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LETTER DATED 9 FEBRUARY 1999 FROM THE CHARGE D'AFFAIRES A.I.
OF THE PERMANENT MISSION OF THE CENTRAL AFRICAN REPUBLIC TO
THE UNITED NATIONS ADDRESSED TO THE PRESIDENT OF THE
SECURITY COUNCIL

On instructions from my Government, I have the honour to attach a letter from President Ange-Félix Patassé of the Central African Republic on matters of concern to you (see annex).

I should be grateful if you would have this letter and its annex circulated as a document of the Security Council.

(Signed) Ambroisine KPONGO
Chargé d'affaires a.i.

Annex

Letter dated 9 February 1999 from the President of the
Central African Republic addressed to the President of
the Security Council

I have the honour to attach some information that may be of use in assuaging the concerns of the members of the Security Council (see appendix).

I reaffirm that every effort will be made to maintain peace in the Central African Republic through dialogue and consensus-building.

(Signed) Ange-Félix PATASSÉ

Appendix

Letter dated 9 February 1999 from the President of the
Central African Republic addressed to the President of
the Security Council

In my letters Nos. 143/98 PR of 8 December 1998 (S/1999/116, annex) and 001/99 PR of 23 January 1999 (S/1999/98, annex), addressed to the Secretary-General of the United Nations, I expressed the wish to see the mandate of the United Nations Mission in the Central African Republic (MINURCA) extended until the presidential elections, which are scheduled to be held in 1999. This was in accordance with in my letter of 8 January 1998, in which I had requested the establishment of a United Nations mission to monitor both the legislative and the presidential elections.

My personal commitment and the Government's strong determination to consolidate the democratic process and strengthen the rule of law in the Central African Republic have enabled us, with the support of the Security Council, to hold the legislative elections in normal conditions and to the satisfaction of all.

In any case, the holding of free and transparent elections does not fully represent democracy. It does, however, constitute an especially important step in that process.

Similarly, a State under the rule of law, which by nature is respectful of international laws, rules and commitments, cannot be satisfied with an ongoing violation of these instruments for the sake of an absolute quest for consensus.

For these reasons, following the legislative elections, the implementation of the remainder of the Bangui Agreements must be accompanied by a formal return to constitutional legality.

Moreover, in view of the forthcoming withdrawal of MINURCA, which we hope will occur only after the 1999 presidential elections, it is important and urgent to encourage and prepare the Central African people to re-establish their commitment to the principle which guarantees the survival of any democracy, namely, respect for republican legality.

On the basis of the foregoing, and especially in view of its respect for the principle of the separation of powers, the Government notes and welcomes the fact that the three governing powers of democracy are functioning normally.

At the executive level

Pursuant to the provisions of article 21 of the Constitution and in the spirit of the Bangui Agreements, a Prime Minister from civil society formed a Government within two weeks, following consultations with the opposition, only one member of which agreed to participate. The members of this Government, who were chosen on the basis of their competence and integrity, are from civil society and the political parties.

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On 1 February 1999, the new Prime Minister received a vote of confidence from the deputies. The National Assembly is now meeting to adopt the Budget Act for the fiscal year 1999.

At the jurisdictional and judicial level

At the jurisdictional and judicial level, all institutions are functioning normally with full independence. At present, the disputes arising from the last legislative elections are still pending before the Constitutional Court.

At the legislative level

Lastly, at the legislative level, despite the contradictions that plagued the work of the first special session devoted to the establishment of the Bureau of the National Assembly, the Assembly itself was functional. The parliamentary committees, a list of which is attached, are composed of deputies from both the Government and the opposition (see enclosure II).

As to the composition of the Bureau of the National Assembly, it should be recalled that all the members of this Bureau are elected and not appointed or decided on the basis of consensus, as they are in the executive branch.

Under article 48 of the Constitution, the President of the National Assembly is elected for the duration of the legislature (five years), while the mandate of the other members of the Bureau is renewable every year, by election, as required by the democratic process under the rule of law.

It is to be hoped that all the deputies of the nation, including members of the opposition parties, will return to the Assembly hall, because, following the democratic tradition, the National Assembly - not the street - is the proper place for political debate. Moreover, their return will enable these parties to take part in the re-election of the Bureau by presenting their candidates, instead of pursuing their current "empty-seat" policy.

