240.83
	7%	7%	0%	2%
2018	6,385.41	8,629.90	0	2,100.85
	5%	6%	0%	2%

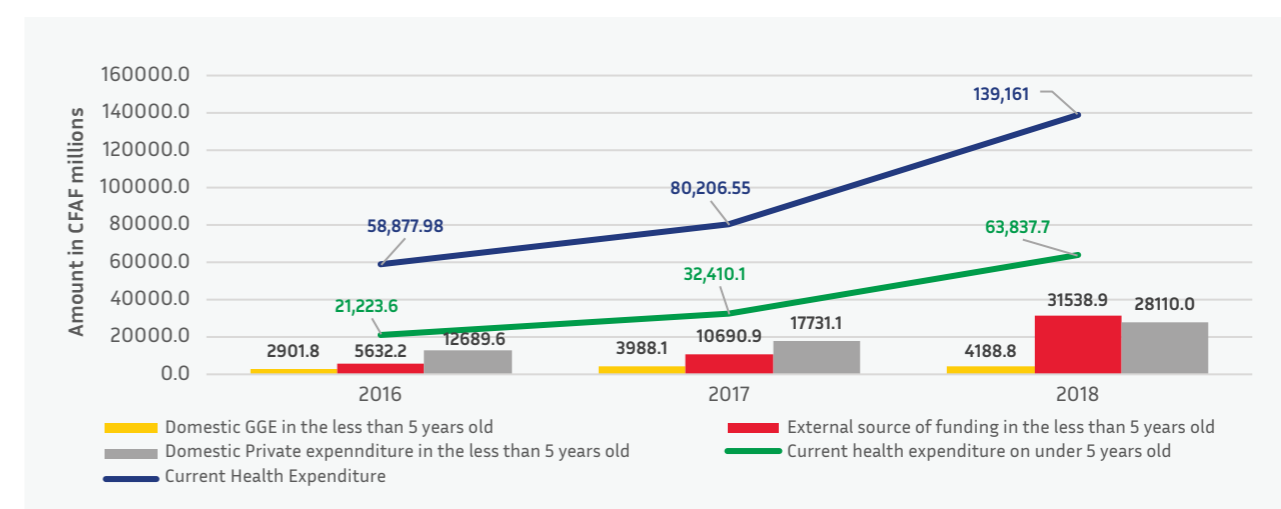
Source: Author computations using the 2015–2018 NHA.  
Note: The percentage in italic represents the share on current health expenditures.

**TABLE A3.8. BREAKDOWN/CATEGORIZATION OF TOTAL (CURRENT) HEALTH EXPENDITURES BY REGIONS**

Health Regions	2015		2016		2017		2018	
	Amount in CFAF billions	%	Amount in CFAF billions	%	Amount in CFAF billions	%	Amount in CFAF billions	%
RS1	4.8	9.6	7.7	13.0	8.8	10.9	13.1	9.4
RS2	3.7	7.3	6.6	11.3	9.2	11.5	14.0	10.1
RS3	6.8	13.5	8.7	14.8	8.8	11.0	20.2	14.5
RS4	3.1	6.2	5.4	9.1	7.5	9.4	11.2	8.0
RS5	1.1	2.2	1.5	2.5	1.6	2.0	8.5	6.1
RS6	3.0	5.9	4.2	7.1	4.1	5.2	8.9	6.4
RS7	27.9	55.3	24.8	42.2	40.1	50.1	63.4	45.5
Total	50.5	100	58.9	100	80.2	100	139.2	100

