

Document of  
The World Bank

**FOR OFFICIAL USE ONLY**

Report No: PAD1616

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT PAPER

ON A

PROPOSED ADDITIONAL CREDIT  
IN THE AMOUNT OF SDR 23.4 MILLION (US\$34 MILLION EQUIVALENT)

AND A

PROPOSED ADDITIONAL GRANT  
IN THE AMOUNT OF SDR 11.3 (US\$16 MILLION EQUIVALENT)

TO THE

DEMOCRATIC REPUBLIC OF CONGO

FOR AN

EASTERN RECOVERY PROJECT

November 18, 2015

Social Protection & Labor  
AFRICA

This document has a restricted distribution and may be used by recipients only in the performance of their official duties. Its contents may not otherwise be disclosed without World Bank authorization.

## CURRENCY EQUIVALENTS

(Exchange Rate Effective September 30, 2015)

Currency Unit	=	Congolese Franc (FC)
FC 925	=	US\$1
US\$1	=	SDR 0.71238

## FISCAL YEAR

January 1 – December 31

## ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
CDD	Community-Driven Development
DRC	Democratic Republic of Congo
FSDRC	Social Fund of DRC ( <i>Fonds Social de la République Démocratique du Congo</i> )
GHG	Greenhouse Gas
GLR	Great Lakes region
GRS	Grievance Redress System
I4S	International Security and Stabilization Support Strategy
IDA	International Development Association
IDP	Internally Displaced Person
LIPW	Labor-intensive public works
MONUSCO	United Nations Organization stabilization mission in the DRC
PDO	Project Development Objective
PIM	Project Implementation Manual
PSC	Peace Security and Cooperation
SDR	Special Drawing Rights
UNHCR	United Nations High Commissioner for Refugees
WB	World Bank

Regional Vice President:	Makhtar Diop
Country Director:	Ahmadou Moustapha N'diaye
Senior Global Practice Director:	Arup Banerji
Practice Manager/Manager:	Stefano Paternostro
Task Team Leader:	Maurizia Tovo



**Democratic Republic of Congo**  
**Additional Financing of Eastern Recovery Project**

**CONTENTS**

Project Paper Data Sheet	i
Project Paper	
I. Introduction .....	1
II. Background and Rationale for Additional Financing in the amount of US\$50 million .....	1
III. Proposed Changes.....	6
IV. Appraisal Summary .....	9
V. World Bank Grievance Redress.....	12
ANNEX 1: Revised Results Framework .....	14
ANNEX 2: Regional Aspects and Justification for the Use of Regional IDA .....	23
ANNEX 3: Climate Screening.....	26



## ADDITIONAL FINANCING DATA SHEET

*Democratic Republic of Congo*

*Additional Financing of Eastern Recovery Project ( P157303 )*

Basic Information – Parent							
Parent Project ID:	P145196	Original EA Category: B - Partial Assessment					
Current Closing Date:	30-Jun-2018						
Basic Information – Additional Financing (AF)							
Project ID:	P157303	Additional Financing Type (from AUS): Scale Up					
Regional Vice President:	Makhtar Diop	Proposed EA Category: B - Partial Assessment					
Country Director:	Ahmadou Moustapha Ndiaye	Expected Effectiveness Date: 29-Apr-2016					
Senior Global Practice Director:	Arup Banerji	Expected Closing Date: 30-Jun-2020					
Practice Manager/Manager:	Stefano Paternostro	Report No: PAD1616					
Team Leader(s):	Maurizia Tovo						
Borrower							
Organization Name	Contact	Title	Telephone	Email			
Ministry of Finance	Honore Tshiyoyo	Cellule de Coordination des projets	243-811-696-263	minfinrdc@micronet.cd			
Project Financing Data - Parent ( DRC Eastern Recovery Project-P145196 ) (in USD Million)							
Key Dates							
Project	Ln/Cr/TF	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date
P145196	IDA-H9170	Effective	27-Feb-2014	03-Apr-2014	08-Sep-2014	30-Jun-2018	30-Jun-2018
P145196	TF-16616	Effective	21-Feb-2014	21-Feb-2014	21-Feb-2014	31-Jan-2016	31-Jan-2016

Disbursements									
Project	Ln/Cr/ TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P145196	IDA-H9170	Effective	USD	79.10	79.10	0.00	12.98	60.07	16.41
P145196	TF-16616	Effective	USD	4.90	4.90	0.00	2.66	2.24	54.36
<b>Project Financing Data - Additional Financing Additional Financing to Eastern Recovery Project ( P157303 )(in USD Million)</b>									
<input type="checkbox"/> Loan <input type="checkbox"/> Grant <input checked="" type="checkbox"/> IDA Grant <input checked="" type="checkbox"/> Credit <input type="checkbox"/> Guarantee <input type="checkbox"/> Other									
Total Project Cost:			50.00		Total Bank Financing:			50.00	
Financing Gap:			0.00						
Financing Source – Additional Financing (AF)								Amount	
BORROWER/RECIPIENT								0.00	
International Development Association (IDA)								34.00	
IDA Grant								16.00	
Total								50.00	
<b>Policy Waivers</b>									
Does the project depart from the CAS in content or in other significant respects?							No		
Does the project require any policy waiver(s)?							No		
<b>Team Composition</b>									
<b>Bank Staff</b>									
Name		Role			Title			Unit	
Maurizia Tovo		Team Leader (ADM Responsible)			Lead Social Protection Specialist			GSPDR	
Lanssina Traore		Procurement Specialist			Procurement Specialist			GGODR	
Bella Lelouma Diallo		Financial Management Specialist			Senior Financial Management Specialist			GGODR	
Abdoulaye Gadiere		Safeguards Specialist			Senior Environmental Specialist			GENDR	
Cordelia Chesnutt		Team Member			Jr Professional Officer			GSPDR	
Faly Diallo		Team Member			Financial Officer			WFALA	

Fanta Toure	Team Member	Social Protection Specialist	GSPDR		
Hugo De Vries	Team Member	Consultant	GCFDR		
Isabella Micali Drossos	Counsel	Senior Counsel	LEGAM		
Joanna Peace De Berry	Team Member	Senior Social Development Specialist	GSURR		
Lisette Meno Khonde	Team Member	Consultant	GSPDR		
Luc Laviolette	Team Member	Senior Nutrition Specialist	AFCC2		
Lucienne M. M'Baipor	Safeguards Specialist	Senior Social Development Specialist	GSURR		
Lydie Anne Billey	Team Member	Program Assistant	GSPDR		
Patricia Komina Dele	Team Member	Temporary	AFCC2		
Verena Phipps-Ebeler	Team Member	Social Development Specialist	GSURR		
<b>Extended Team</b>					
<b>Name</b>	<b>Title</b>	<b>Location</b>			
Jean-Paul Chausse	Rural Development Advisor	Abidjan			
<b>Locations</b>					
<b>Country</b>	<b>First Administrative Division</b>	<b>Location</b>	<b>Planned</b>	<b>Actual</b>	<b>Comments</b>
Congo, Democratic Republic of	Katanga	Tanganyika Province	X		
Congo, Democratic Republic of	South Kivu	South Kivu Province	X	X	
Congo, Democratic Republic of	Nord Kivu	Nord-Kivu Province	X	X	
Congo, Democratic Republic of	Ex-Province Orientale	Haut-Uélé Province, Bas-Uélé Province, Tshopo Province and Ituri Province	X	X	
<b>Institutional Data</b>					
<b>Parent ( DRC Eastern Recovery Project-P145196 )</b>					
<b>Practice Area (Lead)</b>					
Social Protection & Labor					
<b>Contributing Practice Areas</b>					