As for the situation in the Democratic Republic of the Congo, and in particular, in the Equateur region, the information which was provided to us by the Congolese and Chadian authorities indicates that this border zone with the Central African Republic has been completely pacified, thereby consolidating the positions of the Central African Republic, the neighbouring countries and MINURCA, which is responsible for keeping the peace.

In addition, in response to your concerns about how the financial and economic problems are to be solved, I attach herewith a note summarizing the Government's position (see enclosure III).

I hope that the information I have submitted will be helpful to the Council.

(Signed) Ange-Félix PATASSÉ

Enclosure I

Press release issued in Bangui on 13 January 1999

By Decree No. 99.001 of 2 January 1999, the National Assembly was convened in a special session from 4 to 18 January 1999.

The agenda dealt with the establishment of the Provisional Bureau, in conformity with the provisions of article 2 of the rules of procedure of the National Assembly.

The official ceremony inaugurating the Bureau took place on 4 January 1999 at 4 p.m. in the hall of the National Assembly under the chairmanship of Deputy Abel Goumba, the senior member.

In addition to the Government, led by His Excellency Michel Gbezera-Bria, Prime Minister and Head of the Government of Action to Promote Democracy, Mr. Oluyemi Adeniji, the Special Representative of the Secretary-General of the United Nations for the Central African Republic, and all the constituent State bodies attended the ceremony.

After the reading of the list of the deputies who had been elected and the customary speech by the Chairman of the Provisional Bureau, Deputy Jean-Paul Ngoupandé of Dékoa asked for the floor in order to make his conditions known.

The presiding officer, in violation of the provisions of the rules of procedure, acceded to that request, which gave rise to protests from the other members of the Assembly since, according to the rules of procedure, the Chairman should have adjourned the meeting without a debate.

After that incident, Mr. Ngoupandé walked out of the Assembly hall followed by other deputies from the opposition.

The presiding officer, who should have acted as mediator and therefore remained neutral, also decided to walk out of the Assembly along with the other members of the Bureau of Senior Members of the Opposition, without adjourning the meeting or taking leave of his guests.

Only Ms. Zane-Fé Touam Bona, Second Senior Member, remained in the Assembly hall with her colleagues, government deputies. Since that day, the Chairman of the Provisional Bureau has not convened the other members of the Bureau to determine the programme of work with a view to finalizing the composition of the Bureau.

It should be recalled that, according to article 48 of the Constitution of 14 January 1995, "the National Assembly elects its President for the duration of the legislature within the first eight days of its installation". This means that the new President of the National Assembly had to be elected by Monday, 11 January 1999, at the latest.

Without consulting the other members of the Bureau, the Chairman of the Provisional Bureau of the National Assembly issued a communiqué requesting all deputies to attend a meeting of the National Assembly on Monday, 11 January 1999, at 10 a.m., in order to finalize the composition of the Bureau.

On 11 January 1999, all the deputies gathered in the Assembly hall, as the Chairman of the Bureau of Senior Members had requested.

The opposition asked for the floor and, to the amazement of everyone present, this time raised the question of allotting seats on the Bureau of the National Assembly which, according to the opposition, should be done by consensus, instead of the proceeding as in the "Koudoufara affair".

According to the opposition, the presidency of the National Assembly should automatically go to the opposition, together with a vice-presidency, one post of questeur, one post of secretary and one post of member of the Bureau.

For its part, the Presidential Majority would be satisfied with two vice-presidents, one post of questeur, one post of secretary and one post of member of the Bureau.

After several hours of discussion and, in order to ensure that the discussion did not take the form of a plenary debate, it was agreed that each "camp" should withdraw to confer in private.

When the meeting was resumed at 4 p.m., the opposition continued to insist that it should hold the presiding officer's chair: "Presidency of the National Assembly or nothing".

In such circumstances, the Chairman of the Bureau of Senior Members stated that he took it upon himself not to preside over the establishment of the Bureau, the vote on which would take place according to the usual procedure.

In the light of the foregoing, the deputies of the Government, meeting on 11 January 1999 in the Assembly hall, took note of the statement made by Deputy Abel Goumba, Chairman of the Bureau of Senior Members.

Considering and noting that the Bureau of Senior Members had defected, they concluded that the Bureau of Senior Members, established on 4 January 1999, had disqualified itself.

