

PROJECT INFORMATION DOCUMENT (PID) CONCEPT STAGE

Report No.: PIDC3874

Project Name	AFCC2/RI-Regional Great Lakes Integrated Agriculture Development Project (P143307)
Region	AFRICA
Country	Africa
GEF Focal Area	Multi-focal area
Sector(s)	Agricultural extension and research (100%)
Theme(s)	Land administration and management (50%), Nutrition and food security (50%)
Lending Instrument	Investment Project Financing
Project ID	P143307
Borrower(s)	Ministry Of Finances
Implementing Agency	Ministry of Agriculture and rural Development
Environmental Category	A-Full Assessment
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Concept Review Decision	Track II - The review did authorize the preparation to continue

I. Introduction and Context

Country Context

A. Introduction

1. Following the visit to the Great Lakes Region of the President of the World Bank Group and the United Nations Secretary-General in May 2013, the World Bank announced its support for an integrated program to consolidate peace, revitalize regional economic development, create jobs and opportunities for young people, and improve the livelihoods of the people in the Region of the Great Lakes that would include the Democratic Republic of Congo (DRC), Burundi, Rwanda, and possibly- Tanzania. A project was subsequently identified, which has since evolved into the Regional Great Lakes Integrated Agriculture Development Program (RGLIADP) that currently encompasses the Democratic Republic of Congo (DRC) and Burundi, with the possibility of other countries joining at a later date.

B. Country Context

2. Security and conflict issues. Since 1998, an estimated 3.5 million people have died in the DRC alone from continuous cycles of conflict. The eastern provinces are, at this time, still reeling from the effects of on-going military operations against the rebel movements (M23, FDLR, and ADF) and a host of smaller armed groups are leading to large-scale population displacement. Conflict is also due to a complex interplay of factors, many of them related to questions of land and identity, particularly in the program's proposed target areas. The DRC's state institutions are subject to influences of competing political-military networks which has led to weak and fragmented institutions that cannot control the entirety of the country's vast territory. Land titles in rural areas are unclear as they mostly concern concessions that date back to the colonial era and are sometimes allocated for reasons of political patronage. As the majority of the rural population lives from agriculture, land is a prized resource. As access decreases due to conflict and untenable agricultural practices, and demographic pressures increase, tensions around available land worsen. In such a climate of insecurity and poverty, people fall back on ethnically defined identities that, in turn, are closely linked to the possession of land as a non-negotiable tribal heritage. Armed groups, customary authorities, and political entrepreneurs may mobilize communities against each other around these identities and grievances, for economic or political gain. This has led to a climate of fear, mistrust and violence that can easily be sparked by any intervention related to land and the agricultural sector. Over the years, the conflicts have disrupted production and trade, increased the vulnerability of the population to hunger, malnutrition and poverty, and created large populations of forcibly displaced people – which, all act as a further driver of tensions and violence.

3. Burundi had taken significant steps to consolidate peace starting in 2000, after more than a decade of conflict which had devastated much of the country's physical, social and human capital. This was followed by a decade (2005-2015) of relative stability and improved security, but violence escalated recently as the country failed to organize peaceful elections in mid-2015. More than 250,000 Burundians have fled to neighboring countries: DRC, Rwanda, and Tanzania, while close to 80,000 have been internally displaced. While the violence is concentrated mostly in urban areas, the situation remains chronically tense in rural areas. Moreover, serious tensions persist due to the high pressure on land in the countryside, with an estimated 430 people per square kilometer, one of the highest densities in the world. This situation may be exacerbated by the decreasing legitimacy of the government that may weaken its capacity to restore law and order, and enforce rules. At this time, various foreign partners are re-considering their support strategies towards the country.

