

AFRICAN DEVELOPMENT FUND



DEMOCRATIC REPUBLIC OF CONGO

**NATIONAL ROAD NO.1 REHABILITATION PROJECT:
KINSHASA/NDJILI – BATSHAMBA SECTION**

PROJECT APPRAISAL REPORT

RDGS/PICU/COCD

June 2019

Translated Document

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Currency Equivalents

[April 2019]

UA 1 = USD 1.38825

UA 1 = EUR 1.23565

UA 1 = GBP 1.05929

UA 1 = CDF 2,278.72159

Fiscal Year

1 January - 31 December

Weights and Measures

1 metric tonne = 2,204 pounds

1 kilogramme (kg) = 2.200 pounds

1 metre (m) = 3.28 feet

1 millimetre (mm) = 0.03937 inch

1 kilometre (km) = 0.62 mile

1 hectare (ha) = 2.471 acres

Acronyms and Abbreviations

AC	Advance Contracting
ACE	Congolese Environment Agency
ACF	“Action Contre la Faim”
ADF	African Development Fund
AFD	French Development Agency
AfDB	African Development Bank
ARDSS	Agriculture and Rural Development Sector Strategy
CDF	Congolese Franc
CLER	Local Road Maintenance Committee
COPIREP	Steering Committee for Reform of Public Enterprises
CSP	Country Strategy Paper
DFID	Department for International Development (UK)
DRC	Democratic Republic of Congo
DVDA	Department of Agricultural Feeder Roads
DWS	Drinking Water Supply
EA	Executing Agency
ECCAS	Economic Community of Central African States
ECDT	Excl. Customs Duties and Taxes

ERR	Economic Rate of Return
ESMP	Environmental and Social Management Plan
EU	European Union
FONER	National Road Maintenance Fund
GPRSP	Growth and Poverty Reduction Strategy Paper
HHS	Hygiene, Health and Safety
HIPC	Heavily Indebted Poor Countries
HIV-AIDS	Human Immunodeficiency Virus-Acquired Immuno-Deficiency Syndrome
INS	National Institute of Statistics
ITNHTG	Infrastructure, Transport, NICT and Housing Thematic Group
IU	Infrastructure Unit
JICA	Japanese Cooperation Agency
MIN FIN	Ministry of Finance
MITPR	Ministry of Infrastructure, Public Works and Reconstruction
NGO	Non-Governmental Organisation
NPV	Net Present Value
OHADA	Organisation for Harmonisation of Business Law in Africa
OR	Road Authority
PADIR	Rural Infrastructure Development Support Project
PARSAR	Agricultural and Rural Sector Rehabilitation Support Project
PCR	Project Completion Report
PDNT	National Transport Master Plan
PIU	Project Implementation Unit
PP	Procurement Plan
PPP	Public Private Partnership
PRESAR	Agricultural and Rural Sector Rehabilitation Project
PRISE	Socio-Economic Infrastructure Reinforcement Project
PRSP	Poverty Reduction Strategy Paper
RAI	Rural Access Index (% of rural population in project area with direct access to an all-season road within a radius of less than 2 km).
RAP	Resettlement Action Plan

REC	Regional Economic Community
RISP	Regional Integration Strategy Paper
RN 1	National Road 1
SADC	Southern African Development Community
SNHR	National Rural Water Management Service
STD	Sexually Transmitted Diseases
TFP	Technical and Financial Partner
TI	Transparency International
UA	Unit of Account
UAM	Million Units of Account
USD	United States Dollar
VOC	Vehicle Operating Cost
WAEMU	West African Economic and Monetary Union
WB	World Bank

Project Information Sheet

Customer Information

BORROWER: Democratic Republic of Congo (DRC)

EXECUTING AGENCY: Roads Authority of the Ministry of Infrastructure, Public Works, and Reconstruction (MITPR)

Financing Plan

Source	Amount (UA)	Instrument
ADF LOAN	50,570,000	ADF Loan
TOTAL COST	50,570,000	

Key Financial Information on the ADF Loan

Loan Currency	Unit of Account
Interest Type	Not Applicable
Interest Rate Margin	Not Applicable
Other Costs	Not Applicable
Service Charge	0.75% on the loan amount disbursed and outstanding
Tenor	40 years
Grace Period	10 years

Timeframe – Key Milestones

Negotiations	May 2019
Approval	June 2019
Signing of Loan Agreement	September 2019
Effectiveness of ADF Loan	December 2019
Completion Date	November 2021
Last disbursement	December 2021