<b>Cross Cutting Topics</b>				
[ ] Climate Change				
[ ] Fragile, Conflict & Violence				
[ ] Gender				
[X] Jobs				
[ ] Public Private Partnership				
<b>Sectors / Climate Change</b>				
Sector (Maximum 5 and total % must equal 100)				
Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Health and other social services	Other social services	49		
Public Administration, Law, and Justice	Sub-national government administration	22		
Education	General education sector	10		
Industry and trade	Agro-industry, marketing, and trade	10		
Agriculture, fishing, and forestry	General agriculture, fishing and forestry sector	9		
<b>Total</b>		<b>100</b>		
<b>Themes</b>				
Theme (Maximum 5 and total % must equal 100)				
Major theme	Theme	%		
Social dev/gender/inclusion	Conflict prevention and post-conflict reconstruction	79		
Social protection and risk management	Improving labor markets	21		
<b>Total</b>		<b>100</b>		

<b>Additional Financing Additional Financing to Eastern Recovery Project ( P157303 )</b>				
<b>Practice Area (Lead)</b>				
Social Protection & Labor				
<b>Contributing Practice Areas</b>				
Fragile, Conflict & Violence				
<b>Cross Cutting Topics</b>				
[ ] Climate Change				
[X] Fragile, Conflict & Violence				
[X] Gender				
[X] Jobs				
[ ] Public Private Partnership				
<b>Sectors / Climate Change</b>				
Sector (Maximum 5 and total % must equal 100)				
Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Health and other social services	Other social services	30		
Agriculture, fishing, and forestry	General agriculture, fishing and forestry sector	25		
Transportation	Rural and Inter-Urban Roads and Highways	20		
Education	General education sector	15		
Water, sanitation and flood protection	General water, sanitation and flood protection sector	10		
<b>Themes</b>				
Theme (Maximum 5 and total % must equal 100)				
Major theme	Theme	%		
Social dev/gender/inclusion	Conflict prevention and post-conflict reconstruction	100		
Total			100	
<b>Consultants (Will be disclosed in the Monthly Operational Summary)</b>				
Consultants Required ?Consultants will be required				



**Democratic Republic of Congo**  
**Additional Financing of Eastern Recovery Project**

**I. INTRODUCTION**

1. This Project Paper seeks the approval of the Executive Directors to provide an additional credit and grant in an amount of US\$50 million equivalent to the Democratic Republic of Congo (DRC) Eastern Recovery Project. The proposed additional credit and grant would finance the costs associated with scaled-up activities to enhance the impact of a well-performing project. To this end, the additional funding would (a) increase activities to assist communities affected by forced displacement, therefore focusing on Internally Displaced Persons (IDP), refugees, returnees and their host communities, and (b) extend geographic coverage to the new Tanganyika province, which has recently witnessed an increase in forced displacements due to conflict, and the new Tshopo province, which is a frequent destination for people fleeing violence in the other districts of the province (already covered by the Eastern Recovery Project). In particular, the proposed Additional Financing (AF) would: (a) assist returnees and host populations to rebuild socio-economic infrastructure damaged during conflict; (b) assist IDPs who decide to remain in their area of displacement and their hosts by expanding socio-economic infrastructure that has become overburdened; (c) provide short-term and longer-term livelihoods opportunities to displaced populations and host communities both in areas of displacement and return; and (d) strengthen training at the community level on conflict prevention and management to improve the likelihood of peaceful reintegration of returning community members and minimize tensions between IDPs and their host communities.

2. The proposed AF represents the first phase of the Great Lakes Region (GLR) Resilience and Cohesion of Displaced Persons and Border Communities Program, a regional operation conceived as a series of projects. As such, it is financed by two thirds with regional International Development Association (IDA) funds and one third with national IDA funds. The decision to process the DRC component of the regional program as an AF was taken during the Concept Note review for the regional program in light of the following considerations: (a) the original project was designed in a way that is mindful of the special vulnerability of displaced people and their host communities; (b) the Project Development Objectives (PDO) of the regional program overlaps with the PDO of the Eastern Recovery Project in the focus on improved access to livelihoods and socio-economic infrastructure; (c) the implementing agency in DRC has proven capacity in this line of work, and continued work with this agency would facilitate implementation; and (d) the geographical coverage required for a displacement-centered project would greatly overlap with that of the Eastern Recovery Project.

**II. BACKGROUND AND RATIONALE FOR ADDITIONAL FINANCING IN THE AMOUNT OF US\$50 MILLION**

**Background**

3. Over the past three decades, the eastern provinces of DRC have been host to an explosive mix of weak governance, widespread poverty, natural resource mismanagement, land disputes and the exploitation of ethnic divisions for political and economic gain by foreign and Congolese armed groups, creating an instability that has frequently spilled over into outright violent conflict.

The cumulative impact has been catastrophic. Conflict related deaths since 1998 are estimated to exceed 5.4 million, while millions of others have been plunged into a state of acute vulnerability due to displacement, dispossession, the breakdown of communal and social bonds, and the loss of livelihoods.

4. Conflict-induced displacement has occurred since 1992, originating almost entirely in the eastern provinces. DRC now hosts one of the largest IDP populations in the world. As of December 2014, there were a total of 2.8 million IDPs, up by 40,000 over the previous quarter. Much of this displacement is pre-emptive as much as reactive – people move out of fear, because of the impact of armed groups activities or of military operations against armed groups, and a lack of faith in government institutions and international forces to keep them safe.

5. In the first months of 2015, varied population movements were observed. The electoral violence in Burundi has led to an estimated 14,000 refugees from that country moving into South Kivu province, mainly into the already highly populated Ruzizi Plain and Fizi territory. In northern North Kivu, ongoing fighting between the Congolese army and the Allied Democratic Forces rebel group has led to a state of chronic displacement. In northern ex-Katanga, the fighting between the Bantu and indigenous (‘pygmy’) communities has worsened, leading to an increase in IDPs in this zone as well.<sup>1</sup> In northern ex-Province Orientale, mainly along the border with South Sudan, continuing fear of the Lord’s Resistance Army and associated rebel groups has pushed people towards urban centers, with little appetite to return.

6. Despite this, spontaneous IDP and refugee returns are happening all the time; in the last quarter of 2014 close to 300,000 IDPs returned to their place of origin, bringing the total number of returnees to 1.8 million. But return is not without its problems. The displaced tend to go back to areas where land is limited and may find their old plots occupied, with land titles sometimes abusively ceded in their absence. In addition, many displaced groups are from communities that are seen as ‘foreign’ by some of the other groups, leading to a sensitive situation that has often been manipulated into violent reprisals by political actors.