4. Poverty. The DRC and Burundi are among the poorest countries in the world with respectively 88 percent and 81 percent of the population living below US\$ 1.25 a day. The DRC is ranked 189th in the Human Development Index 2014 and Burundi 180th out of 187 countries. The population in both countries is young, with 45 percent of the population under 15 years old, mostly rural (65 percent of the population in the DRC and 89 percent in Burundi), largely food insecure (57 percent in the DRC and 49% in Burundi are malnourished) and severely constrained by low agricultural productivity and poor access to energy and basic services. The DRC is characterized by: (i) the lowest gross national income (GNI) per capita in the region (US\$190); (ii) the highest number of internally displaced persons in the Great Lakes region (around 2.96 million), leading to increased need for food production and social services; (iii) the lowest ranking in the food security index (109th out of 109th); and (v) low literacy rate (61 percent compared to 87 percent in Burundi). In Burundi, the population is characterized by: (i) the second lowest GNI per capita in the Great Lakes region (US\$250); (ii) among the highest population growth rate in the world (3.1 percent in 2013);

and (iii) shrinking and inequitable access to land with 0.29 hectare planted per household in 2012 (owned 70 percent by men).

5. Economy. The Democratic Republic of Congo is a resource rich country with considerable potential for development. With a land surface area of 2.3 million km², it is the largest country in Sub-Saharan Africa (SSA). The DRC remains a fragile country with tremendous needs in terms of reconstruction, economic growth, and governance. The security situation is improving but remains tense, particularly in the eastern provinces. Peacebuilding and economic recovery efforts are being carried out in a challenging social context. After an economic slump in 2009 that brought the growth rate down to 2.8% due to the global financial crisis, the DRC posted an annual average economic growth rate of 7.4% during 2010-2013 and of 8.7% in 2014, both of which are well above the average in Sub-Saharan Africa. Despite an impressive economic growth rate and a reduction in the poverty rate from 71% in 2005 to 63% in 2012, the poverty rate remains high in the DRC. The country ranks second to last on the Human Development Index (186 out of 187 countries), and its per capita income, which stood at US\$220 in 2012, is among the lowest in the world. The United Nations estimates that there are some 2.3 million displaced persons and refugees in the country and 323,000 DRC nationals living in refugee camps outside the country. The DRC has 80 million hectares of arable land, diverse climatic conditions and abundant water resources. It has considerable agricultural potential and extensive pastoral areas. The country's lakes and rivers provide rich opportunities for fishing and aquaculture. Agriculture is the most important sector in terms of GDP share and employment, accounting for 42.5 % of GDP and employing 62% of its men and 84% of its women. Poverty incidence is higher in rural areas (about 3/4) than urban areas (less than 2/3). Stunting or chronic malnutrition affects 43% of children under five. Approximately 6.4 million people are severely food insecure and suffer from a lack of access to livelihoods requiring continuous food assistance. For the last four years, DRC has been ranked at the bottom of the Global Hunger Index and, agricultural production has fallen 40% since 1990. Most of the sector is made up of small-scale family farming relying on low intensity crop production, livestock and fisheries. Production of food staples is stagnant and has not kept up with population growth, but some agricultural sub-sectors – notably coffee, oil palm, and flour production -- are more dynamic. Both smallholder and commercial farmers grow rice, sugar cane, cassava and maize.

Burundi is a small landlocked country with a total area of 27,830 square kilometers. Densely populated, it has a population of approximately 10.6 million inhabitants. Burundi's political crisis is turning a decade of good economic performance to a macroeconomic collapse. Despite a good rainy season, real GDP is expected to contract by 2.3 percent in 2015, the first time since 2003. Interruption in activities have dramatically reduced the tax base, putting significant pressure on the government budget. Prior to the current political crisis, Burundi was on its way to make the transition from a post-conflict to a stable and growing economy. The economy is dominated by subsistence agriculture, which employs 90% of the population, though cultivable land is extremely scarce. Poverty remains widespread, with 81% of the population living on less than \$1.25 a day. The country has one of the highest population growth rate in the world (3.1 percent in 2013), with a shrinking and inequitable access to land (0.29 hectare planted per household in 2012, largely owned by men). The population in Burundi is young, with 45 percent of the population under 15 years old, mostly rural (89 percent), largely food insecure with 49% malnourished, and severely constrained by low agricultural productivity and poor access to energy and basic services. Inequalities between the capital, Bujumbura, and the rest of the country, remain high but are decreasing despite rapid economic growth in urban areas. In rural areas, 61.5% of the population cannot meet their basic needs in terms of calorie intake, versus 41% in Bujumbura. Burundi's ranking on the UNDP's

Human Development Index increased by 2.5% per year between 2005 and 2013 as education and health outcomes have significantly improved over the period yet the country still ranks low at 180th out of 187 countries in 2013. Per capita gross national income more than doubled between 2005 (US \$130) and 2013 (US\$280), still the second lowest in the Great Lakes region.