In order to finalize the composition of the Bureau within the prescribed time-limits, they decided on 11 January 1999 at 6.30 p.m. to form a new Provisional Bureau as follows:

Chairman of the Provisional
Bureau, Senior Member:

Marie-Josèphe Zane-Fé Touam Bona

Members:

Gabriel Dotte Badekara

Maguelé Poutya

Jean Sayo

Jean-Michel Mandaba

Théophile Ganro

Dieudonné Koudoufara

The new Bureau immediately discharged its duty by finalizing the composition of the Bureau of the National Assembly as follows:

Presidency

President:

Deputy Luc-Apollinaire Dondon Konamabaye

First Vice-President:

Deputy Guy Ningata

Second Vice-President:

Deputy Simon Moussapiti

Third Vice-President:

Deputy Faustin Montsoki

Questeurs:

Deputy Marie Agba

Deputy Michel N'Gako

Parliamentary secretariat

First Parliamentary Secretary:

Deputy Dieudonné Gomitoua

Second Parliamentary Secretary:

Deputy Dieudonné Koudoufara

Members:

Deputy Luc Guela

Deputy Rigaud Nguialo

Deputy Pierre Selessoui

(Signed) Luc-Apollinaire DONDON KONAMABAYE
President of the National Assembly

Enclosure II

NATIONAL ASSEMBLY

CENTRAL AFRICAN REPUBLIC

GENERAL SECRETARIAT

Unity - Dignity - Labour

DIRECTORATE-GENERAL OF LAWS

DEPARTMENT OF COMMITTEES

Parliamentary committees

Committee on Foreign Affairs

<u>No.</u>	<u>Last name, first name(s)</u>	<u>Political party</u>	<u>Remarks</u>
01	Maitart, Djim-Arém	MLPC ¹	Government
02	Ningata, Guy	MLPC	Government
03	Dondon Konamabaye, Luc-Apollinaire	MLPC	Government
04	Ngoagbada Kouzoutchiam, Simon-Silas	ADP ²	Opposition
05	Malemindou, Joseph	FPP ³	Opposition
06	Dombia Dobélé, Emmanuel	MLPC	Government
07	Mamadou Raikina, Moïse	MLPC	Government
08	Deguère, Marc	MLPC	Government
09	Pobori-Ndong, Barthélémy	Independent	Government
10	Koudoufara, Dieudonné	MLPC	Government
11	Ngoupandé, Jean-Paul	PUN ⁴	Opposition
12	Moningué, Anne-Marie	MDD ⁵	Opposition
13	Nakombo-Yani, Blaise	RDC ⁶	Opposition
14	Pingama, Joseph	RDC	Opposition
15	Aubertel, Jean-Claude	RDC	Opposition

¹ Mouvement de libération du peuple centrafricain.

² Alliance pour la démocratie et le progrès.

³ Front patriotique pour le progrès.

⁴ Parti d'union nationale.

⁵ Mouvement pour la démocratie et le développement.

⁶ Rassemblement démocratique centrafricain.

Committee on Economy, Finance and Planning

<u>No.</u>	<u>Last name, first name(s)</u>	<u>Political party</u>	<u>Remarks</u>
01	Ngualo, Rigaud	MLPC	Government
02	Ngama, Joseph Gérard	MLPC	Government
03	Doumsou, Martin	MLPC	Government
04	Agba, Marie	MLPC	Government
05	Guela, Luc	MLPC	Government
06	Sorongope, Eric	MLPC	Government
07	Mandaba, Jean-Michel	MLPC	Government
08	Ganro, Théophile	MLPC	Government
09	N'Gako, Michel	MLPC	Government
10	Gbeti, Jacob	RDC	Opposition
11	Modida Béné Nouyogodé	PSD ⁷	Opposition
12	Goumba, Abel	FPP	Opposition
13	Maguelé Poutya	MLPC	Government
14	Soussou, Fidèle	MLPC	Government
15	Kolingba, Désiré	RDC	Opposition
16	Nakombo, Émile Gros-Raymond	RDC	Opposition

Committee on Education and Social Affairs

<u>No.</u>	<u>Last name, first name(s)</u>	<u>Political party</u>	<u>Remarks</u>
01	Mossambou, Moctar Samuel	PSD	Opposition
02	Yangongo-Boganda, Alphonsine	MDD	Opposition
03	Bounguinza, Jean-Marius	MLPC	Government
04	Wafio, Marie	MLPC	Government
05	Zane-Fé Touam-Bona, Marie-Josèphe	Independent	Government
06	Touba, Théophile	RDC	Opposition
07	Sanzé, Jacques	MLPC	Government
08	Wougané, Philippe	RDC	Opposition
09	Andjigbo-Djanga, Alain Albert	RDC	Opposition
10	Kolissio, Gilbert	ADP	Opposition
11	Yamété, Martin	MLPC	Government

⁷ Parti social démocrate.