PROJECT SUMMARY

Project Overview

1. The National Road No. 1 (RN1) is the backbone and main transformative highway of the road transport system in DRC. It connects Banana and Matadi ports to major cities in the west of the country, particularly Lubumbashi in the south, to the Zambian border, over about 3,130 km. It mainly serves Kongo Central, Kinshasa, Kwango, Kwilu, Kasai, Kasai Central, Kasai Oriental, Lomami, Haut Lomami, Lualaba and Haut Katanga provinces, which have a huge proportion of the Congolese population. Finally, from Mbuji-Mayi it connects to RN2 which serves Kasongo, Bukavu (South Kivu) and Goma (North Kivu), located in the east of the country, thus providing a crossroad to Rwanda and Burundi.

2. RN1 is also a very important community road for Central Africa. It is located on Development Corridors CD-07 (Pointe Noire-Dolisie-Brazzaville-Kinshasa-Kikwit-Tshikapa-Mbuji-Mayi-Mwene-Ditu-Kamina-Nguba-Likasi-Lubumbashi-Sakania), CD-08 (Matadi-Kinshasa-Kikwit-Mbuji-Mayi-Kasongo-Bukavu-Bujumbura) and CD-09 (Matadi-Kinshasa-Kikwit-Mbuji-Mayi-Kasongo-Bukavu-Gisenyi-Kigali) which are included in the First Priority Programme of the Central African Consensual Transport Master Plan (PPP/PDCT-AC). Given the importance of this road for the country's economic and social development and the access it provides to the interior, as well as its key role in intra-regional trade, the Government has devoted most funding from donors involved in the transport sector to its gradual rehabilitation. It should be noted that the Bank has, in particular, already financed the development and paving of sections of the Nsele-Lufimi (93.850 km) and Kwango-Kenge (70.340 km) roads, which have been completed over a total length of 164.19 km. Furthermore, the Bank currently finances the Loange-Lovua (63 km), Lovua-Tshikapa (56 km) and Tshikapa-Kamuesha (87 km) road sections with major related agricultural and rural infrastructure linking RN1 to agricultural basins through rehabilitated agricultural feeder roads. The current project will help improve the service level of the road linking Kinshasa to the project areas of Lovua-Tshikapa (56 km) and Tshikapa-Kamuesha (87 km) projects.

3. The Kinshasa/Ndjili-Kenge-Kikwit-Batshamba road section (622 km), which is the focus of this project, is part of the RN1 from Moanda to Kasumbalesa. The project route follows the existing road and covers land with very variable relief. The project will improve the service level of the RN1 and access to Kinshasa, the capital of Democratic Republic of Congo, as well as to Kwango, Kwilu and Kasai Provinces. It will also help improve food security, increase the availability of agricultural products, reduce travel time, and build the capacity of support services, vocational training and social reintegration structures, and grassroots communities. The total project cost, excluding customs duties and taxes, is estimated at UA 50.57 million. The project will be financed entirely by the Bank through a loan from its ADF window.

Needs Assessment

4. The project objective is to safeguard and ensure sustainability of investments made in the sector, maintain the RN1 in improved and secure condition throughout the year to facilitate connectivity between local built-up areas, and ensure traffic flow from Matadi to Batshamba.

5. The project will focus on rehabilitating the Kinshasa/Ndjili-Kenge-Kikwit-Batshamba road section, which covers 622 km. The Kinshasa-Batshamba link, including the 72.80-km Kwango-Kenge section financed by the Bank, is currently an enormously difficult stretch to travel due to the degradation of the roadway and many erosion areas that could cause the road to collapse. This degradation is partly due to the poor choice of the base course (cement base on the

sandy loam soil of Batéké Plateaux). Other sections financed by the European Union and the World Bank have also encountered similar problems.

Value Added for the Bank

6. Given that the Bank is a strategic partner for DRC, the project is intended to continue supporting the country's multifaceted and sustainable development and poverty reduction efforts. The Bank's support is particularly important because: (i) it has already financed 4 sections on the RN1; (ii) it has also already financed the Tshikapa-Mbuji Mayi road study (427 km); (iii) the RN1 is a major corridor that will fully play its role as the main corridor for internal and inter-regional transit and trade between Central Africa, East Africa, and Southern Africa; (iv) it will help consolidate rural development actions initiated by the Bank, through projects already completed (PARSAR and PRESAR) and those in progress (PADIR and PRISE). With this operation, the Bank will connect Kinshasa/Ndjili to Batshamba with full safety and good service level. The Bank has the operational experience and technical expertise required to implement this project.