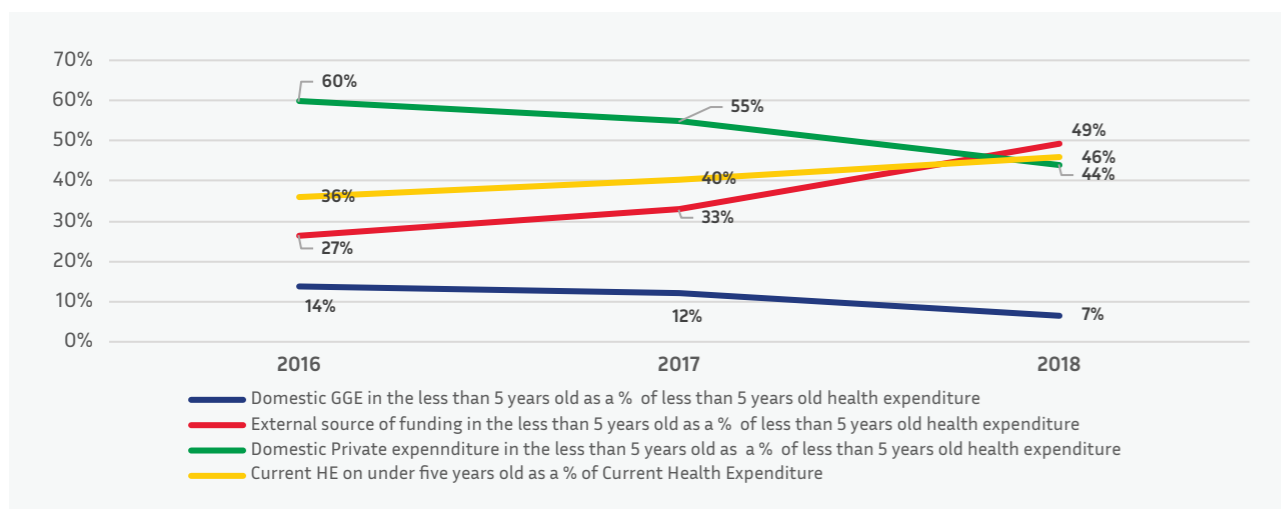
Source: Author computations using the 2015–2018 NHA.

**FIGURE A3.7. CURRENT HEALTH EXPENDITURES ON CHILDREN UNDER FIVE BY SOURCES OF FUNDING IN VOLUME**



Source: Author computations using the WHO GED.

**FIGURE A3.8. CURRENT HEALTH EXPENDITURES ON CHILDREN UNDER FIVE BY SOURCES OF FUNDING IN VOLUME (%)**



Source: Author computations using the WHO GED.



**TABLE A3.9. CURRENT HEALTH EXPENDITURES ON CHILDREN UNDER FIVE IN CAR AND RELEVANT COMPARATORS**

Indicators (as of 2018*)	Health expenditures to U5 years old per capita (in US\$) international PPP	Domestic general government health expenditure (in US\$) on U5 years old as a share of general government revenues (%)	U5 years old expenses as a % of the GDP	U5 years old expenses as a % current health expenditures	Domestic general government health expenditure to U5 years old PPP \$ international	External donor expenditures to U5 years old PPP \$ international	Domestic private health expenditure to U5 years old per capita PPP \$ international	Stunting rate
CAR	44.5	2.0	5.0	45.9	2.9	22.0	19.6	40.8
Niger	41.6	3.8	3.9	53.4	11.7	5.4	24.5	48.5
Mali	28.1	1.0	1.2	31.2	4.8	15.4	7.9	26.9
Benin	28.0	0.7	0.8	33.7	4.0	9.4	14.6	32.2
Guinea	34.0	1.3	1.2	31.1	5.8	3.1	25.0	30.3

Source: Author computations using the WHO GED.  
\* Latest year in the current WHO GED.

**TABLE A3.10. BREAKDOWN OF CURRENT HEALTH EXPENDITURES BY FINANCIAL SCHEMES**

	(I)			(II)			(III)		(IV)		TOTAL (I)+(II)+(III)+(IV) (in %)
	Compulsory financing arrangements as % of current health expenditure including government financing and compulsory private health insurance (including social health insurance and compulsory private health insurance)	Government financing arrangements as % of current health expenditure	Compulsory health insurance as % of current health expenditure including social health insurance and compulsory private health insurance	Compulsory health insurance as % of current health expenditure	Compulsory private health insurance as % of current health expenditure	Voluntary financing arrangements as % of current health expenditure including OOP payments	Voluntary health care payment	OOP payments	Rest of the world as % of current health expenditure	Other unspecified financing schemes (n.e.c.) as % of current health expenditure	
2012	24.29	24.29	0	0	0	75.70	21.0	54.7	0	0	100
2013	28.51	28.51	0	0	0	71.5	26.6	44.9	0	0	100
2014	24.49	24.49	0	0	0	75.50	25.3	50.2	0	0	100
2015	22.25	22.25	0	0	0	77.75	28.97	48.78	0	0	100
2016	25.98	25.98	0	0	0	74.01	18.81	55.21	0	0	100
2017	15.58	15.58	0	0	0	84.42	28.01	56.42	0	0	100
2018	13.41	13.41	0	0	0	86.59	44.91	41.67	0	0	100