6. Cross-cutting issues. The nutritional status in both countries is poor with high levels of malnutrition. In the DRC, 46 percent of under-5-year-olds are chronically malnourished or stunted. In Burundi, almost 58 percent of children suffer from chronic malnutrition, half of whom are afflicted by severe malnutrition. Stunting reaches 60-65 percent of all children between the ages of 6 and 59 months. Gender inequalities are profound in the DRC as reflected in the fact that the country ranks 148 of 157 in the Gender-Related Development Index. In Burundi, households headed by women are extremely vulnerable and more acutely affected by poverty than households headed by men (76 percent versus 64 percent for men) due to limited access to land, capital and credit. With limited non-farm employment opportunities in rural areas, idle and underemployed youth present a special challenge to address urgently. In DRC, almost half of the population (46%) is under the age of 15 years, lacking opportunities for education or employment. Many youths leave their rural communities to find (often exploitative) jobs in the cities and mining areas, leading to further poverty, heightening frustrations and making them susceptible to mobilization by political entrepreneurs or violent armed groups. While legislation recognizing local land rights exists in both countries, procedures to implement systematic first time registration are lacking in the DRC and only available in pilot areas in Burundi. Regarding the private sector, Burundi is ranked 152nd in the Doing Business 2015 report whereas the DRC is ranked 184th out of 189th countries. In Burundi, access to electricity and credit remain the most important constraints for the development of the private sector. In the DRC, despite steps to simplify business creation, all indicators are still lagging behind.

7. Regional integration. At the regional level, two particular cross-border drivers of tensions may impact on the program. The first is the influx of thousands of Burundian refugees during the first half of 2015 into the DRC's Ruzizi Plain following the electoral violence in their country. These refugees have often settled among the Burundi group, which has led to pressure on land and increasing tensions with the Bafuliro in the area. A second issue is the ongoing problem of so-called "Cows without Borders"; the uncontrolled herding of cows by pastoralists from both countries and from Rwanda and Tanzania across the DRC-Burundi border, leading to crops being eaten and tensions between the communities, particularly in the DRC. Both countries are active in regional forums. They are members of the Common Market for Eastern and Southern Africa (COMESA) whose 17th meeting of the Council of Ministers focused on strengthening exchanges through small and medium enterprises development. Both countries form also with Rwanda the Economic Community of the Great Lakes States (ECGLC or in French, CEPGL). In 2013, they participated in a technical committee of the ECGLC to tackle border issues between the DRC, Burundi and Rwanda. Also, they are members of the Association for Strengthening Agricultural Research in Eastern and Central Africa (ASARECA). Yet, transboundary trade of the two countries is poorly developed, the 169th and 175th rank for Burundi and the DRC, respectively, in the 2015 Doing Business report.

Sectoral and Institutional Context

8. In both countries, agriculture is the most important sector in terms of share of the GDP and source of employment, representing 70% of the active population in the DRC and in Burundi. Most of the sector is made up of small-scale family farming relying on low intensity crop production,

livestock and fisheries. The main constraints of the agricultural sector are the low productivity of farming systems due to the lack of availability of and access to modern inputs (improved seeds, fertilizers, pesticides, hybrid races, vaccination, etc.) and technologies, low sustainability due to lack of watershed protection, weak access to information on market and prices, poor productive infrastructure and equipment (water, energy, roads), lack of agro-processing facilities, resulting in high production, processing and marketing costs, and large post-harvest losses for crops, dairy products, and fisheries. In the two countries, low agricultural growth (4.1% in DRC, 3.5% in Burundi) just above the high population growth leads to national food deficits, rural unemployment especially among youth, and widespread poverty. It also restricts the potential of the agriculture sector in contributing towards conflict resolution and economic transformation in the Region at large.