7. Displacement also puts an additional strain on already poor hosting communities, which in turn increases IDP vulnerability. According to the United Nations Office for the Coordination of Humanitarian Affairs, the majority of the displaced in eastern DRC live with host families, with only 20 percent living in IDP camps. While many have flocked to the bigger cities, including Goma, Bunia and Bukavu, the majority have settled along major roads, often only 15 to 20 kilometers from their area of origin. The fluid security situation has resulted in multiple displacements, followed by return and re-displacement. This pattern has made it difficult for the IDPs to recuperate their assets, is steadily eroding their resilience to renewed conflict and increasing resort to risky coping strategies such as taking children out of school, reducing food consumption, and engaging in illegal or dangerous activities. The challenge for DRC is how to define and implement longer-term support for the displaced in a context of evolving security and humanitarian needs, and how to achieve viable and sustainable return and re-integration processes for those IDPs and refugees who are able to go home.

---

<sup>1</sup> On March 2, 2015, the President promulgated a law on a new administrative division of the country, according to which the largest provinces were to be broken up into smaller provinces. This is the case with Katanga and Province Orientale.

## The Original Project

8. The original IDA grant for the Eastern Recovery Project was approved by the Board on February 27, 2014 for an amount of Special Drawing Rights (SDR) 51.4 million (US\$79.1 million equivalent) and became effective on September 8, 2014. The original closing date of the grant was June 30, 2018, and the AF would extend it to June 30, 2020.

9. The PDO of the Eastern Recovery Project is to improve access to livelihoods and socio-economic infrastructure in vulnerable communities in the eastern provinces of DRC. The PDO will remain unchanged for the AF, but vulnerable communities will be defined as displaced persons and host communities. Hence, while the original project targeted a host of vulnerable people *including* those affected by forced displacement, the incremental funding available in the context of the regional program will be *reserved to* those affected by forced displacement. As a result, activities in the area already covered by the Eastern Recovery Project –North Kivu, South Kivu, and part of the ex-Oriental province (Haut-Uélé, Bas-Uélé and Ituri districts)– will be intensified to accommodate a specific focus on the displaced and their host communities, while two additional provinces will be added in light of the intense population movements they have been witnessing because of the conflict –Tanganyika and Tshopo.<sup>2</sup>

10. The three components of the original project were designed keeping in mind the specific circumstances of displaced people and are performing in a satisfactory manner, therefore they will remain the same. A brief description of their content is provided below.

➤ ***Component 1: Community Support (original US\$31 million; AF US\$20 million).*** This component focuses on strengthening community resilience through: (a) improving access to community social and economic infrastructure; (b) facilitating and improving inclusive community participation processes; and (c) strengthening local conflict prevention and resolution mechanisms. Implementation of the proposed AF will pay particular attention to displaced populations and host communities in line with the criteria outlined in the Project Implementation Manual (PIM). With a ceiling of US\$100,000 per sub-project, a total of about 300 communities would be covered by the original financing for this component; the proposed AF will allow an additional 180 communities to benefit. Community priorities include rehabilitation and construction works in the health, education, water and sanitation, trade (markets) and transport (small bridges) sectors. Communities affected by forced displacement may have different priorities from other groups of beneficiaries, and project implementation will be tailored to these differences through community-driven development mechanisms.

➤ ***Component 2: Livelihoods and Employment Generation (original US\$31 million; AF US\$20 million).*** This component will support employment creation through two sub-components that will provide short-term employment as well as sustainable livelihood options.

- ***Subcomponent 1: labor-intensive public works (original US\$19 million; AF US\$12.3 million).*** Road rehabilitation is the main activity supported by this sub-component, as it has been identified as a key element of stabilization and development. Five urban centers have

---

<sup>2</sup> Tanganyika province used to be a district of Katanga and Tshopo province used to be a district of Province Orientale.

been targeted, and at least two more will be added with the AF. In rural areas, the implementing agency, together with the United Nations Organization stabilization Mission in DRC (*MONUSCO*), has selected strategic corridors where road rehabilitation will not only serve to improve rural households' access to social services and markets but also contribute to stabilization. The selected corridors coincide with the areas that have the heaviest concentration of displaced people, most of whom have settled only 15-20 km from their village of origin, often along a main road, where they feel more secure. The additional funding will make it possible to select additional corridors and intensify work in the present ones.

- *Subcomponent 2: Strengthening Agricultural Value Chains (original US\$12 million; AF US\$7.7 million).* The agricultural value chain sub-component is designed to increase the food security and incomes of agricultural households along the same strategic corridors targeted for the rural roads rehabilitation under the sub-component above. Project support will address constraints all along the selected value-chains (on-farm productivity, post-harvest handling, storage and processing) in an effort to strengthen the hand of small-scale farmers and get more profits returning to farmer households and villages.
- *Component 3: Capacity Building (Original US\$17.1 million; AF US\$10 million).* This component covers capacity building of local stakeholders and project management. With the AF, efforts to build the capacity of local authorities in conflict management (including mediation) will be stepped up and expanded; of particular importance will be the inclusion of the so-called “triangle of death” in northern Katanga (between the towns of Manono, Mitwaba and Pweto). Support will also be provided to the government entities with the mandate to assist the forcibly displaced, the National Refugee Commission (Ministry of Interior) and the Directorate for Humanitarian Action (Ministry of Social Affairs, and Humanitarian Action), for example in improving their monitoring and coordinating functions. Additional funding will also make it possible to open an office in this area (in Kalemie) and to strengthen staff in the other provincial offices. Monitoring and evaluation will receive particular attention given the dearth of solid data documenting the performance of development approaches to forced displacement thus contributing to increase global knowledge.

11. The proposed AF would use the current institutional and fiduciary arrangements of the original Eastern Recovery Project, which is being managed by the DRC Social Fund (*Fond Social de la République Démocratique du Congo, FSRDC*). The Social Fund is an autonomous government agency that has successfully managed the Emergency Social Action Project (2004-2013), a US\$101.8 IDA-financed operation to improve basic infrastructure using a Community-Driven Development (CDD) approach as well as to finance labor-intensive public works. To prepare for the Eastern Recovery Project, the Social Fund: (a) updated its financial management and procurement procedures manual; (b) improved its multi-projects and multi-sites accounting software; and (c) updated the terms of reference for its internal audit function. Independent external auditors have been hired and perform yearly financial and technical audits. There are no overdue audits. Procurement is carried out by specialized staff in accordance with World Bank procedures, and yearly procurement plans are regularly updated.

12. The original project is classified as Environmental Category B since potential adverse environmental impacts associated with its investments are generally small-scale and site-specific,

thus manageable to an acceptable level. Several social and environmental safeguard policies are triggered (see table below) and the relevant safeguard instruments have been developed and disseminated in accordance with Operational Policies. These include: an Environmental and Social Management Framework, a Resettlement Policy Framework, an Indigenous People Planning Framework, and an Integrated Pest Management Plan. Depending on the findings of social screenings, a Resettlement Action Plan and or an Indigenous People's Plan may be prepared. The additional funding will trigger the same safeguards, so the existing instruments will apply.

13. Implementation of the original project has been satisfactory and, one year after effectiveness, the disbursement rate is 16 percent. By utilizing a Project Preparation Fund and a grant from the State and Peacebuilding Fund, the implementing agency was able to provide a quick and effective response to the dismantling of the M23 rebel group and accompanying liberation of part of the North Kivu province. Project staff, local communities and entrepreneurs worked hand in hand to plan and deliver services at record speed, with the first stone for a new school (the previous one was bombed) laid after just 40 days. By the time the project became effective, some 30 community infrastructures had already been completed. As of October 2015, a total of 42 community infrastructures have been completed and another 45 are underway. The livelihood and employment generation component has required a number of preparatory studies and its implementation in the field is just starting with the launch of labor-intensive public works in five urban areas.