Knowledge Management

7. The knowledge gained from the project will be managed under the "monitoring-evaluation" component, whose implementation, including impact assessment by beneficiaries, will be entrusted to the National Institute of Statistics (INS). Given that it has already acquired expertise from the Loange-Lovua-Tshikapa section, it will complete and readjust the key impact indicators to allow for proper appraisal of the Tshikapa-Kamuesha project and collection of information on the outcomes and impacts. The information will be entered into the country's road and socio-economic development database at the Ministries of Infrastructure and Agriculture and Rural Development, the Infrastructure Unit (IU), the Roads Authority (OR), and the Department of Agricultural Feeder Roads (DVDA). It will be published on the Bank's website, in annual reports, the completion report, and the ADF post-evaluation review, and will also be used to update the country strategy papers.

VIII. RESULTS-BASED LOGICAL FRAMEWORK

Country and Project Name: Democratic Republic of Congo – RN1 Rehabilitation Project: Kinshasa/Ndjili – Batshamba Section							
Project Goal: Improve the service level of the transport supply chain on the Kinshasa/Ndjili - Batshamba road, as well as the living conditions of the population in the project area.							
IMPACT	RESULTS CHAIN	PERFORMANCE INDICATORS			MEANS OF VERIFICATION	RISKS/ MITIGATION MEASURES	
		Indicator (including CSIs)	Baseline Situation	Target			
	Help open up the country and reduce poverty among the population.	1. Percentage of the general road network in good condition	1. In 2018 : 15%	1. 20% in 2021	Statistical reports from MITPR, and INS, and RN1 length from the IU		
OUTCOMES	Outcome 1: Service and mobility on the Kinshasa/Ndjili - Batshamba section improved	1.1. Travel time 1.2. Traffic level 1.3. Rural Access Index 1.4. Vehicle operating cost (VOC) /vehicle	1.1 In 2018 : 11 h 1.2 In 2018 : 232 veh/d 1.3 : In 2018 : 25% 1.4 : In 2018 : USD 0.47 /km	1.1. In 2021 : 8 h 1.2. In 2011 : 357 veh/d 1.3. In 2021 : 35% 1.4. In 2021: USD 0.31 /km	Sources: M&E reports Impact assessment reports Annual reports of MITPR, the Ministry of Trade, Roads Authority (OR) and Infrastructure Unit (IU) Methods : Surveys, Document Review, Statistics	Risk 1 : Lack of maintenance and upkeep of highways and rural roads; <u>Mitigation measures:</u> - Programming of DVDA by OR in collaboration with FONER to ensure maintenance of national road networks, in particular RN1 -Training of CLERs, and DVDA's commitment to include rehabilitated rural roads in its priority maintenance programme	
	Outcome 2 : Living conditions of the project area population improved	2.1 Number of direct jobs created, including green jobs 2.2 Marketing rate of agricultural products 2.3 Quantity of goods transported	2.1 In 2018:0 2.2 : In 2018 : USD 570 2.3. In 2018 : 55,680 tonnes	2.1 In 2021 : 10,000 s/h in 2018 and 25,000 s/m in 2021 with 25% women 2.2: In 2021 : USD 680 2.3. In 2021 : 94,099 tonnes		Risk 2 : Increase in number of accidents <u>Mitigation measures</u> - Speed limitation required	
OUTPUTS	1. Road sections rehabilitated 2 Related infrastructure completed 3. Studies 4. Beneficiaries' capacity strengthened	1. km of road covered 2. km of rehabilitated feeder roads 2. Number of markets and DWS facilities completed 3. Number of studies conducted 4. Number of people sensitised on HIV and road safety 4. Number of structures supported 4. Number of persons trained	1. : 0 km 2. : 0 km 2. : 0 3. : 0 4. : 0 4. : 0 4. : 0	1. : 622 km in 2021 2. : 130 km in 2021 2. : 05 in 20201 3. : 02 4. : 120,000 in 2020 with 50% women 4. : 10 in 2021 4. : 1,500 in 2021 with 60% women	<u>Sources</u> : - Monitoring reports from OR, the control firm, MITPR, service providers, and supervision missions, mid-term review,	<u>Risks:</u> (i) delays and lack of transparency in the procurement process; (ii) increase in works costs. <u>Mitigation measures:</u> (i) Broadening of competition by capitalising on the size of works contracts; (ii) Project costs are aligned with those of a similar ongoing project in the same area.	
	COMPONENTS					RESOURCES (ADF)	
ACTIVITÉS CLÉS	A. Infrastructure Works B. Institutional Support and Studies C. Project Management and Monitoring					COMPONENTS	IN UA MILLION
						A. Infrastructure Works	36.14
						B. Institutional Support and Studies	6.26
						C. Project Management and Monitoring	1.57
						BASE COST	43.97
						Physical Contingencies	4.40
						Financial Contingencies	2.20
					TOTAL COST	50.57	