Source: Author computations using the 2018 WHO GED.

**TABLE A3.11. TREND OF DOMESTIC GOVERNMENT HEALTH FINANCING, 2012–18**

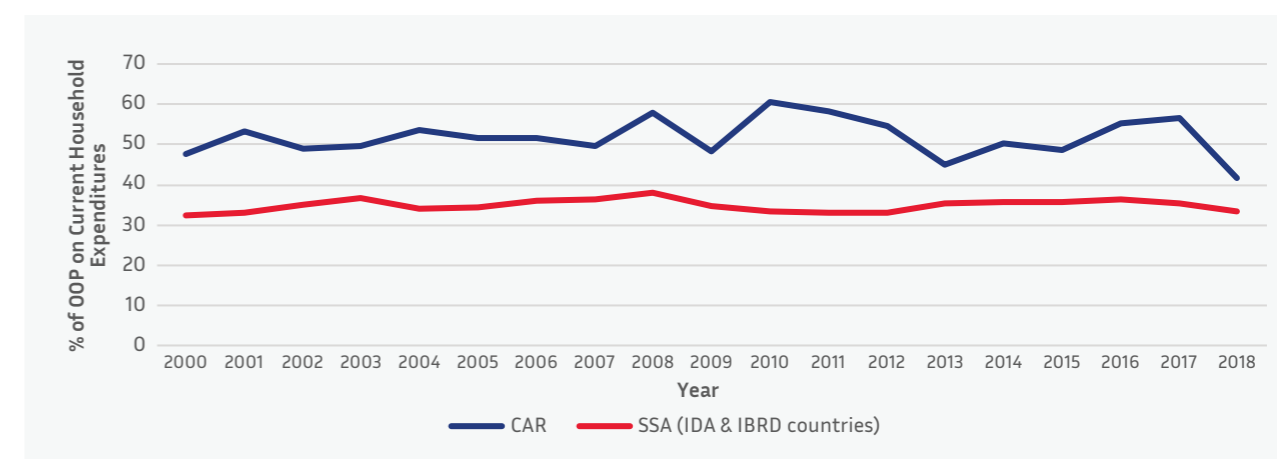
Indicators	Domestic general government health expenditure (% of GDP)	Domestic general government health expenditure per capita in PPP	Domestic government health spending (% general government spending) (priority to health) (%)
2012	0.6	3.5	4.3
2013	0.9	3.6	7.1
2014	0.7	3.0	3.9
2015	0.5	1.7	3.3
2016	0.6	2.4	5.0
2017	0.7	3.3	5.3
2018	0.7	3.4	4.2
Average 7-year increase-CAR (in pp/ absolute difference) (base 2012)	0.1	-3%	-0.1
Average 4-year increase-CAR (in pp/ absolute difference) (base 2015)	<b>0.2</b>	<b>100%</b>	<b>0.97</b>
4-year increase - LIC (base 2015)	0.0	9%	0.3
4-year increase - FCV (base 2015)	0.15	11%	0.01
4-year increase - SSA (base 2015)	0.0	13%	0.3
4-year increase - CEMAC (base 2015)	-0.1	0%	0.9

Source: Author computation using the 2018 WHO GED.