#### **Rationale for Additional Financing**

14. As noted in the introduction, the US\$50 million equivalent requested as AF for the Eastern Recovery Project is part of the Great Lakes Region Resilience and Cohesion of Displaced Persons and Border Communities Program, which has as its objective to reduce poverty among and improve the integration and socio-economic development prospects of those affected by forced displacement, including the local communities that host the displaced. This Program is the realization of the official engagement made by the Bank in May 2013 to provide US\$1 billion to the Great Lakes Region, US\$100 million of which would be devoted to addressing the problem of forced displacement.

15. The added emphasis on displacement in the proposed AF also addresses a potential negative spillover in the region, namely the potential for IDPs to cross borders and become refugees. Given the substantive overlap between the objectives of the regional program and those of the Eastern Recovery Project, it will be more cost effective for the World Bank Group to channel these funds through an existing mechanism that has a proven track record and an established presence in the relevant geographic area, than to create a separate project. Likewise, relying on the implementation mechanisms of an existing and satisfactory project will make it possible to use the funds sooner than would be possible if a completely new project were developed.



### III. PROPOSED CHANGES

<b>Summary of Proposed Changes</b>	
16. The main change from the parent project is to increase emphasis on support to IDPs, refugees, returnees and the communities hosting them. This change will be supported by an expansion of the geographic area currently covered by the project to include districts in the eastern provinces that are particularly affected by forced displacement. The Results Framework has been revised to better measure the impact of the project on IDPs, returnees, refugees and host communities, and the project closing date will be extended to June 30, 2020. There will be no change to the PDO or to the project components (the latter will, of course, have increased budgets). As the additional resources coming from the regional IDA funds will be a credit, while the original project is a grant, the amended legal documents will reflect such change.	
Change in Implementing Agency	Yes [ ] No [ X ]
Change in Project's Development Objectives	Yes [ ] No [ X ]
Change in Results Framework	Yes [ X ] No [ ]
Change in Safeguard Policies Triggered	Yes [ ] No [ X ]
Change of EA category	Yes [ ] No [ X ]
Other Changes to Safeguards	Yes [ ] No [ X ]
Change in Legal Covenants	Yes [ ] No [ X ]
Change in Loan Closing Date(s)	Yes [ X ] No [ ]
Cancellations Proposed	Yes [ ] No [ X ]
Change in Disbursement Arrangements	Yes [ ] No [ X ]
Reallocation between Disbursement Categories	Yes [ ] No [ X ]
Change in Disbursement Estimates	Yes [ X ] No [ ]
Change to Components and Cost	Yes [ X ] No [ ]
Change in Institutional Arrangements	Yes [ ] No [ X ]
Change in Financial Management	Yes [ ] No [ X ]
Change in Procurement	Yes [ ] No [ X ]
Change in Implementation Schedule	Yes [ X ] No [ ]
Other Change(s)	Yes [ ] No [ X ]
<b>Development Objective/Results</b>	
<b>Project's Development Objectives</b>	
Original PDO	

17. The Project Development Objective is to improve access to livelihoods and socio-economic infrastructures in vulnerable communities in the eastern provinces of DRC.

**Change in Results Framework**

Explanation:

18. The changes in the Results Framework consist essentially of a revision of target values to reflect the increased funding. In addition, breakdowns have been added to better monitor outcomes for individuals and communities affected by forced displacement.

<b>Risk</b>	
<b>Risk Category</b>	<b>Rating (H, S, M, L)</b>
1. Political and Governance	High
2. Macroeconomic	Substantial
3. Sector Strategies and Policies	Moderate
4. Technical Design of Project or Program	High
5. Institutional Capacity for Implementation and Sustainability	Moderate
6. Fiduciary	High
7. Environment and Social	Low
8. Stakeholders	Moderate
9. Other	
OVERALL	High

**Finance**

**Loan Closing Date - Additional Financing ( Additional Financing to Eastern Recovery Project - P157303 )**

<b>Source of Funds</b>	<b>Proposed Additional Financing Loan Closing Date</b>
International Development Association (IDA)	30-Jun-2020

**Loan Closing Date(s) - Parent ( DRC Eastern Recovery Project - P145196 )**

Explanation:

19. The closing date is extended by two years to allow enough time for disbursing the additional US\$50 million. It should be noted that the context (fragile and low-capacity), the project approach (participatory and bottom-up) and the nature of many of the project activities (e.g., capacity building, conflict mediation) are inherently time-consuming and do not allow an accelerated implementation pace.

Ln/Cr/TF	Status	Original Closing Date	Current Closing Date	Proposed Closing Date	Previous Closing Date(s)	
IDA-H9170	Effective	30-Jun-2018	30-Jun-2018	30-Jun-2020	30-Jun-2018	
TF-16616	Effective	31-Jan-2016	31-Jan-2016	31-Jan-2016		
<b>Change in Disbursement Estimates (including all sources of Financing)</b>						
Explanation:						
20. Changes in disbursement estimates are necessary because of the additional US\$50 million and the new closing date which extend the previous one by two years.						
<b>Expected Disbursements (in USD Million)(including all Sources of Financing)</b>						
Fiscal Year		2016	2017	2018	2019	2020
Annual		1.00	10.00	15.00	15.00	9.00
Cumulative		1.00	11.00	26.00	41.00	50.00
<b>Allocations - Additional Financing ( Additional Financing to Eastern Recovery Project - P157303 )</b>						
Source of Fund	Currency	Category of Expenditure	Allocation	Disbursement % (Type Total)		
			Proposed	Proposed		
IDA	XDR	Goods, Works, Consulting Services, Non-Consulting Services, Community Grants and Agricultural Grants, Operating Costs, Workshops and Training	50,000,000.00	100.00		
		<b>Total:</b>	50,000,000.00			
<b>Components</b>						
<b>Change to Components and Cost</b>						
Explanation:						
21. The three components of the original project were designed keeping in mind the specific circumstances of displaced people and are performing in a satisfactory manner, therefore they will remain essentially the same. Given the availability of extra funding, however, their budget will be increased, as shown below.						

22. In addition, needed adjustments will be made during implementation to ensure that people affected by forced displacement are targeted. For example, the additional funding will make it possible to select additional communities for capacity building and infrastructure rehabilitation/reconstruction, as well additional corridors for value chain development and road rehabilitation. Selection criteria for these new communities and corridors will include forced displacement (e.g., under component 1, eligible communities will have to have at least one fourth of their population made of refugees, IDPs or returnees). In addition, efforts to strengthen the capacity of local authorities in conflict management (including mediation) will be stepped up and expanded. Capacity building will also be provided to the two national entities with mandates to assist the forcibly displaced, the National refugee Commission and the Directorate for Humanitarian Action. Additional funding will also make it possible to open an office in Tanganyika province (in Kalemie) and to strengthen staff in the other offices.