<u>No.</u>	<u>Last name, first name(s)</u>	<u>Political party</u>	<u>Remarks</u>
12	Yandé, Jean-Bruce	MLPC	Government
13	Salé, Georges	MLPC	Government
14	Mberio, Albert	MLPC	Government
15	Kolingba, Mireille	RDC	Opposition
16	Ngboukouzou, André	RDC	Opposition

Committee on Defence

<u>No.</u>	<u>Last name, first name(s)</u>	<u>Political party</u>	<u>Remarks</u>
01	Patasse, Lucienne	MLPC	Government
02	Koazo, Thomas	MLPC	Government
03	Selessoui, Pierre	MLPC	Government
04	Zackaria Oumar Abdraman	FPP	Opposition
05	Koumandé, Jacques	MLPC	Government
06	Laninga, Bastos Gaston	PSD	Opposition
07	Malendoma, Timothée	FC ⁸	Opposition
08	Massi, Charles	FODEM ⁹	Opposition
09	Gamba, Louis-Pierre	RDC	Opposition
10	Guitoka, David	RDC	Opposition
11	Bongolape, Simon	MDD	Opposition
12	Zouhoutou, Jean-Michel	PUN	Opposition
13	Baketo, Jean	PUN	Opposition
14	Oubat-Tessoubé, Jean-De Dieu	RDC	Opposition
15	Dobot-Zéro, Paulin Germain	RDC	Opposition
16	Sébalé, Hilaire	Independent	Opposition

⁸ Forum civique.

⁹ Forum démocratique pour la modernité.

Committee on the Interior, Laws and Administrative Affairs

<u>No.</u>	<u>Last name, first name(s)</u>	<u>Political party</u>	<u>Remarks</u>
01	Otokpio, Daniel	UPR ¹⁰	Opposition
02	Meiganga, Jean-Marc	MLPC	Government
03	Sanghamy-Kilo, Alphonse	MLPC	Government
04	Zabio Maa Zabio	MLPC	Government
05	Endjimoungou, Patrice	FPP	Opposition
06	Ganikpio, Albert Simplicie	ADP	Opposition
07	Ndebouli, Albert	MLPC	Government
08	Gbanga, Fidèle	MLPC	Government
09	Boua, Barthélémy	MLPC	Government
10	Pouzère, Henri	Independent	Opposition
11	Yembé, Jacques	MDD	Opposition
12	Doubané, Charles	ADP	Opposition
13	Balenguélé Zarambaud, Marguérite	RDC	Opposition
14	Ndophort-Nakombo, Hubert	RDC	Opposition
15	Mokolé, Jean-Marie	MDD	Opposition

Committee on Equipment and Communications

<u>No.</u>	<u>Last name, first name(s)</u>	<u>Political party</u>	<u>Remarks</u>
01	Sayo, Jean	MLPC	Government
02	Montsoki, Faustin	MLPC	Government
03	Gassicard, Jean-Pierre Félix	RDC	Opposition
04	Katekondji, Joseph	PSD	Opposition
05	Maidy, Nestor	FPP	Opposition
06	Kezza-Koyangbo, Cymossi Étienne	ADP	Opposition
07	Nderegandji, André	MLPC	Government
08	Neby Issa, Michel	MLPC	Government
09	Zoufouck-Ouilibona, Jean-Guy	MLPC	Government
10	Goyango, Joachim	FODEM	Opposition
11	Alleas Zackaria	RDC	Opposition
12	Gbeda, Roger	RDC	Opposition

¹⁰ Union pour la République.

<u>No.</u>	<u>Last name, first name(s)</u>	<u>Political party</u>	<u>Remarks</u>
13	Molomadon, Brice-Rufin Léon	MDD	Opposition
14	Sidik Younouss	MLPC	Government
15	Langandji, Daniel	RDC	Opposition