**TABLE A3.12. EXECUTED GOVERNMENT/PUBLIC SPENDING BY THE MINISTRY OF HEALTH, 2012–20**

	2012	2013	2014	2015	2016	2017	2018	2019	2020
Current GDP (in CFAF billions)	1,281.6	835.5	935.6	1,002.6	1,081.5	1,203.3	1,266.0	1,359.9	1,360.0
Total actual government budget (CFAF billions)	106.5	80.7	54.3	97.3	104.7	182.4	167.5	164.7	215.4
Total executed budget for the health sector (CFAF billions)	6.4	6.9	4.8	5.5	4.9	8.0	8.2	10.3	20.6
Total executed health budget as share of total executed government budget (%)	6.0%	8.6%	8.8%	5.6%	4.7%	4.4%	4.9%	6.2%	9.6%
Executed health budget as share of GDP (%)	0.5%	0.8%	0.5%	0.5%	0.5%	0.7%	0.6%	0.8%	1.5%
Yearly percentage change previous years_ Actual Government health Budget (%)	–	8.7%	-31.0%	14.4%	-9.9%	63.8%	1.9%	25.0%	101.1%
Yearly percentage change previous years_ Current GDP Per Capita (%)	–	-34.8%	12.0%	7.2%	7.9%	11.3%	5.2%	7.4%	0.0%
Yearly percentage change previous years_ Total Government Budget (%)	–	-24.2%	-32.8%	79.2%	7.7%	74.2%	-8.2%	-1.7%	30.8%

Source: Author computations using data from the Ministry of Finance and IMF WEO (for the GDP).

**FIGURE A3.9. TREND IN OOP PAYMENTS IN CAR AND SSA**


Source: Author using data from the 2018 WHO GED and WDI.

**TABLE A3.13. PROJECTED GHE PER CAPITA UNTIL 2026 UNDER THE STATUS QUO SCENARIO 1**

Projected variable	2020	2021	2022	2023	2024	2025	2026	Average yearly growth rate
GHE/GGE (Priority to health)	5.16	5.16	5.16	5.16	5.16	5.16	5.16	0%
GHE/ GDP	24.3	19.3	18.6	18.6	18.8	19.0	18.7	-4.27%
Projected GDP per capita in current US\$	489.9	552.3	590.8	624.6	659.1	694.3	729.9	6.87%
Projected GHE per capita in CFA Franc	3524.0	2918.1	2977.3	3139.1	3346.1	3556.8	3671.3	0.7%
Projected GHE per capita in current US\$ in CAR	6.13	5.50	5.68	6.00	6.41	6.81	7.03	2.3%
Projected GHE per capita in US\$ PPP in CAR	10.34	12.26	10.08	10.26	10.79	11.46	12.12	2.7%
Projected GHE per capita in current US\$ PPP in SSA	61.59	60.32	59.96	60.20	61.30	62.72	64.56	0.78%

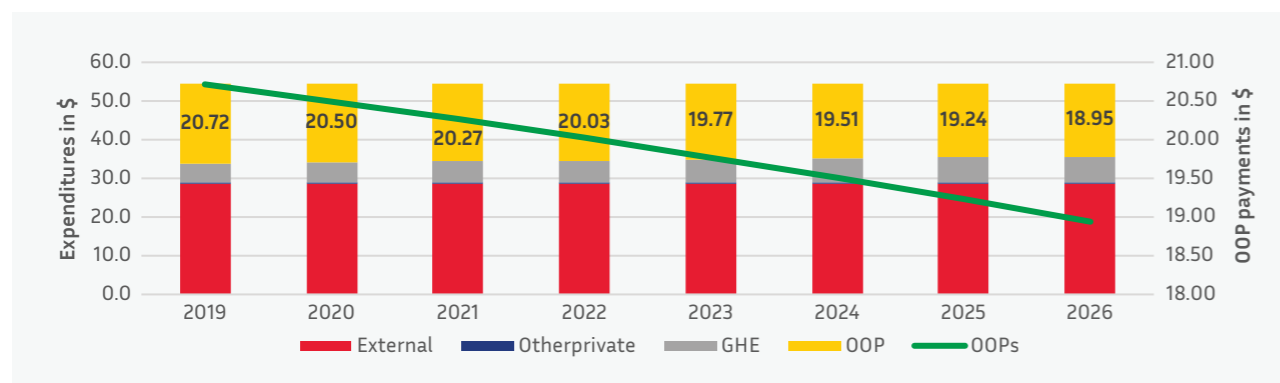
Source: Author using data from the 2018 WHO GED and WDI.