<b>Current Component Name</b>	<b>Proposed Component Name</b>	<b>Current Cost (US\$M)</b>	<b>Proposed Cost (US\$M)</b>	<b>Action</b>
1. Support to Community Resilience	1. Support to Community Resilience	31.00	51.00	Revised
2. Livelihoods and Employment Generation	2. Livelihoods and Employment Generation	31.00	51.00	Revised
3. Capacity Building	3. Capacity Building	17.10	27.10	Revised
	<b>Total:</b>	79.10	129.10	

#### Other Change(s)

<b>Implementing Agency Name</b>	<b>Type</b>	<b>Action</b>
FSRDC	Implementing Agency	No Change
Ministry of Finance	Recipient	No Change

#### Change in Implementation Schedule

Explanation:

23. With an additional US\$50 million, the closing date will be extended by two years to allow enough time for disbursing the additional amount. It should be noted that the context (fragile and low-capacity), the project approach (participatory and bottom-up) and the nature of many of the project activities (e.g., capacity building, conflict mediation) are inherently time-consuming and do not allow an accelerated implementation pace.

### IV. APPRAISAL SUMMARY

#### Economic and Financial Analysis

24. The Economic and Financial analysis presented in the Project Appraisal Document for the original Eastern Recovery Project is also relevant for the proposed AF. In a nutshell, the Eastern Recovery Project was assessed on the basis of (a) international evidence that suggests a positive link between stabilization, improved livelihoods and increased access to basic social services; (b) expected positive impact on increased purchasing power of beneficiaries and increased agricultural production; (c) international evidence demonstrating the positive link between increased access to social protection and socio-economic development; and (d) the cost-effectiveness of relying on a well-established implementing agency with demonstrated cost-effective technical solutions (as documented in the Implementation Completion Report for the previous project implemented by the same agency) and of creating synergies with other initiatives. In terms of the latter, close collaboration with DRC development partners and government is helping to minimize costs in terms of project preparation and implementation; for example, the in-depth conflict analyses carried out in line with the International Security and Stabilization Support Strategy (I4S) are being used to guide activities in all three components and the I4S monitoring framework will not only help contextualize project progress but also facilitate joint data gathering efforts (e.g., perception surveys).

25. The considerations below are offered as a complement to the analysis carried out for the original project and they focus on forced displacement. In particular, they compare the traditional humanitarian approach used with displaced populations with the development approach proposed with the present project.

26. About US\$400 million a year have been invested annually in humanitarian assistance to address the short and long-term needs of the displaced in the eastern provinces of DRC. While people affected by recent displacement need humanitarian emergency and life-saving support, those in protracted displacement, who represent over 80 percent of the displaced in DRC, require a more structured approach that enables them to integrate the local economy in the host community –or back in the village of origin when the security situation permits. At the same time, prolonged crises, like the one in Eastern DRC, attract progressively fewer resources from humanitarian donors and the assistance provided, particularly for long-term displaced people, is gradually scaled down. A development-oriented response would provide more cost-effective, efficient and sustainable solutions to address the long-term needs of displaced and host populations.

27. The humanitarian response is oriented toward the satisfaction of basic life needs and can hardly mobilize resources to implement long-term solutions. Strict emergency interventions (to provide food, essential non-food items, logistics and protection) account for about 75 percent of the humanitarian budget, 21 percent is allocated to facilitate emergency access to basic social services (education, health, and water and sanitation) and less than 5 percent to sustain livelihoods and promote self-reliance. Despite important funds injected in humanitarian assistance, benefits for the economy tend to be limited and short-lived. By definition, humanitarian assistance is meant to provide short-term benefits as most of the activities financed are aimed at satisfying basic immediate needs with few or no multipliers effects on the local economy:

- The impact of humanitarian assistance on the local food and non-food markets remains

marginal. Generally, food and non-food-items distribution contributes to contain the price increase on the local market due to the greater demand caused by the arrival of displaced people. Reselling distributed goods on the local market is a common practice, particularly for non-food-items, but available data tend to suggest that this phenomenon is of limited magnitude and does not have a significant market impact. One major shortcoming of the humanitarian assistance is that it does not support (or not enough) the supply side of the local market, for example by encouraging local production.

- Humanitarian assistance finances some activities aimed at increasing the productive potential of displaced and local people, however: (a) activities are very limited in coverage, below 5 percent of displaced households in camps; (b) they are limited in scale and mostly oriented toward short-term productive capacity insufficient to generate enough revenues to sustain the needs of the family, let alone warrant reinvestment in future activities; (c) implementation time is usually limited by the duration of the humanitarian funds available (e.g., 6-12 months) and this short timeframe tends to be insufficient to graduate people from assistance.
- Facilitating access to social services is probably the most important positive impact that humanitarian assistance has on both the displaced and their host community. The humanitarian approach, however, is unsustainable over the long term, as access to social services is entirely subsidized by humanitarian donors, tends to rely on staff brought in from the outside, and depends on funds that are short-term and unpredictable. At present, for example, education services have been interrupted in all long-term IDP locations and only strict emergency education services are kept for new displaced.

28. The Eastern Recovery Project will implement an integrated development approach in areas of displacement and return to support the implementation of sustainable solutions for the displaced and their host communities and, as much as possible, to increase their resilience to future shocks. Unlike the humanitarian assistance, whose main objective is to provide immediate and short-term relief to the affected population, a development approach could bring important long-term and multiplier effects on the local economy, local markets and job creation:

- Local markets will be impacted both on the supply and demand side. On the supply side, activities implemented under the agricultural value chain sub-component are aimed at increasing productivity for small-scale farmers by providing, among others, improved seeds and technical training. On the demand side, the project, via job creation and revenues increase (under the livelihood and employment creation component), will impact the food market by increasing the purchasing power of beneficiaries.
- The project is expected to have important positive impacts on the labor market with the creation of short-term employment opportunities in public works and the increased productivity of labor all along the selected value chains (production, processing, transport, and commercialization).
- Access to basic social services is being improved by rehabilitating/building and equipping socio-economic infrastructures, thus increasing the accessibility and quality of

services provided. In parallel, under the livelihood and employment creation component, the project will sustain the revenues of the poorest households, making it possible for them to pay for education and health fees. Unlike the humanitarian approach, that subsidizes school and health centers, the development approach will reinforce the capacity of households to support those expenditures. This approach is more likely to be sustainable over the long term.

29. *Analysis of Alternatives.* International experience suggests that building confidence through collective action and restoring a sense of normalcy through access to basic services and employment --provided these are linked to locally identified drivers of conflict-- are fundamental to breaking the cycle of violence and fragility. This is especially true where internally displaced and returning refugee populations are involved. The proposed project design reflects these goals and is based on accumulated wisdom from previous post-conflict operations. In particular, a CDD approach has proven effective in fragile environments as it combines the provision of basic infrastructure with a participatory, bottom-up approach. Cash-for-work and cash transfer programs can have a positive effect by improving the social contract between Government and citizens, and in this way help consolidate the peace process. Other actors are also carrying out projects with similar approaches, but are relying on international implementing agencies thus missing an important opportunity to restore confidence in government action. The *FSRDC* is the only government agency with the proven capacity to implement a multi-sectoral project throughout the country, delivering good quality infrastructure in remote locations while respecting participatory and fiduciary principles.

**Technical Analysis**

NO CHANGE

**Social Analysis**

NO CHANGE

**Environmental Analysis**

NO CHANGE

**Risk**

NO CHANGE

**V. WORLD BANK GRIEVANCE REDRESS**

30. Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints

received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank Inspection Panel, please visit [www.inspectionpanel.org](http://www.inspectionpanel.org).