PROJECT IMPLEMENTATION SCHEDULE



REPORT AND RECOMMENDATION BY BANK GROUP'S MANAGEMENT TO THE BOARD OF DIRECTORS CONCERNING THE PROPOSAL FOR A LOAN TO DEMOCRATIC REPUBLIC OF CONGO TO FINANCE THE NATIONAL ROAD No.1 REHABILITATION PROJECT: KINSHASA/NDJILI - BATSHAMBA SECTION

Management hereby submits this report and recommendation concerning the proposal for a loan of UA 50.57 million to Democratic Republic of Congo (DRC) to finance the RN1 Rehabilitation Project from Kinshasa/Ndjili to Batshamba.

I. Strategic Thrust and Rationale

1.1. Project Linkages with Country Strategy and Objectives

1.1.1 The project is consistent with DRC's Integrated National Transport Master Plan, the only strategic and technical document currently available in the country. With Bank support, the Congolese Government in 2018 adopted an Integrated National Transport Master Plan (PDNIT) to develop means of communication that could connect the national territory on land, and by rail, sea, river, lake and air. The Plan is an effective working tool for prioritising and implementing infrastructure projects, as well as operating transport services until 2040. The RN1 Rehabilitation Project: Kinshasa/Ndjili - Batshamba Section seeks to operationalise the Plan. The project is also in line with the country's nationally determined contribution (NDC) to the fight against climate change, which targets transport sector contribution to the national objective of 17% reduction in greenhouse gases (GHGs) by 2030.

1.1.2 The project is also consistent with the first pillar of the Bank's country strategy for DRC 2013-1017 extended to 2020, which focuses on the "Development of infrastructure to support private investment and regional integration", whose expected outcomes include improved transport infrastructure connectivity. In addition, it is in compliance with the National Agricultural Investment Programme (PNIA).

1.2. Rationale for Bank Intervention

1.2.1 The project road section (Kinshasa-Batshamba) is part of the RN1. It links Kinshasa, the capital of Democratic Republic of Congo, to Mai Ndombe, Kwango, Kwilu and Kasaï provinces.

1.2.2 This Kinshasa-Batshamba link, including the 72.80-km Kwango-Kenge section financed by the Bank, is currently an enormously difficult stretch to travel due to the degradation of the roadway and many erosion areas that could cause the road to collapse. This degradation is partly due to the poor choice of the base course (cement base on the sandy loam soil of Batéké Plateaux).

1.2.3 In this regard, the project, which seeks to secure service level between Kinshasa and Batshamba, as well as ensure availability of basic infrastructure and improved transport conditions in the project area, is in line with Government's strategy that lays special emphasis on the rehabilitation of major roads, particularly the RN1, which is one of the links in the CD-07, CD-08 and CD-09 Development Corridors. The European Union, which financed the Lufimi-Kwango section, plans a similar intervention.

1.2.4 The project is consistent with two of the Bank's five operational priorities (High 5s), namely "Improve the quality of life for the people of Africa" and "Integrate Africa". The project is also in line with the key objectives of the Bank's Long-Term Strategy (LTS) 2013-2022, which focuses on enhanced engagement in fragile States and the development of basic infrastructure for inclusive and green growth. It is also consistent with the Bank's strategy to address fragility and strengthen resilience in Africa through inclusive and equitable access to basic services. The project also contributes to the implementation of the Bank's climate change action plan in its adaptation component.

1.3 Donor Coordination

1.3.1 Aid is coordinated by the Ministry of Finance through the Project and Programme Monitoring Unit (PPMU). Other donors involved in the transport sector are: (i) the World Bank; (ii) BADEA; (iii) the German GIZ cooperation; (iv) the Department for International Development (DFID); (v) the Belgian Cooperation; (vi) the Japanese Agency for International Cooperation; and (vii) the European Union, with whom consultations were held during project preparation to harmonise actions. Donor coordination is facilitated by regular meetings of the Infrastructure, Transport, NICT and Housing Thematic Group (ITNHTG).