9. In Eastern DRC, South Kivu and northern Katanga have both considerable agricultural potential and extensive pastoral areas. There is a wide and diverse range of agricultural products, from food crops to vegetable and fruit production, and industrial crops to cattle breeding and small ruminants, as well as poultry production. Fish production is potentially abundant in the region's lakes and rivers, particularly in Lake Tanganyika. This part of the country is also endowed with forests with timber and non-timber products. Unfortunately, the DRC is not yet making the most of its potential. Due to insecurity, unfriendly business environment, poor road infrastructure and heavy taxation, access to markets is limited, and agriculture is therefore limited to small-scale, low-risk subsistence activities. The following major commodities are exploited in the different ecological zones of the area:

- Rice, sugar cane, cassava and maize are grown by both smallholder and commercial farmers as main commercial crops in the Ruzizi River Plain;
- Livestock production in the mid-lowland extension of the plain, a seasonal grazing area for cattle, are owned both by local herders and by pastoralist groups that come down from the plateau;
- Extensive rainfed crop and grain production (maize and rice in particular, as well as cassava) take place in the lowland central-basin of the western Tanganyika District (Kongolo and Nyunzu territories in particular); and
- Artisanal fishing is practiced in Lake Tanganyika.

10. In Burundi, the farms are highly fragmented with an average size of less than 0.5 hectare and the pressure on the land is increasing due to demographic pressure. The farming systems are determined by weather cycles and organized around multiple crops to reduce risk. A comparison of crop yields in the country with those in neighboring regions shows that Burundi's agriculture faces major productivity challenges. For example, over the last years, the growth rate in cereal productivity in the East African Community (EAC region) increased by 3.13 percent while it declined by 0.08 percent in Burundi. Various interlinked factors contribute to the low agriculture productivity in Burundi, for instance: degradation of natural ecosystems and declining soil fertility, low use of improved inputs (quality seeds, fertilizers, pesticides, etc.), low use of modern technologies, insufficient investments in agricultural research and inadequate access to agriculture extension services, poor physical infrastructure affecting market access and access to improved inputs, limited access to credit, marketing constraints and post-harvest losses among others. With the continued fragmentation and scarcity of agricultural land, future growth in agricultural production can only be generated from intensification and productivity gains. In addition, only market-oriented agriculture will allow rural households an adequate livelihood from their small plots, abundant labor, and relatively ample water resources.

11. The Regional Great Lakes Integrated Agricultural Development Program is in line with the national strategies of the DRC and Burundi, and the respective Comprehensive Africa Agriculture Development Program (CAADP), through its focus on the development of agricultural value-chains with strong economic potential. With the support of the CAADP, the Governments of Burundi and the DRC have signed the CAADP country compact agreements respectively in 2009 and 2011. The Government of Burundi has also put forward a National Agricultural Investment Plan (NAIP), covering the period 2012-2017, which main focus are (a) the increase in crop and livestock production by raising productivity and ensuring optimal management of soil and water resources; and (b) the strengthening of human resources capacities of national institutions and farmers organizations. As for the DRC, its NAIP, covering the period 2013-2020, focuses mainly on (a) the promotion of agricultural value chains and agribusiness, (b) managing food and nutrition security and strategic reserves, (c) research, extension and agricultural education, (c) agricultural governance, gender, and strengthening human and institutional capacities, and (d) adaptation to climate change.

12. In both countries, the project area is characterized by significant levels of environmental degradation. Diminishing forest areas threaten globally important biodiversity as well as the sustainability of agricultural investments, because of landslides and erosion-related sedimentation on steep slopes, and reduce availability of charcoal, the most important fuel in the rural areas. Protected areas on the periphery of the project area are poorly managed, particularly the vast Itombwe Nature Reserve in the DRC, a globally important site. Poaching is rampant in some of these areas; in Itombwe resident forest elephant and great ape (gorilla and chimpanzee) populations are threatened.