**TABLE A3.14. PROJECTED GHE PER CAPITA UNTIL 2026 UNDER PRO-HEALTH SCENARIO 2**

Projected variable	2020	2021	2022	2023	2024	2025	2026	Average yearly growth rate
Projected GHE per capita in current US\$ in CAR	5.26	5.5	5.7	6.0	6.2	6.5	6.8	4.4%
Projected GHE per capita in current US\$ in CAR in PPP	6.40	6.68	6.98	7.28	7.60	7.94	8.29	4.40%
Projected GHE per capita in current US\$ in SSA in PPP	236.1	252.1	269.1	287.2	306.6	327.3	349.4	6.75%

Source: Author using data from the 2018 WHO GED and WDI.

**FIGURE A3.10. PROJECTED TREND IN OOP PAYMENTS PER CAPITA UNDER SCENARIO 2**



Source: Author using data from the 2018 WHO GED and WDI.

**TABLE A3.15. PROJECTED GHE PER CAPITA IN 2026 UNDER PROCYCLICAL SCENARIO 3**

Projected variable	2020	2021	2022	2023	2024	2025	2026
Projected GHE per capita in current US\$ in CAR	3.18	2.95	2.80	2.68	2.55	2.41	2.28
Projected GHE per capita in current US\$ in CAR in PPP	6.03	5.71	5.21	4.69	4.17	3.64	3.12
Projected GHE per capita in current US\$ in SSA in PPP	170.1	176.5	185.4	194.8	204.2	213.9	223.3

Source: Author using data from the 2018 WHO GED and WDI.

**TABLE A3.16. COMPARATIVE ANALYSIS OF THE WAGE BILL**

	2017	2018	2019	2020
<b>Total Public Wage bill</b>	57400.4	58966.8	63747.0	68565.7
GDP ( Current in Billions CFA Franc)	1203.32	1265.64	1333.99	1371.89
% GDP	4.8%	4.7%	4.8%	5.0%
Total Public Employees (Number)	26 372	26 843	27 654	31 035
Average monthly wage bill per employee in (CFA Franc)	181380.4	183060.7	192097	184108.4
<b>Health Wage Bill</b>				
% of total public wage bill	5.7%	5.7%	5.5%	5.1%
in Millions CFA Franc	3292.7	3366.2	3479.0	3499.9
<b>Health Workers</b>				
Number	1882	1907	1873	1833
% total public employees	7.1%	7.1%	6.8%	5.9%
Average monthly wage bill per employee in (CFA Franc)	145 799.3	147 099.9	154 786.7	159 113.2
<b>Education Workers</b>				
% of total public wage bill	21.30%	21.10%	19.40%	18.30%
Number	6908	6863	6551	6506
% total public employees	26.20%	25.60%	23.70%	21%
<b>National Defense</b>				
% of total public wage bill	29.0%	29.6%	32.9%	33.9%
Number	9350	9051	10176	12368
% total public employees	35.45%	33.72%	36.80%	39.85%
Average monthly wage bill per employee in (CFA Franc)	148364.6	160708	171597.3	156457.9

Source: Ministry of public service

**TABLE A3.17. SALARY AND ALLOWANCES OF MEDICAL DOCTORS IN 2020 BY DISTRICTS (PREFECTURES)**

Prefectures	Average Gross salary (In CFA Franc)	Average Family Allowances	Average Indemnities	Average Years of experience
BAMINGUI-BANGORAN	3	1	3	3
	305,193.3	5000	175,822.7	1.67
BANGUI	111	25	111	111
	319,808.1	5500	173,084.3	6.73
BASSE-KOTTO	5	3	5	5
	315,052	9166.667	177,768	1
HAUT-MBOMOU	4	0	4	4
	312,725	.	179,921	2.25
HAUTE-KOTTO	5	1	5	5
	308,244	10,000	170,380	6.4
KEMO	2	2	2	2
	336,090	7500	190,686	2
LOBAYE	8	2	8	8
	321,066.3	7,500	185,112.3	3.4
MAMBERE-KADEI	8	3	8	8
	340,714.8	10833.33	184,672.3	7.75
MBOMOU	6	2	6	6
	327,282.3	12500	178,377.7	3.66
NANA-GRIBIZI	2	0	2	2
	322,725	.	189,921	2.5
NANA-MAMBERE	3	2	3	3
	340,833.3	12500	191,196	3
OMBELLA MPOKO	12	4	12	12
	324,833.7	7500	178,275.7	4.66
OUAKA	5	4	5	5
	319,628	5000	171,604	7
OUHAM	16	5	16	16
	326,683.8	5000	184,527	4.06
OUHAM-PENDE	6	4	6	6
	334,295	6875	190,107.7	3.16
VAKAGA	1	1	1	1
	341,090	12500	190,686	3