**ANNEX 1: REVISED RESULTS FRAMEWORK**  
**Democratic Republic of Congo**  
**Additional Financing of Eastern Recovery Project**

**Project Development Objectives**

Original Project Development Objective - Parent:

The project development objective is to improve access to livelihoods and socio-economic infrastructure in vulnerable communities in the eastern provinces of DRC.

Proposed Project Development Objective - Additional Financing (AF):

The project development objective is to improve access to livelihoods and socio-economic infrastructure in vulnerable communities in the eastern provinces of DRC

**Results**

Core sector indicators are considered: Yes

Results reporting level: Project Level

**Project Development Objective Indicators**

Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
Revised	Direct project beneficiaries	<input checked="" type="checkbox"/>	Number	Value	0.00	69017.00	1050000.00
				Date	27-Feb-2014	31-Dec-2014	30-Jun-2020
				Comment	This indicator will be calculated by adding up the number of direct project beneficiaries (broken down by gender) of: (i) rehabilitated/constructed infrastructures; (ii) conflict prevention and mediation trainings;		

					(iii) LIPW; and (iv) livelihoods and employment generation program. The female percentage will be calculated off the total number of female direct beneficiaries.		
New	Beneficiaries affected by forced displacement	<input type="checkbox"/>	Percentage Sub Type Supplemental	Value	0.00		45.00
No Change	Female beneficiaries	<input checked="" type="checkbox"/>	Percentage Sub Type Supplemental	Value	0.00	52.80	51.00
Revised	Increased access to improved community social and economic infrastructure	<input type="checkbox"/>	Percentage	Value	0.00	96.00	30.00
				Date	27-Feb-2014	31-Dec-2013	30-Jun-2020
				Comment		This indicator is exceptionally high because it refers to infrastructure built in an area previously occupied by an armed group where infrastructure had become unusable. Values are expected to be much lower under normal circumstances.	
New	Increased access to improved community social and economic infrastructure within communities	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	0.00		30.00
				Date	30-Sep-2015		30-Jun-2020
				Comment			

	affected by forced displacement						
Revised	Increase in number of medical consultations	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	0.00	8.00	30.00
				Date	27-Feb-2014	31-Dec-2014	30-Jun-2020
				Comment			
Revised	Increase in access to potable water	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	0.00	247.00	30.00
				Date	27-Feb-2014	31-Dec-2014	30-Jun-2020
				Comment			
Revised	Increase in primary school enrollment	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	0.00	16.00	30.00
				Date	27-Feb-2014	31-Dec-2014	30-Jun-2020
				Comment			
Revised	Average increase in annual income among beneficiaries of the livelihood support sub-component	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	0.00	0.00	15.00
				Date	27-Feb-2014	31-Dec-2014	30-Jun-2020
				Comment			
New	Average increase in annual income among beneficiaries of the livelihood support sub-component in communities affected by forced displacement	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	0.00		15.00
				Date	30-Sep-2015		30-Jun-2020
				Comment			
Revised	Average increase in annual income for female beneficiaries	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	0.00	0.00	15.00
				Date	27-Feb-2014	30-Jun-2014	30-Jun-2020
				Comment			
Revised	Average increase in annual income for male beneficiaries	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	0.00	0.00	15.00
				Date	27-Feb-2014	31-Dec-2014	30-Jun-2020
				Comment			

Revised	Beneficiaries of the livelihood support subcomponent whose revenue increased	<input type="checkbox"/>	Percentage	Value	0.00	0.00	60.00
				Date	27-Feb-2014	31-Dec-2014	30-Jun-2020
				Comment			
New	Beneficiaries of the livelihood support subcomponent living in communities affected by forced displacement whose revenue increased	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	0.00		60.00
				Date	30-Sep-2015		30-Jun-2020
				Comment			
Revised	Male beneficiaries of livelihood support whose income increased	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	0.00	0.00	60.00
				Date	27-Feb-2014	31-Dec-2014	30-Jun-2020
				Comment			
Revised	Female beneficiaries of livelihood support whose income increased	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	0.00	0.00	60.00
				Date	27-Feb-2014	31-Dec-2014	30-Jun-2020
				Comment			

### Intermediate Results Indicators

Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
Revised	Number of community social and economic infrastructure constructed or rehabilitated	<input type="checkbox"/>	Number	Value	0.00	42.00	500.00
				Date	27-Feb-2014	31-Dec-2014	30-Jun-2020
				Comment			
New	Number of community social and economic infrastructure constructed or rehabilitated in communities affected by forced displacement	<input type="checkbox"/>	Number Sub Type Breakdown	Value	0.00		250.00
				Date	30-Sep-2015		30-Jun-2020
				Comment			
Revised	Improvement in social cohesion among beneficiaries	<input type="checkbox"/>	Percentage	Value	0.00	44.00	20.00
				Date		31-Dec-2014	30-Jun-2020

	of community subprojects			Comment			
New	Improvement in social cohesion among beneficiaries of community subprojects in communities affected by forced displacement	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	0.00		20.00
				Date	30-Sep-2015		30-Jun-2020
				Comment			
Revised	Created or strengthened community structures for conflict prevention, mediation and resolution	<input type="checkbox"/>	Number	Value	0.00	0.00	210.00
				Date	27-Feb-2014	31-Dec-2014	30-Jun-2020
				Comment			
New	Created or strengthened community structures for conflict prevention, mediation and resolution in communities affected by forced displacement	<input type="checkbox"/>	Number Sub Type Breakdown	Value	0.00		95.00
				Date	30-Sep-2015		30-Jun-2020
				Comment			
Revised	Action plans for conflict transformation adopted by communities	<input type="checkbox"/>	Number	Value	0.00	0.00	130.00
				Date	27-Feb-2014	31-Dec-2014	30-Jun-2020
				Comment			
New	Action plans for conflict transformation adopted by communities affected by forced displacement	<input type="checkbox"/>	Number Sub Type Breakdown	Value	0.00		60.00
				Date	30-Sep-2015		30-Jun-2020
				Comment			
Revised	Reps in comm. based decision making & mgt. str. from vul./marg. beneficiaries(%)	<input checked="" type="checkbox"/>	Percentage	Value	0.00	0.00	15.00
				Date	27-Feb-2014	31-Dec-2014	30-Jun-2020
				Comment			
Revised	People participating in community based decision making & mgt str. – male	<input checked="" type="checkbox"/>	Number Sub Type Supplemental	Value	0.00	0.00	1200.00

Revised	People participating in community based decision making & mgt str. – female	<input checked="" type="checkbox"/>	Number Sub Type Supplemental	Value	0.00	0.00	1000.00
Revised	Reps in comm. based decision & mgt. str. from vul./marg. beneficiaries-male	<input checked="" type="checkbox"/>	Number Sub Type Supplemental	Value	0.00	0.00	450.00
Revised	Reps in comm. based decision & mgt. str. from vul./marg. beneficiaries-female	<input checked="" type="checkbox"/>	Number Sub Type Supplemental	Value	0.00	0.00	450.00
Revised	Person days of temporary employment created	<input type="checkbox"/>	Number	Value	0.00	0.00	2160000.00
				Date	27-Feb-2014	31-Dec-2014	30-Jun-2020
				Comment			
Revised	Days of temporary employment created for women	<input type="checkbox"/>	Number Sub Type Breakdown	Value	0.00	0.00	650000.00
				Date	27-Feb-2014	31-Dec-2014	30-Jun-2020
				Comment			
Revised	Days of temporary employment created for men	<input type="checkbox"/>	Number Sub Type Breakdown	Value	0.00	0.00	150000.00
				Date	27-Feb-2014	31-Dec-2014	30-Jun-2020
				Comment			
Revised	Beneficiaries of Safety Nets programs (number)	<input checked="" type="checkbox"/>	Number	Value	0.00	0.00	20000.00
				Date	27-Feb-2014	31-Dec-2014	30-Jun-2020
				Comment			
Revised	Beneficiaries of Safety Nets programs - Cash-for-work, food-for-work and public works (number)	<input checked="" type="checkbox"/>	Number Sub Type Breakdown	Value	0.00	0.00	20000.00
				Date	27-Feb-2014	31-Dec-2014	30-Jun-2020
				Comment			