The Bank acts as Lead for the "Infrastructure" and "Statistics" Groups.

II. PROJECT DESCRIPTION

2.1. Project Objectives and Components

Table 1.1 : Summary Table of Donor Interventions			
Sector or Sub-Sector*	Size		
	GDP	Exports	Labour
Transport, Agriculture and Rural Development, including Forestry	[50%]	[10%]	[70%]
Stakeholders – Annual Public Expenditure (Average 2005-2018) *			
Government (USD Million)	Donors	Amount (Million)	[%]
8 (2% of expenditure)	ADF	USD 580.40	2.58
	DFID	USD 320.80	1.43
	European Union	EUR 338.43	1.50
	Belgium	USD 190.27	0.84
	World Bank	USD 1197.33	5.32
	Chinese Cooperation	USD 223.34	0.99
	Japanese Cooperation	USD 48.40	0.21
	Others (IFAD, USAID, etc.)	USD 19,579	87.13
	TOTAL	USD 22,477.97	100
Level of Aid Coordination			
Existence of thematic working groups	Yes for Agriculture, established under the GCP. Yes, the Infrastructure, Transport, NICT and Housing Thematic Group (ITNHTG) was established in 2010 and readjusted since 2013.		
Existence of an overall sector programme	Yes for Transport - Integrated National Transport Master Plan prepared with Bank financing, available since 2018 Yes for Agriculture, PNIA (2013-2020) formulated at the end of 2013		
AfDB's role in aid coordination	L: Groups : "Infrastructure"; "Statistics" - M : Other Groups		
L : Lead; M : Member (not Lead) : None: No role			
(*) Sources : Ministry of Planning			

2.1.1 The project's overall objective is to help open up the country and reduce poverty among the population. Its sector objective is to improve and secure the service level of the transport supply chain on the Kinshasa/Ndjili - Batshamba road, mainly by rehabilitating the Kinshasa/Ndjili - Batshamba RN1 and enhancing governance in the road transport sector to ensure sustainability of the existing infrastructure, partly financed by the Bank.

2.1.2 The project has three components, namely: (i) Infrastructure Works; (ii) Institutional Support and Studies; and (iii) Project Management and Monitoring. Gender issues, road safety, safeguarding the road network, control of communicable diseases and environmental protection, as well as combating climate change and contributing to green growth will be mainstreamed across all these components.

Table 2.1: Summary of Project Components

No.	Name of Component	Description
A	INFRASTRUCTURE WORKS	<p>1. Road Infrastructure: A.1.1. Rehabilitation of the Kinshasa/Ndjili - Kikwit-Batshamba section A.1.2. Rehabilitation of collectors and vegetation of targeted slopes; A.1.3. Development of 4 parking areas (Bankana, Kenge, Masimanimba and Kikwit) A.1.4. Control and supervision of road works.</p> <p>2. Agricultural and rural infrastructure: A.2.1. Rehabilitation of basic infrastructure (Dumi (RN1) – Cité Guanela-Muliono-Bondo-Nkene-Mutiene (RN1) rural road over nearly 40 km (including gutter structures); a rural market in Bankana, 5 warehouses and latrines (small port in Kwilu, Bankana, Batshamba, Dumi, and Mutiene), 6 drinking water boreholes with standpipes, Cité Guanela, Muliono, and Nkene, a rural market in Bankana, Don Bosco Institute in Kenge, and ITPK in Kikwit) and providing existing boreholes in Batshamba with solar panels. A.2.2. Weighbridge in Bankana market A.2.3. Works control and supervision</p> <p>3. Social infrastructure and schools: A.3.1. Rehabilitation of buildings: rehabilitation of two buildings of Saint Don Bosco Co-education Technical School in Kenge, rehabilitation/construction and equipment of the computer room, two dormitories (boys and girls) and a refectory in Kikwit Technical and Vocational Institute; rehabilitation of dormitories in the Centre for the Mentally Handicapped in Guanela, rehabilitation of three premises of OR Provincial Directorates in Kinshasa, Kenge and Kikwit, PPMU Office Kinshasa) and their equipment; A.3.2. Rehabilitation of integrated health centre in Batshamba A.3.3. Equipment of technical buildings: solar panels and generators (institutes, workshops) A.3.4. Works control and supervision</p> <p>4. Cross-cutting activities: A.4.1. Sensitisation on road safety, HIV/AIDS, Ebola and early motherhood, violence against women, heritage conservation and environmental protection in the project area.</p>
B	INSTITUTIONAL SUPPORT AND STUDIES	<p>B.1. Support for the transport sector: B.1.1. Support for reform of OR and FONER and support for OR Provincial Directorates in Kinshasa, Kenge and Kikwit. B.1.2. Institutional support for road traffic regulation and RN1 protection; B.1.3. Support for PIU and PPMU (training in procurement, financial management, and management of road projects); B.1.4. Support for electronic archiving of procurement documents.</p> <p>B.2 Studies: B.2.1. Feasibility studies for paving of RN 17 (lot 1: RN1-Masiambio 118 km, lot 2 Masiambio-Bandundu - Bendela, 162 km) ; B.2.2. Detailed feasibility study on dry port of Kasumbalesa B.2.3. Provision for various studies.</p>
C	PROJECT MANAGEMENT AND MONITORING	<p>C.1. Financial and accounting audit; C.2 Audit of contracts awarded under the national system; C.3 Monitoring and evaluation of project socio-economic impacts; C.4 Operating costs of the Executing Agency; C.5 Support for the Project Coordination and Monitoring Unit C.6. Implementation of the Environmental and Social Management Plan (ESMP): (i) Institutional capacity building for the technical services of the Roads Authority; (ii) Institution building of the Environment Division of the Roads Authority; (iii) Monitoring, Surveillance and Capacity Building Plan; and (iv) Resettlement Action Plan (RAP).</p>