Committee on Production, Natural Resources and the Environment

<u>No.</u>	<u>Last name, first name(s)</u>	<u>Political party</u>	<u>Remarks</u>
01	Gobolo, David	MLPC	Government
02	Gomitoua, Dieudonné	PLD	Government
03	Moussa Ndoa, Etienne	MLPC	Government
04	Nganamandji, Pierre Login	MLPC	Government
05	Orokas, Félix	MLPC	Government
06	Doté Badekara, Gabriel	MLPC	Government
07	Moussapiti, Simon	MLPC	Government
08	Yakata, David	RDC	Opposition
09	Biloko, Antoine	PUN	Opposition
10	Niakangou, Alphonse	MLPC	Government
11	Maleguia, Joseph	MLPC	Government
12	Dassinou, Pierre	MLPC	Government
13	Malendélé-Laguère, Alphonse	PSD	Opposition
14	Dimbélé, Mathurin	PLD	Government
15	Aladji, Ibrahim	MLPC	Government

Enclosure III

Note on the progress of the structural adjustment programme,
published in Bangui on 6 February 1999

I. STRUCTURAL REFORMS

A. Cotton sector: adoption of a series of measures to ensure the sustainability of the cotton sector prior to the issuance of seasonal credits

The projected deficit in this sector has been estimated at CFAF 4.3 billion. After a number of meetings with economic actors in the sector, including the State, the Société cotonnière centrafricaine (SOCOCA) (Central African Cotton Corporation), bankers, shippers and the French Development Agency, several solutions were put forward:

- The State agreed to provide the sector with a subsidy of up to CFAF 1,677 million. This amount has been included in the 1999 budget;

- The internal efforts of SOCOCA and the renegotiation of shipping contracts are estimated at CFAF 800 million;

- The State has approached its partners, the French Development Agency and the Compagnie française pour le développement des fibres textiles (French Company for the Development of Textile Fibres), for support in financing the remaining deficit. The French Development Agency responded favourably to this request, with some conditions. This reassured financial backers in the sector, who completed the financing of the current season. This season is already under way and 6,000 tons of cotton are en route to the port of Douala.

A round-table discussion on the sector is being prepared with a view to seeking a lasting solution. All actors in the sector, including representatives of producers, will be invited.

B. PETROCA (the national petroleum products distribution company)

The discussions have progressed considerably: the two parties have reached agreement on virtually all the concerns voiced on either side. A meeting has been scheduled for the week of 8 to 13 February in Paris to finalize the protocol of agreement.

C. Execution of judicial documents to finalize the liquidation of certain enterprises and of four State banks which are no longer active

The following financial institutions have been liquidated by order of the authorities: the National Development Bank, the Central African Investment Bank, the Central African National Deposit Bank and LONACA.

The following non-financial institutions have been liquidated by order of the authorities: the Société centrafricano-roumaine pour l'exploitation, l'industrialisation et la commercialisation du bois (LOROM-BOIS) (Central

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African-Romanian Corporation for the Exploitation, Industrialization and Marketing of Timber), Centrafricaine d'hydrocarbures (CENTRA-HYDRO) (Central African Hydrocarbons), the Librairie centrafricaine (Central African Book Corporation), the Société centrafricaine d'exploitation forestière et industrielle (Central African Forestry and Industrial Corporation), SALCAPA, SOCALIMINE and SOCALIMEX.

The following enterprises are in the process of being liquidated: the Banque de crédit agricole et de développement (Agricultural Credit and Development Bank), the Caisse de stabilisation et de péréquation (Stabilization and Adjustment Fund), the Société nationale de l'habitat (SNH) (National Housing Corporation) and the Conseil centrafricain des chargeurs (Central African Shipping Council). This simply involves putting in order real estate titles for which mortgage commitments have been issued so as to facilitate the subsequent transfer of assets to the collection agency.

D. Restructuring of public enterprises

The files on the other enterprises have been completed and transmitted to the National Assembly with respect to:

- The merger of the National Labour Office and the National Interprofessional Education and Training Organization;

- The liquidation of the National Water Corporation and the reorganization of the Central African Water Distribution Corporation.

II. BUDGETARY MEASURES

A. Price structure of petroleum products and collection of duties, taxes and charges owed by PETROCA to the State and to the Highway Fund

In this regard, an interministerial decree establishing the new price structure for petroleum products was signed in November 1998. This measure entered immediately into force.

With respect to the collection of arrears in the duties, taxes and charges owed by PETROCA to the State and to the Highway Fund, verification operations are under way and the international firm SODETEG (Société des études techniques d'entreprises générales), which prepared the report on domestic debts, has been invited to visit Bangui next week to complete this case prior to the review by the International Monetary Fund (IMF).

B. Issuance of notices of payment due on the debt reassigned to public enterprises

An inventory of the debt reassigned to public enterprises has been taken. Collection orders have been prepared and transmitted to the enterprises concerned.