Source: Ministry of public service

**TABLE A3.18. GROSS SALARIES OF DIFFERENT CATEGORIES OF HEALTH WORKERS**

	Assistant Nurse	Assistant caregiver	Nurse/Midwife	Medical Doctor/ Generalist
Total number of workers 2017	233	62	324	207
Average gross salary 2017 (in CFA Franc)	90,984.65	145,816.7	91,636.43	351,784.2
Total number of workers 2018	253	108	318	244
Average gross salary 2018 (in CFA Franc)	90,394.2	134,392.3	95,096.4	333,721.1
Total number of workers 2019	246	96	298	203
Average gross salary 2019 (in CFA Franc)	90,962.92	133,365.8	98,278.64	331,610.4
Total number of workers 2020	205	146	283	216
Average gross salary 2020 (in CFA Franc)	92,891.24	108,936.5	100,807.6	338,475.5

Source: Ministry of public service

**TABLE A3.19. TREND OF CHWS IN CAR**

2016	2019		2021		Total Needs of CHWs as of 2021 <sup>176</sup>	Gaps of CHWs as of 2021 <sup>177</sup>		
	CHW 2016/ 1000 hbts	CHW 2019/ 1000 hbts	CHW2021 <sup>178</sup>	CHW 2021/ 1000 hbts				
Region 1	463	0.6	582	0.7	630	0.7	848	218
Region 2	612	0.7	690	0.7	1020	1.0	983	-37
Region 3	554	0.5	1003	0.9	1020	0.9	1124	104
Region 4	558	0.8	655	0.9	900	1.2	721	-179
Region 5	272	1.1	350	1.4	360	1.4	261	-99
Region 6	555	0.9	657	1.0	900	1.4	662	-238
Region 7	70	0.1	227	0.2	240	0.2	971	731
<b>TOTAL</b>	<b>3084</b>	<b>0.6</b>	<b>4164</b>	<b>0.8</b>	<b>5070</b>	<b>0.9</b>	<b>5571</b>	<b>501</b>

Source: WHO 2017 & 2019 SARA surveys and 2021 MOH/ UNICEF estimates

**Box A3.3. Additional financing is required to meet the latest health Investment Case's (IC) targets**

In the health sector, financing needs and sustainability analyses are based on the latest Investment Case validated by the CAR government in 2019 and currently being updated by the Global Financial Facility with the latest 2018/2019 MICS data released early 2021.

**CAR has some of the highest maternal, neonatal, child mortality, and adolescent fertility rates in Sub-Saharan Africa.** The 2019 IC, which mainly relied on the 2010 MICS data, focuses on improving maternal mortality, neonatal mortality, under-five years old mortality, stunting, and adolescent fertility rates with different targets set for 2022 through a range of high-impact RMNCAH interventions. More specifically, the 2019 IC aims at reducing:

- maternal mortality ratio from 882 per 100,000 livebirths (in 2015, now 829 per 100,000 livebirths) to 593 per 100,000 livebirths by 2022;
- neonatal mortality from 46 per 1,000 livebirths (in 2010, now 28 per 1,000 livebirths) to 29 per 1,000 livebirths by 2022;
- under 5 child mortality rate from 150 per 1,000 livebirths (in 2010, now 99 per 1,000 livebirths) to 90 per 1,000 livebirths by 2022;
- under 5 child stunting rate from 40.7 percent (in 2010, now 39.8 percent) to 31 percent by 2022; and
- adolescent fertility rate from 229 per 1,000 women aged 15–19 (in 2010, now 184 births per 1,000) to 90 per 1,000 women by 2022.