Revised	Beneficiaries of Safety Nets programs - Female (number)	<input checked="" type="checkbox"/>	Number Sub Type Breakdown	Value	0.00	0.00	6000.00
				Date	27-Feb-2014	31-Dec-2014	30-Jun-2020
				Comment			
Revised	Roads rehabilitated, Rural	<input checked="" type="checkbox"/>	Kilometers	Value	0.00	0.00	1800.00
				Date	27-Feb-2014	31-Dec-2014	30-Jun-2020
				Comment			
Revised	LIPW beneficiaries completing a training program	<input type="checkbox"/>	Percentage	Value	0.00	0.00	50.00
				Date	27-Feb-2014	31-Dec-2014	30-Jun-2020
				Comment			Target is lowered because the mobility of forcibly displaced people will make it more difficult for them complete a training program
Revised	Clients who have adopted an improved agr. technology promoted by the project	<input checked="" type="checkbox"/>	Number	Value	0.00	0.00	33000.00
				Date	27-Feb-2014	31-Dec-2014	30-Jun-2020
				Comment			
New	Beneficiaries living in communities affected by forced displacement who have adopted an improved agr. technology promoted by the project	<input type="checkbox"/>	Number Sub Type Breakdown	Value	0.00		5000.00
				Date	30-Sep-2015		30-Jun-2020
				Comment			
Revised	Clients who adopted an improved agr. technology	<input checked="" type="checkbox"/>	Number Sub Type	Value	0.00	0.00	18000.00
				Date	27-Feb-2014	31-Dec-2014	30-Jun-2020

	promoted by project – female		Breakdown	Comment			
Revised	Client days of training provided (number)	<input checked="" type="checkbox"/>	Number	Value	0.00	0.00	70000.00
				Date	27-Feb-2014	31-Dec-2014	30-Jun-2020
				Comment			
Revised	Client days of training provided - Female (number)	<input checked="" type="checkbox"/>	Number Sub Type Breakdown	Value	0.00	0.00	41000.00
				Date	27-Feb-2014	31-Dec-2014	30-Jun-2020
				Comment			
Revised	Capacity building events for local authorities, civil society and the FSRDC	<input type="checkbox"/>	Number	Value	0.00	0.00	100.00
				Date	27-Feb-2014	31-Dec-2014	30-Jun-2020
				Comment			
Revised	Technical audits implemented	<input type="checkbox"/>	Yes/No	Value	No	No	Yes
				Date	27-Feb-2014	31-Dec-2014	30-Jun-2020
				Comment			
Revised	Beneficiaries that feel project investments reflected their needs (percentage)	<input checked="" type="checkbox"/>	Percentage	Value	0.00	86.00	70.00
				Date	27-Feb-2014	31-Dec-2014	30-Jun-2020
				Comment			
New	Beneficiaries in communities affected by forced displacement who feel project investments reflected their needs	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	0.00		70.00
				Date	30-Sep-2015		30-Jun-2020
				Comment			
Revised	Sub-projects with post-project community engagement or O&M arrangements (%)	<input checked="" type="checkbox"/>	Percentage	Value	0.00	0.00	75.00
				Date	27-Feb-2014	31-Dec-2014	30-Jun-2020
				Comment			
New	Sub-projects with post-project		Percentage	Value	0.00		60.00



	community engagement or O&M arrangements in communities affected by forced displacement (%)	<input type="checkbox"/>	Sub Type Breakdown	Date	30-Sep-2015		30-Jun-2020
				Comment			Communities affected by forced displacement may experience lower levels of cohesion that may impede post-project engagement
Revised	Sub-projects implemented that were subject to environmental screening	<input type="checkbox"/>	Percentage	Value	0.00	93.00	95.00
				Date	27-Feb-2014	31-Dec-2014	30-Jun-2020
				Comment			

**ANNEX 2: REGIONAL ASPECTS AND JUSTIFICATION FOR THE USE OF REGIONAL IDA**  
**Democratic Republic of Congo**  
**Additional Financing of Eastern Recovery Project**

1. Forced displacement – the movement of persons due to violence and persecution – is a pressing development challenge for the Great Lakes region (GLR). There are currently more than 3.3 million refugees and Internally Displaced Person (IDP) in the GLR, 81 percent of which originate from within the region itself. The latest figures from United Nations High Commissioner for Refugees (UNHCR) indicate that by the end of 2014, DRC was hosting some 2.8 million IDPs and 120,000 refugees from neighboring countries. At the same time, there were approximately 0.5 million refugees who originated from The Democratic Republic of Congo (DRC), and around three fourth of these were located in the Great Lakes Region. Returnees to DRC from abroad in 2014 were 24,000. Those directly affected are a particularly vulnerable group who have suffered the trauma and loss of homes, assets, livelihoods and have had to re-build lives in new contexts, often in poor and physically isolated settings. While many have shown remarkable fortitude and resilience, all too often forced displacement results in greater impoverishment.

2. Forced displacement is by its nature a regional issue. Refugees who cross international borders are a clear regional ‘spill-over effect’ of the violence and insecurity within a country. When neighbouring countries host refugees, they are directly bearing the consequences of that violence and insecurity. While IDPs do not cross borders, they are one step closer to doing so and there are regional benefits for investing in their stabilization at source and reducing the number of potential refugees. At the same time, refugees who are able to return home after strong socio-economic integration while displaced have the opportunity to take back new assets, knowledge, skills and trading networks --gleaned while displaced-- to contribute to rebuilding and reconstruction efforts.

3. This project is one element of the GLR Displaced Persons and Border Communities Program, which will be processed as a series of projects. The project, and the overall program, qualifies for regional IDA 17 program funding in the following ways:

- The program involves multiple countries in the region, namely DRC, Tanzania, and Zambia.
- Its benefits go beyond country boundaries in two ways: (a) it provides assistance to refugees thus simultaneously benefiting both the originating and the receiving country, and (b) it mitigates possible negative spill-over effects of forced internal displacement by seeking to improve the wellbeing of IDPs, thus anchoring them to their country and reducing the chances that they will cross the border in search of better opportunities and become refugees.
- The regional program (and the project by extension) is a result of clear Government demand, following the signing of the Peace, Security and Cooperation Framework for the DRC and the Region in February 2013, which called for the World Bank to step in. The GLR Initiative was designed to support the achievement of the framework objectives, and forced displacement was identified as a priority.

- A process is underway to develop a new structure at the regional level in the Great Lakes to leverage political and policy agreements in support of durable solutions for the displaced. This process will come as a third phase, after the country specific projects (first in DRC, then in Tanzania and Zambia). At the same time, the Bank is currently preparing a regional program on forced displacement in the Horn of Africa, and the two teams are working closely together to ensure the sharing of lessons learned and a coordinated approach to policy harmonization.