2.2. Technical Solution Adopted and Alternatives Considered

The following technical solutions have been selected for each lot. The existing platform will develop a 7m-wide road with 1.00 m shoulders on either side of the road. For the Kinshasa/Ndjili - Bukanga Lonzo (Lot 1), Bukanga Lonzo Mission - Kabemba Village (Lot 2) and Kabemba Village – Ville Basse Kikwit (Lot 3) sections, the works will consist in resurfacing the existing roadway: (i) treatment of shoreline shoulder areas; (ii) complete reconstruction of severely degraded areas; (iii) repair or reconstruction of sewerage structures; (iv) reconstruction and "greening" of slopes; and (vi) application of 5 cm-thick asphalt on severely degraded areas after resurfacing of the roadway and three-layer surfacing of the shoulders.

2.2.1 For the Ville Basse Kikwit - Batshamba section (Lot 4), the technical solution will consist in the reconstruction of Kikwit crossing with a corresponding sewerage network, including works on potholes, shoreline splays, complete reconstruction of severely degraded areas, repair or reconstruction of sewerage structures, application of 5 cm-thick asphalt layer over 59 km after repairing the damaged

areas. The shoulders will be resurfaced with a two-layer surface.

2.2.2 The alternatives considered and the reasons for their rejection are shown in the table below.

Table 2.2: Alternatives considered and reasons for their rejection

Alternatives	Brief Description	Reasons for Rejection
1. Reinforcement of the roadway with asphalt over its entire length and width	Application or refilling of degraded areas with appropriate materials and application of Binder asphalt mix.	1. Very expensive solution.
2. Application of an oil sand coating (Sand-asphalt)	Application of sand-asphalt	2. Lack of sufficient clean sand for production of sand-asphalt and poor performance compared to application of asphalt concrete.
3. Intervention on all related rural infrastructure in the project area or focus on basins with high production potential	<ul style="list-style-type: none"> - Rural infrastructure is degraded. Its rehabilitation requires considerable resources. - Intervention under this project should be targeted, as resources are limited. It should focus on priority sites selected with the beneficiaries. 	3. Location of project activities in basins with high production potential because: <ul style="list-style-type: none"> - Investments will be more effective in supplying local markets with agricultural products and increasing trade flows; - The concentration of activities on targeted sites will promote complementarity and improve their impacts on the ground; - Rural roads should be linked to RN1 for transportation of agricultural products.

2.3 Project Type: The project is an investment operation. Consequently, the project loan was deemed appropriate as an instrument for the Bank's contribution to the financing of this project.