The set of RMNCAH interventions in the IC targets women of reproductive age (15–49 years), pregnant women, infants, and children under the age of 5 years. These interventions will help prevent the deaths of 513 mothers, 3,050 newborns, and 6,832 children under 5 years in three *priority* areas of the country—for a total of more than 10,395 lives saved by 2022.

**A Global Financing Facility (GFF) resource mapping undertaken in 2019 estimated that achieving the IC by 2022 will require a total funding of US\$150,621,801 for the 2020–22 period.** The government's total financial engagement is estimated at US\$8,020,668 (6 percent of total funding requirements) and contributions from other key external partners are estimated at US\$86,492,696, with the World Bank/GFF (12 percent of total funding requirements) and the EU (21 percent of total funding requirements) being the major donors. Thus, the funding gap is estimated at US\$56,108,438.<sup>179</sup> Detailed analyses are available in the technical health background paper.

**To improve health services delivery in underserved areas of the country and address the shortage of health professionals in regions outside of Bangui, the government should recruit more CHWs in the regions most in need.** Based on recent estimates from the Ministry of Health, there is a total of 5,070 CHWs in CAR, equivalent to roughly 1 CHW per 1,000 inhabitants. One of the most immediate priority actions the government should undertake is filling the gaps of CHWs in regions with poorer health outcomes and with the lowest share of CHWs per capita. The three health regions with less than 1 CHW per 1,000 inhabitants are region 7 (Bangui and suburbs) with 0.2 per 1,000 inhabitants, region 3 (0.9 per 1,000 inhabitants), and region 1 (0.7 per 1,000 inhabitants). The latter two regions should be the focus. Bangui, considered the region with the best health outcomes with the lowest under five mortality rate (59.5 per 1000 live births), already has 30.9 health professionals per 10,000 inhabitants, well beyond the WHO threshold of 23. The government will need to recruit 218 CHWs in region 1 (with the fourth highest mortality rate of the country of 101.48 per 1,000 live births) and 104 CHWs in region 3 (with the third highest mortality rate of the country of 105.10 per 1,000 live births).

**To achieve this, assuming one CHW has a monthly remuneration of CFAF 25,000 CFA<sup>180</sup> (~US\$45), the**

<sup>179</sup> These are conservative estimates and must be interpreted with caution. The World Bank Global Financial Facility (GFF) is currently conducting series of workshops with the government to update the 2022 IC using the recent 2018/2019 MICS data released earlier this year. The updated IC was scheduled to be finalized end of July 2021 but was postponed and is now scheduled to be released by the end of October 2021.

<sup>180</sup> The monthly financial or nonfinancial compensation of CHWs in CAR was found to substantially vary between CFAF 10,000 (~US\$18) to CFAF 75,000 (~US\$135) for the same package of services offered and working time. However, the current proposal made by the Ministry of Health under the CHW draft strategy supported by UNICEF is CFAF 25,000 (~US\$45). The current variability of CHWs' remuneration hinders the sustainability of activities and the delivery of basic health services.

<sup>176</sup> Assuming 1 CHWs should cover 1000 Inhabitants

<sup>177</sup> Difference between CHWs needed and those already existing on the ground

<sup>178</sup> These are estimates shared by MOH as part of UNICEF ongoing work on the CHW strategy in CAR

total costs for a year<sup>181</sup> is an estimated CFAF 97 million (US\$174,300) (excluding Bangui<sup>182</sup>), equivalent to 0.2 percent of the current total allocated budget for health in 2020.<sup>183</sup> This is roughly 11 times the current budget allocated to CHWs in CAR, which has remained constant at CFAF 8,500,000<sup>184</sup> (approximately US\$15,522 or only 0.034 percent of the allocated budget for health the same year). At 0.2 percent of the health sector budget, CAR's increased CHW expenditures will still be lower than the CHW health budget share in comparable countries, namely Burkina Faso (1.56 percent) and Sierra Leone (16.5 percent). The current amount (if disbursed by the government) should help cover at least the costs of remuneration for CHWs, hence tapping into the main incentive driving their motivation to deliver quality health services.