4. A recent report (*Forced Displacement in the Great Lakes Region, A Development Response* World Bank/UNHCR 2015) suggests that although comprehensive evidence does not exist, displaced persons in the GLR tend to have lower incomes, lower employment rates and greater dependency on direct transfers than the non-displaced. They typically had to abandon their assets and their ability to make a living is greatly reduced by limited freedom of movement, legal restrictions, linguistic or cultural barriers, harassment and discrimination. In the worst cases, the forcibly displaced are subject to abject poverty and reliance on humanitarian assistance. In addition, the effects of forced displacement spread more widely to the communities, districts and regions where the displaced settle. With the population increase caused by displacement, hosting areas face additional strain on socio-economic services and infrastructure. This can compound existing poverty dynamics and contribute to social resentment amongst the hosting population. Indeed, it is found that the presence of refugees or IDPs can contribute to a 2 to 3 percent decrease in Gross Domestic Product per year in conjunction with other effects of conflict.<sup>3</sup> In a region already facing high poverty rates and a large number of poor,<sup>4</sup> those affected by forced displacement represent a distinct challenge for wider poverty alleviation efforts for the GLR.

5. Global precedent shows that the costs of inaction on the poverty and development dimensions of forced displacement may be high including the social and economic marginalization of the displaced, increases in gender-based violence, environmental damage, and the sparking of social grievances with the potential for radicalization effects. Yet global precedent also shows that, with appropriate support, the displaced can make positive contributions to their hosting communities. Conducive policies, legal protection and opportunities for socio-economic integration, can allow receiving areas to benefit from the new skills and assets offered by the displaced, from wider markets and from aid inputs. Investing development resources in the displaced, therefore, has the potential to overcome their vulnerability, invigorate both local and regional economies, and create positive dynamics between countries in the region.

6. The signing of the Peace, Security and Cooperation Framework for the DRC and the Region (PSC Framework) in February 2013 represents an important foundational agreement that affirmed governments' commitment to work together to address these common security and economic challenges. The PSC Framework stipulated a supporting role for the World Bank. Thus

---

<sup>3</sup> Hegre et al, 2011; Salehyran and Gleditsch, 2006.

<sup>4</sup> Poverty rates have been falling, yet they remain high, especially in Burundi (66% in 2006), DRC (63% in 2012) and Zambia (60% in 2010). The situation is particularly dire for DRC, whose Human Development Index score is the second lowest in the world and per capita income is also among the lowest in the world (US\$ 220 in 2012). Even in Tanzania where poverty rates are at 28%, population growth means that the same number of people remain poor as ten years ago and its average per capita income at US\$ 570 (in 2012), places it only in the 176th global position for income.

in 2013, the World Bank launched the Great Lakes Regional Initiative (GLR Initiative), designed to support the achievement of the PSC Framework goals. This initiative envisages regional development assistance under two pillars: (a) addressing vulnerability and improving community resilience; and (b) promoting economic cooperation and regional integration. The first pillar explicitly calls on the World Bank to “identify new ways of providing access to livelihoods and services for currently displaced populations, recent returnees, and other war-affected groups”.<sup>5</sup> Those affected by forced displacement --refugees, IDPs, returnees and hosting communities— were therefore identified as a priority group and corresponding financing was committed to the GLR Displaced Persons and Border Communities Program.

7. This program is firmly embedded within current regional initiatives to bring stability to the DRC. Conflict in the DRC, and related pockets of fragility in surrounding countries, is one of the major constraints to the economic and social development of the region. This conflict, which focuses on provinces bordering GLR neighbours, is multi-faceted, with illegal trade in natural resources and mobilization around land and identity feeding off each other to create a complex web of conflict drivers. Regional conflict drivers interact with local drivers leading to ongoing instability and regional mistrust. This conflict has negative impacts on access to and quality of infrastructure and services, on human and social capital, economic productivity, regional trade, government legitimacy and social inclusion. Thus, it seriously undermines poverty reduction efforts and negatively affects development prospects.

8. The objective of the GLR Displaced Persons and Border Communities Program is to improve access to livelihoods and socio-economic infrastructure for displaced people and host communities in the targeted countries –DRC, Tanzania and Zambia. Such an objective is consistent with the Country Assistance Strategies of the concerned countries and also aligned with the PSC Framework benchmark 5.3, “return and reintegration of refugees in their respective countries of origin, under the tripartite agreement”.<sup>6</sup> The proposed Additional Financing constitutes the first phase of the GLR program. Its objectives are intended to contribute to the fulfillment of wider peace building initiatives for the DRC and the region.

---

<sup>5</sup> GLRI, “Reviving the Great Lakes: A World Bank Group Regional Initiative for Peace, Stability and Economic Development”, *Draft for Discussion Only*

<sup>6</sup> This makes the program part of the Framework’s regional commitment 5, ‘To respect the legitimate concerns and interests of the neighboring countries, in particular regarding security matters.’ The program also indirectly contributes to benchmark 2.1 on the return of ex-combatants, many of whom will be IDPs or refugees; and to commitment 4, on providing support to socio-economic integration in the region.

**ANNEX 3: CLIMATE SCREENING**  
**Democratic Republic of Congo**  
**Additional Financing of Eastern Recovery Project**

1. There are two general aspects of climate change to be potentially considered by the project:
  - **Adaptation** covers a wide range of activities that will enhance the ability to respond to climate change-related issues such as sea level rise; storms, floods, and drought, threats to water resources, health, infrastructure, and agriculture. Adaptation measures usually include climate change impact analysis as well as "climate proofing" of sectors, geographic areas and specific projects. The project's physical infrastructures will cover activities that (a) are relatively small scale investments, (b) have scope for easily reacting to climatic trends (e.g. in road rehabilitation or support to agricultural activities) and, moreover (c) possess an inherent flexibility to react to changing climatic condition, should this become necessary (e.g. when a community decides and plans the upgrading of buildings and infrastructure, resilience can be built is with minor additional efforts). Adaptation will thus be promoted as one of the key design principles for the scope of planned activities, but will not require freestanding, broad analytical or planning efforts.
  - **Mitigation** efforts are targeted at reducing Greenhouse Gas (GHG) emissions by measures such as improved energy efficiency, increased use of renewable energy sources, sustainable transport initiatives, and carbon sequestration. While resource economy and energy efficiency will be important design criteria in all components, especially those dealing with physical investments and livelihood generation, the project will not target specific measures to reduce, and possibly market, GHG emissions.
  
2. A Climate and Disaster Risk Screening Report for the regional program – including the Additional Financing for the Eastern Recovery Project – revealed that the potential impacts of the project vary by sector and time period. The community development aspects of the program (including policy development and long-term strategic planning) may significantly reduce the impacts of climate hazards, whereas the development context of land ownership issues and political instability could increase the impact of climate hazards. The social development aspects of the program, such as capacity building and training, may significantly reduce the impact of climate hazards, both currently and in future. Access to technology provided by the program can also significantly reduce the impact of climate hazards. Overall, the potential impact of the overall program is highly exposed to climate hazards, whereas the outcomes for community development are at low risk, while the social development outcomes are moderately exposed to climate hazards.

# MAP