C. Systematic reconciliation of the value of customs issuances for timber imports and exports with the values certified by the private corporation for supervising and strengthening diamond export procedures

This is an ongoing measure being carried out by the General Division of Customs and Indirect Taxes and by SGS. A table summarizing the results achieved has already been prepared. With respect to the strengthening of procedures to ensure the physical security of diamond exports, an endorsement to the SGS contract is being finalized. An SGS mission visited Bangui on 15 January 1999 and debated this aspect of the case with the Prime Minister and the Deputy Minister of Finance in charge of the budget. Proposals for the practical introduction of these arrangements are awaited from SGS.

III. BENCHMARKS

A. Elimination of domestic debt

This work is currently being finalized. The international firm SODETEG is expected in Bangui next week to carry out the final verification.

B. Restructuring of the Banque internationale centrafricaine (BICA)

Invitations to bid for the privatization of BICA have been issued and a protocol of agreement between the partners was signed on 26 December 1998 (the Belgian partner and COFIPA). Currently, the capital has been entirely paid up by both foreign and national partners. The restructuring of BICA is therefore complete.

C. Restructuring of the Union bancaire en Afrique centrale (UBAC) (Central African Banking Union)

Discussions are under way among the Government, the partners concerned by the privatization of UBAC and the World Bank. The Bank has just completed a series of consultations with major foreign banks on the acquisition of UBAC. The results of these consultations will be available shortly.

D. Payment by the State of its share of the capital of the Banque populaire maroco-centrafricaine (Moroccan-Central African People's Bank)

This State share has been included in the proposed budget for 1999.

E. Adoption of a finance law consistent with the objectives of the revised programme with respect to the elimination of earmarked receipts, with the exception of the Highway Fund, money earmarked for the Central African Customs and Economic Union (UDEAC) and FIDE

This measure is contained in the draft Budget Act for 1999.

F. Privatization of the Société d'énergie centrafricaine (Central African Energy Corporation)

The authorities, together with the World Bank, have issued limited invitations to bid. Some replies have been received by the Commission for the Privatization of Public Enterprises. This operation, which is being carried out jointly with the World Bank, is proceeding normally.

IV. COMMENTS ON PUBLIC FINANCES

As at 31 December 1998, the estimated results are as follows:

(a) Public revenues (based on the Treasury) currently amount to CFAF 44,219 million, as compared to CFAF 29,160 million in 1997, representing an increase of over 52 per cent and reflecting the vigorous efforts made to achieve this result. However, this amount, which is 90 per cent of the amount foreseen, remains slightly below the estimated amount of CFAF 49,037 million.

(b) Public expenditure amounts to CFAF 56,913 million, as compared to CFAF 29,739 million in 1997. This amount is clearly less than the estimate of CFAF 63,600 million, and represents 89 per cent of the latter amount. The breakdown is as follows: (i) current expenditure, CFAF 20,351 million; (ii) capital expenditure, CFAF 921 million; (iii) debt payments, CFAF 11,266 million; (iv) arrears, CFAF 24,375 million; and (v) Treasury operations, CFAF 436 million.

(c) Budget performance, based on the Treasury, shows a significant mobilization of receipts in comparison to the preceding year, despite the many difficulties encountered, especially in the last quarter of 1998. These difficulties include:

- The impact of the Asian crisis, which has begun to have serious effects on the economy of the Central African Republic in the timber, diamond and cotton sectors;
- The war in the two Congos, which has blocked the supply of fuel through Kinshasa and of merchandise by the Congo/ocean railroad;
- The shipping strike in Cameroon, which interrupted the supply of goods by this route for more than a month.

The country was totally strangled during the last quarter of 1998. Political action at the highest level was necessary to clear up the situation around November 1998. Owing to the legislative elections, economic actors adopted a wait-and-see attitude up to the end of the year.

The initial financial arrangements had foreseen the inflow of external funds at the end of December 1998 (IMF, World Bank, African Development Bank) in the amount of over CFAF 16 billion. However, these funds were not received, whereas large amounts due at the end of the year remained payable.

Despite its difficulties, the Government, in accordance with its determination to pursue the structural adjustment programme, has given priority to the amounts due to IMF and the World Bank (CFAF 2.5 billion at the end of December), at the expense of civil servants' wages. Currently, the country is in good standing with those two institutions, and hopes that, following the review, it will benefit from financial flows in the opposite direction to support its domestic efforts.