Currently, management committees (COGES) at the health facility level contribute to the remuneration of CHWs, but COGES funding is insufficient. Most CHW interventions come from donors and technical partners, resulting in the lack of sustainability of interventions and strategies. With the support of UNICEF, the government is currently finalizing the 2022–2026 Community Health Worker Strategy with a detailed costing. The preliminary estimates presented above could serve as initial guidance in the strategy's finalization.

**TABLE A3.20. DISTRIBUTION OF TOTAL CURRENT HEALTH EXPENDITURES BY HEALTH CARE SERVICE PROVIDERS FROM 2015 TO 2018 IN FCFA (ALL SOURCES COMBINED)**

Healthcare providers	2015		2016		2017		2018		Average 2015-2018 (in %)	Average 2016-2018 (in %)
	In billions FCFA Franc	%	In billions FCFA Franc	%	In billions FCFA Franc	%	In billions FCFA Franc	%		
Hospitals	12.59	24.90	19.7	33.5	23.66	29.5	29.01	20.8	27.2	27.9
Ambulatory health care providers	15.23	30.20	20.24	34.4	30.08	37.5	47.35	34	34.0	35.3
Anxillary health services providers	0.22	0.40	0.4	0.7	0.69	0.9	0.13	0.1	0.5	0.6
Retailers and others providers of medical goods	0.56	1.10	0.75	1.3	1.02	1.3	1.65	1.2	1.2	1.3
Providers of preventive healthcare	12.71	25.20	9.96	16.9	14.61	18.2	48.34	34.7	23.8	23.3
Providers of administrative and financing services of the health care system	9.16	18.20	6.41	10.9	8.42	10.5	11.21	8.1	11.9	9.8
<b>Rest of the World</b>	<b>0</b>	<b>0</b>	<b>1.43</b>	<b>2.4</b>	<b>1.72</b>	<b>2.1</b>	<b>1.45</b>	<b>1</b>	<b>1.4</b>	<b>1.8</b>

Source: 2015-2018 National Health Account

**TABLE A3.21. DISTRIBUTION OF GOVERNMENT HEALTH EXPENDITURES BY HEALTH CARE SERVICE PROVIDERS FROM 2015 TO 2018 IN MILLIONS CFA FRANC**

Healthcare providers	2015		2016		2017		2018		Average 2015-2018 (in %)	Average 2016-2018 (in %)
	In billions FCFA Franc	%	In billions FCFA Franc	%	In billions FCFA Franc	%	In billions FCFA Franc	%		
Hospitals	2404	21.4%	3952	25.8%	4513	36.1%	4822	25.8%	27%	29%
Ambulatory health care providers	557	5.0%	606	4.0%	591	4.7%	533	2.9%	4%	4%
Anxillary health services providers	55	0.5%	60	0.4%	74	0.6%	53	0.3%	0%	0%
Retailers and others providers of medical goods	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0%	0%
Providers of preventive healthcare	4670	41.6%	2841	18.6%	421	3.4%	643	3.4%	17%	8%
Providers of administrative and financing services of the health care system	3546	31.6%	6407	41.9%	5174	41.4%	11215	60.1%	44%	48%
<b>Rest of the World</b>	<b>0</b>	<b>0.0%</b>	<b>1432</b>	<b>9.4%</b>	<b>1723</b>	<b>13.8%</b>	<b>1400</b>	<b>7.5%</b>	<b>7.7%</b>	<b>10.2%</b>

Source: 2015-2018 National Health Account

<sup>181</sup> These are only remuneration costs that do not include training, equipment, and supervision costs. The main rationale is allowing CHWs in CAR to provide a full package of services in areas most in need to improve delivery and cover the deficit in health professionals concentrated in Bangui.

<sup>182</sup> The total cost including Bangui should be CFAF 316 million (~US\$569,182).

<sup>183</sup> The 2020 allocated health budget was 47530367000 CFA Franc

<sup>184</sup> According to the latest figure from 2017 found by UNICEF (October 2019).



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