Relationship to CAS

14. The proposed regional project is aligned with the Country Assistance Strategies (CAS) of both countries.

15. The FY13-16 CAS for Burundi aims to support Burundi's development as an "increasingly stable, competitive and diversified economy with enhanced opportunities for productive employment and improved standards of living". Within the CAS framework, the proposed project supports the first strategic objective of increasing competitiveness to achieve inclusive growth and reduce poverty.

16. As for the DRC, the proposed regional program will significantly contribute to supporting the Government's efforts at alleviating extreme poverty and malnutrition (MDG1), and is fully aligned with the FY13-16 CAS fourth outcome, addressing conflict and fragility in the Eastern DRC through "increased agriculture productivity and production and access to markets". In addition, this proposed regional program will link closely to ongoing stabilization and economic recovery interventions in the Eastern DRC.

17. In addition, the proposed program is in line with the outcomes of the regional Peace, Security and Cooperation Framework (PSCF), particularly pillar 4 "Strengthening regional cooperation, including deepening economic integration".

II. Proposed Development Objective(s) / Global Environmental Objective(s)

A. Project Development Objective(s)

A. Proposed Development Objective and Global Environmental Objective

1. The Program Development Objective (PDO) is to sustainably enhance the productivity of selected value chains in DRC and Burundi in targeted areas and to improve agricultural regional integration. The Global Environmental Objective (GEO) of the GEF-financed investments is “to sustain environmental services from the forested landscapes of the program area in South Kivu Province of the DRC”.

2. The proposed regional program is supportive of the World Bank’s twin goals of eliminating extreme poverty and boosting shared prosperity, as well as of sectoral and regional strategies. The proposed program would contribute to poverty alleviation, and improved food and nutrition security through the development of agricultural value-chains. This would be combined with community-based planning processes, conflict prevention and landscape management approaches in the targeted areas in order to ensure sustainability of the achievements. All components of the program are closely intertwined and the success of each one of them is a necessary condition for the achievement of the PDO. More precisely, successfully carrying out the value chain-related activities in component 1 will only be possible to the extent that the activities in component 3 (conflict prevention, territorial approach, social cohesion) can ensure a conducive general business environment. Similarly, component 4 (promotion of regional integration) will ensure that the interventions in components 1 and 3 take advantage of regional economies of scale.

3. Beneficiaries. The direct beneficiaries of the regional Program will be: (i) the population living in the Ruzizi Plain, along Lake Tanganyika (both DRC and Burundi); and the highlands in the eastern Congo; it is estimated that approximately 350,000 households will benefit directly; (ii) the farmers’ and fishers’ organizations and their apexes in the targeted areas; (iii) private investors and Micro, Small and Medium Enterprises (MSME) in the targeted areas; (iv) vulnerable groups in the targeted area, particularly women, children, youths, Internally Displaced People (IDPs) and others at-risk of violent mobilization; and (v) agricultural support services, including the public agriculture research and extension services, and international and local NGOs and service providers involved in the targeted value-chains. Indirectly, private sector companies will also benefit from agriculture sourcing and market opportunities.

4. Target areas. The proposed regional program target area is located: (i) in Burundi, in the Ruzizi and Imbo regions as well as along Lake Tanganyika (the Cibitoke-Makamba corridor); (ii) in DRC, in the provinces of South Kivu and Tanganyika, and more specifically the Bukavu-Uvira-Kalemie corridor (Bukavu, Ruzizi plain, coastal plain Baraka-Fizi-Kalemie). Specific intervention areas will be determined during program preparation.

B. Global Environmental Objective(s)

Need to add

Key Results (From PCN)

PDO-Level Results:

- i. Direct program beneficiaries, disaggregated by gender (core indicator);
- ii. Number of beneficiaries who have adopted an improved agricultural technology promoted by the program (core sector indicator – agriculture extension and research);
- iii. Productivity increases in selected value chains supported by the program;
- iv. Beneficiaries who experience a feeling of greater security attributable to the project in the

project areas (core sector indicator – conflict prevention and post-conflict reconstruction) (percentage);

v. Number of joint programs, investments and regulations established to improve agricultural regional integration.