2.4 Project Costs and Financing Arrangements

2.4.1 The total project cost, including physical and financial contingencies and excluding customs duties and taxes, is estimated at UA 50.57 million, corresponding to USD 70.20 million at April 2019 exchange rate (UA 1 = 1.38825 USD). This cost is derived from quantitative data provided by technical studies and data from recent competitive bidding for the same works on the Kinshasa/Ndjili - Batshamba road section. The provision for physical contingencies is about 10%, while the provision for financial contingencies is about 5%. The project will be fully funded from ADF resources. A justification note for of the country's waiver from the project financing is provided in Annex II to this report.

Table 2.3: Breakdown of Project Costs by Component (UA Million)

PROJECT COMPONENTS	USD Million			UA Million		
	ADF	GVT	TOTAL	ADF	GVT	TOTAL
A. INFRASTRUCTURE WORKS	50.13	0	50.13	36.14	0	36.14
B. INSTITUTIONAL SUPPORT AND STUDIES	8.68	0	8.68	6.26	0	6.26
C. PROJECT MANAGEMENT AND MONITORING	2.17	0	2.17	1.57	0	1.57
BASE COST	60.98		60.98	43.97	0	43.97
Physical Contingencies	6.10		6.10	4.40	0	4.40
Financial Contingencies	3.05		3.05	2.20		2.20
TOTAL	70.13	0	70.13	50.57	0	50.57

2.4.2 The tables below show summary costs by expenditure category and the expenditure schedule.

Table 2.4: Provisional Disbursement Schedule

PROJECT COMPONENTS	UA MILLION			TOTAL
	2019	2020	2021	
A. INFRASTRUCTURE WORKS	4.00	17.08	15.06	36.14
B. INSTITUTIONAL SUPPORT AND STUDIES	1.88	1.77	2.61	6.26
C. PROJECT MANAGEMENT AND MONITORING	0.17	0.75	0.65	1.57
BASE COST	6.05	19.60	18.32	43.97
Physical Contingencies	0.61	1.96	1.83	4.40
Financial Contingencies	0.30	0.98	0.92	2.20
TOTAL COST	6.96	22.54	21.07	50.57

Table 2.5: Breakdown by Expenditure Category

CATEGORIES	UA MILLION		
	L.C.	F.E.	Total
1. GOODS	0.26	1.57	1.83
2. WORKS	5.10	28.92	34.02
3. SERVICES	1.08	6.18	7.26
4. OPERATING COSTS	0.08	0.46	0.54
MISCELLANEOUS	0.05	0.27	0.32
BASE COST	6.57	37.40	43.97
Physical Contingencies (10%)	0.66	3.74	4.40
Financial Contingencies (5%)	0.33	1.87	2.20
TOTAL COST	7.56	43.01	50.57

2.5 Project Area and Beneficiaries

2.5.1 The project area comprises: (i) Kinshasa Provincial City covering an area of 9,965 km² with a population of about 11,860,000 inhabitants (2017) and a population density of 1,713 inhabitants/km²; (ii) Kwango Province covering an area of 89,974 km² with a population of about 1,994,036 inhabitants (2006) and a population density of 22 inhabitants/km²; and (iii) Kwilu Province covering an area of 78,219 km² with about 5,490,000 inhabitants (2015) and a population density of 70 inhabitants/km². The project will also carry out related works on RN17 to Bendela via Bandundu Ville, the capital of Kwilu Province. The provinces concerned are engaged in agricultural and livestock activities, with a high concentration of the population along the road.

2.5.2 The project area is crossed by many rivers, which are major tributaries of the Congo River. The project area has sandy-silt and sandy-clayey soils, with large dunes covered in a mosaic of grassy and shrubby savannah, interspersed with forests, particularly along RN1.

2.5.3 The project beneficiaries are the population of the capital of Democratic Republic of Congo and Mai Ndombe, Kwango, and Kwilu provinces (19,344,000 inhabitants), as well as the road users (traders, farmers, drivers, handlers, etc.).

2.6 Participatory Approach to Project Identification, Design and Implementation

2.6.1 During the technical and economic studies, as well as the preparation and appraisal missions of this project, all the various stakeholders were active. Indeed, in Kenge and Batshamba village, the project team organised a meeting with nearly 80 people representing the various stakeholders of the project. Consultations were conducted at each stage in Kinshasa and during field visits to Kwango and Kwilu provinces. Working sessions were held not only with officials of ministries and technical services concerned by the project, but also with officials of non-governmental organisations, young people, women, SMEs and technical development partners working in the sector (European Union and World Bank) and present in DRC.