GEO-level results

- i. Management effectiveness of targeted protected areas, using the GEF's Management effectiveness tracking tool (METT);
- ii. Provision of environmental services (ha of afforestation).

Other Intermediate Results:

- Inter and intra-community conflicts reduced through dialogue, land tenure security and support to inclusive local community planning;
- Increased number of jobs created along the targeted value-chains;
- New agro-forestry related economic opportunities created and biodiversity protection for sustainable agricultural production in the targeted area increased;
- Improved dietary diversity of vulnerable groups

III. Preliminary Description

Concept Description

The proposed program is based on a holistic and integrated approach to promote the development of agriculture by promoting the development of selected value chains in both countries. To this end, the program will provide investments at various segment of the value-chains, combining soft (e.g. community mobilization, capacity building, service delivery) and hard (e.g. infrastructure, equipment) to create opportunities for complementary private sector-led investments, MSME development and job creation.

The design also aims to reduce and prevent conflict in a region-specific context where tensions are chronically high. Putting this region and its people on an equitable agricultural growth path can help attenuate these tensions. Conflicts cannot be prevented, in the short run, without dialogue between communities, and in the long run, in the absence of equitable economic growth. In addition, the approach also aims to integrate sustainable landscape management with a social dimension focusing on community-based approaches, and an environmental dimension providing for environmental services that are critical for agriculture productivity (such as reducing sedimentation and hillside degradation, watershed treatment for the protection of investments in targeted sectors, biological control of pests and sensible management of pesticides, etc.). The program also strives to foster regional economic integration by developing joint research and development programs (strengthening an agricultural policy dialogue on fertilizer policy, for instance, scientific exchanges between both countries based on respective comparative advantages, etc.; sustainable development and management of shared watersheds and natural resources, including Lake Tanganyika; strengthening capacity of regional institutions; and pursuing complementarity of investments between the two countries.

The overall approach will be implemented based on two core targeting principles: (i) a geographic concentration of productive investments within the broader program area to achieve larger impact that could eventually crowd-in future economic activities; and (ii) the targeting of priority value-chains, with rice, cassava, dairy and fisheries having been identified by Government counterparts.

For fisheries, the focus would be on the reduction of post-harvest losses that are estimated at 20,000 tons per annum. In addition, the proposed regional program will proactively support gender and youth inclusiveness and support nutrition-sensitive interventions along the value chains in both countries.

Five components are proposed as follows:

Component 1: Value-chains productivity enhancement (IDA financing of \$36 million for Burundi and \$67.6 million for DRC). The aim of this component is to increase the productivity and production of selected value-chains, in particular rice, cassava, dairy products and fisheries in targeted areas of Burundi and East DRC.

*Sub-component 1.1: In both countries, the Program will: (i) strengthen the capacity of selected producer organizations (POs) or cooperatives of rice and cassava, including the provision of logistics and storage facilities; (ii) rehabilitate/develop selected irrigation schemes within the Ruzizi plain and other specific areas; (iii) facilitate access to quality seeds of rice, improved planting materials of cassava, and other inputs such as mechanization for land preparation and harvesting, fertilizers and agro-chemicals; and (iv) introduce and promote improved production techniques. Three priority value chains are envisaged to be developed in both DRC and Burundi:

The following major activities will be implemented:

- Strengthening the capacity of selected producer organizations or cooperatives
- Rehabilitation/development of selected irrigation systems
- Facilitate access to quality seeds of rice and improved planting materials of cassava.
- Dissemination of improved production techniques.
- Facilitate access to agricultural inputs.

* Sub-component 1.2: Sub-component 1.2: Empowerment of fishing communities along the coast of Lake Tanganyika (US\$ 21.1 millions).

* Sub-component 1.3: Development of the livestock/dairy products value-chain (US\$ 27.1 millions). The Program will aim at developing and improving the dairy value chain focusing more specifically on milk processing and marketing in Burundi and on the establishment and promotion of the whole value chain in DRC.

* Sub-component 1.4: Development of critical rural infrastructure for improved market access (US\$ 30.3 million). Following an inventory of the existing network of rural roads in the Ruzizi plain (both sides of Burundi and East DRC), and Kalemie area, a rural road improvement program will be prepared which will also take into account the regional dimension of the Program and enhance connectivity between the two countries.

Component 2: Support for the development of agro-industrial parks (IDA financing of US\$ 8.4 million for Burundi and US\$ 34.1 million for DRC). The aim of this component is twofold: (i) assist the Government of DRC in identifying two large scale agro-industrial parks sites in not densely populated areas and finance the critical public infrastructure for one site based on detailed techno-economic feasibility studies and viable business plans; and (ii) support the development of competitive and inclusive agro-industrial parks along the corridor Ruzizi-Tanganyika in both countries.

* Sub-component 2.1: Development of competitive and inclusive agro-industrial parks (US\$ 24.0 million). In the context of this Program, the AIP concept is based on a concentrated agro-industrial

zone, mainly focused on value addition/agro-processing services of food products, including crops, livestock/dairy products and fisheries.

* Sub-component 2.2: Promotion of private sector development and value-chain financing (US\$ 18.5 million). The private sector operating in the agriculture and agribusiness sectors face market failures that need to be addressed in order to develop and contribute to economic growth.

Component 3: Conflict Transformation, Community-based Livelihoods and Landscape Management (IDA: US\$ 14.7 million for Burundi and US\$ 20.8 million for DRC; GEF: US\$ 4.8 million, PHRD: US\$ 4.2 million) Component 3 is engaging with the various risks and drivers of conflict, poverty and environmental degradation which are prevalent in the program zone, through a three-tiered process, with one level of interventions building on the next: (3.1) conflict transformation and land tenure security to diminish tensions; (3.2) livelihoods and nutrition-related activities for the most vulnerable communities; and (3.3) environmental activities to preserve the landscape for future generations.

* Sub-component 3.1: Conflict Transformation (IDA: US\$ 14.9 million). This subcomponent brings together a series of targeted interventions to transform conflict and ensure land tenure security.

* Sub-component 3.2: Community-based livelihoods and Nutrition (IDA: US\$ 8.6 million). This subcomponent consists of a set of activities to provide support to vulnerable communities, both for livelihoods and on improving nutrition in these zones.

* Sub-component 3.3: Landscape management (IDA: US\$ 11.9 million; GEF: US\$ 4.8 million). The combined GEF/IDA resources of this subcomponent have an objective of promoting a landscape approach by ensuring that the program incorporates measures to conserve forestry landscapes and global biodiversity values.

* Subcomponent 3.4: Contingency emergency response. This zero budget subcomponent establishes a disaster recovery contingency fund that could be triggered in the event of a natural disaster through formal declaration of a national or regional state of emergency, or upon a formal request from either country, i.e., Government of Burundi and/or Government of DRC in the wake of a disaster.

Component 4: Regional integration. (IDA financing of \$7.4 million for Burundi and \$13.4 million for DRC). Component 4 will (i) support capacity development of sub-regional organizations such as the Communauté Economique des Pays des Grands Lacs (CEPGL), and the Autorité du Lac Tanganyika (ALT). CEPGL will be supported through its Agriculture and Food Security division as its policy objectives are similar to the ones envisaged in the proposed regional program.

* Sub-component 4.1. Regional Cooperation and joint natural resources management (IDA: \$9.7million). The Program will finance regional facilitation activities including: (i) regional planning, monitoring and evaluation activities needed to establish and monitor complementary investments in the two countries, particularly with regards to natural resource management in shared watersheds, expected impacts of climate change, the sustainable management of fisheries resources in Lake Tanganyika, a shared natural resource, and infrastructure investments geared towards improving border connectivity ; and (ii) regional exchange of information, knowledge and technologies through, inter alia, the establishment of a web-based exchange platform between the two countries.

* Sub-component 4.2. Regional Agriculture Research for Development (IDA: US\$10.8 million). This sub-component aims at strengthening the alignment of national priorities with regional priorities within the two countries' national agricultural research systems (NARS), i.e. INERA and

ISABU.

Component 5: Support Services and Program Management (IDA financing of \$7.8 million for Burundi and \$12.1 million for DRC). The program will provide national and provincial actors (including public, private and civil society) with capacity building opportunities to reinforce their skills and capabilities to perform support functions during program implementation.

* Sub-component 5.1: Capacity strengthening of public technical services.

* Sub-component 5.2: Capacity strengthening of private actors/ NGOs. The program will finance training and provide technical support to NGOs and private actors at provincial and local level to enable them to better participate to the implementation and monitoring of program activities.

* Sub-component 5.3: Project management and monitoring and evaluation. This subcomponent will include activities related to project management, coordination, communication and monitoring and evaluation at the national and provincial levels. Contractual arrangements with international specialized institutions such as the CGIAR group, FAO and selected NGOs will be supported as part of the program implementation mechanism.

Combined financing and cost table per component (IDA only):

The total program cost is about US\$ 243 million. The table below is a summary cost table for RGLIADP (tables for the program cost by country are presented in Annex 2). The main financier would be IDA for an amount of US\$ 225 million, of which US\$ 150 million for DRC and US\$ 75 million for Burundi. The funding for Component 1 would come from the International Waters window; for Subcomponent 3.3 from land degradation and sustainable forest management window. The biodiversity window of GEF would co-finance Subcomponent 3.3 for an amount of US\$4.8 million in DRC. The nutrition activities of the program are co-financed by a Japanese PHRD grant for a total amount of US\$4.2 million, of which US\$ 2.6 million for DRC and 1.6 million for Burundi.

Table 1: Summary cost table by component (000 US\$)

	IDA	GEF	PHRD	Total	%
A. Value chains productivity enhancement					
1. Support to rice and cassava production and marketing				24 961	0
0	24 961	100%			
2. Empowering of fishing communities along the coast of Lake Tanganyika				21 183	
0	0	22 192	95%		
3. Development of the livestock/dairy products				27 136	0
0	30 013	90%			
4. Development of critical rural infrastructure for improved market access				30 318	
0	0	107 484	96%		
B. Support for the development of agro-industrial parks					
1. Development of competitive and inclusive agro-industrial parks				24 000	
0	0	24 000	100%		
2. Promotion of private sector development and value-chain financing				18 530	
0	0	22 322	83%		
Subtotal Support for the development of agro-industrial parks					
0	0	6 322	92%	42 530	

C. Conflict transformation, livelihoods and landscape management								
100%								
2. Community-based livelihoods and Nutrition					8 637		0	
4 200	12 839	67%						
3. Landscape management					11 900	4 800	0	18 295
					65%			
Subtotal Conflict transformation, livelihoods and landscape management					35 421		4 800	
4 200	46 018	7%						
D. Regional integration 0								
1. Regional cooperation and joint natural resources management					9 739		0	
0	9 739	100%						
2. Regional agriculture research for development					10 802		0	
0	10 802	100%						
Subtotal Regional integration					20 540		0	
0	20 540	100%						
E. Support services and program management 0								
1. Capacity building of services and actors					5 738	0	0	
5 738		100%						
2. Project coordination and monitoring and evaluation							14 174	
0	0	14 174	100%					
Subtotal Support services and program management							19 913	
0	0	19 913	100%					
F. Project Preparation Advance					3 000	0	0	3 000
					100%			
Total PROJECT COSTS					225 000	4 800	4 200	243 277
					92%			

IV. Safeguard Policies that might apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01	x		
Natural Habitats OP/BP 4.04	x		
Forests OP/BP 4.36	x		
Pest Management OP 4.09	x		
Physical Cultural Resources OP/BP 4.11	x		
Indigenous Peoples OP/BP 4.10	x		
Involuntary Resettlement OP/BP 4.12	x		
Safety of Dams OP/BP 4.37			x
Projects on International Waterways OP/BP 7.50			x
Projects in Disputed Areas OP/BP 7.60		x	

V. Financing (in USD Million)

Total Project Cost:	154.79	Total Bank Financing:	150.00
Financing Gap:	0.00		

Financing Source	Amount
BORROWER/RECIPIENT	0.00
International Development Association (IDA)	150.00
Global Environment Facility (GEF)	4.79
Total	154.79

VI. Contact point

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