2.6.2 The various participatory sessions made it possible to: (i) better understand the realities experienced by the various social groups in the project area; (ii) discuss the project components; and (iii) agree on related works that could be carried out under the project. Several associations submitted their key proposals in writing, with costs estimates for some of them. The information helped the mission team to decide on related works that would benefit the greatest number of people.

2.6.3 Consultations with other TFPs also generated interest in RN1 interventions from Kamuesha to Mbuji-Mayi. Accordingly, the EU confirmed its intention to adopt the same approach to the financing of Kamuesha-Kananga road works over 150 km. Stakeholder participation will be maintained during project implementation through participation of the representatives of Provincial Authorities in supervision and mid-term review missions, as well as during monitoring and evaluation of the socio-economic impacts of the project.

2.7 Bank Group Experience and Lessons Reflected in Project Design

2.7.1 The Bank's active portfolio in Democratic Republic of Congo as at 31 March 2019 comprised 31 operations for total net commitment of UA 975.8 million. The portfolio is broken down as follows: (i) 25 national projects for a cumulative amount of UA 850.9 million (87%), financed from ADF, TSF, RWSSI and PIF resources; (ii) 6 regional operations for a total amount of UA 124.9 million (13%) financed by ADF and NEPAD-IIPPF. At national level, the infrastructure sector (energy, transport) accounts for 73% of the portfolio, followed by agriculture (12%), governance (8%), the private sector (5%), and the social sector (2%). This breakdown is fully in line with the CSP orientations, as well as the Bank's High 5s and Ten-Year Strategy 2013-2022.

2.7.2 As regards the national portfolio, 50% of the operations performed satisfactorily, while 17% performed averagely and require close monitoring, and 33% were rated as non-performing. The causes identified for projects deemed to be non-performing mainly concern: (i) difficulties in loan effectiveness (2 projects); (ii) difficulties in obtaining the first disbursement within 3 months after signing the loan agreements (3 projects); (iii) delays in disbursements (2 projects); (iv) delays in the procurement process (2 projects); and (v) expiry of the closing date (1 project). To avoid and mitigate these recurrent difficulties in Bank operations in DRC, the RN1 Rehabilitation Project will take the following measures: (i) recruitment by selection based on qualifications (SQC) for individual international and national consultants to support PMU/OR in key project areas. The selection method chosen makes it possible to: (i) finalise the recruitment process within one month following project approval and have a pool of experts to support and accelerate implementation; and (ii) entrust the monitoring and evaluation component to the National Institute of Statistics in DRC. The quality of monitoring and evaluation will have a positive impact on the implementation rate (management, procurement and disbursements).

2.8 Key Performance Indicators

2.8.1 The impact indicators used to monitor the achievement of the project's development objectives are as follows: (i) the level of agricultural production; (ii) the level of prices of agricultural products and basic commodities; (iii) the rural access index (percentage of the rural population living within 2 km of an all-weather road); (iv) the traffic level, travel time, and vehicle operating costs; (v) the number of direct jobs created; (vi) the income level by household and gender; and (vii) the drinking water coverage rate. These indicators will be monitored with the support of a consultant (firm or NGO) which will validate the baseline values for each of the indicators before works start-up and conduct an impact assessment at project completion.

2.8.2 To carry out these works within the expected timeframe, in addition to the performance indicators, execution performance indicators have been defined in relation to the Bank's institutional performance indicators; the indicators include: (i) the timeframe for loan effectiveness; (ii) the timeframe for fulfilling conditions precedent to the first disbursement of funds; (iii) the procurement timeframe; (iv) the average project implementation status indicator; and (v) the disbursement rate in comparison to the expenditure schedule. These indicators will be monitored during joint Bank and Government supervision missions and in the day-to-day project management.

III. PROJECT FEASIBILITY

3.1. Economic and Financial Performance

3.1.1. To facilitate the economic analysis of the project, the project roads were subdivided into lots. For each of the sections, the economic appraisal was conducted using the HDM-IV model based on the cost/benefit analysis of situations without and with the project, over a period of 20 years with a discount rate of 12%. The residual value of the investment at the end of the above-mentioned period is 20%. The road's annual average daily traffic (AADT) for the commissioning year (2023) is given in the table below.

Table 3.1: Traffic Trend

Section	Passenger Transport				Goods Transport			Total
	Car	P-U Jeep	Bus 20-30	Bus +30 seater	Light Truck	Heavy Truck	Trailers	
Kinshasa – Bukangalonzo	352	541	237	40	27	24	7	1228
Bukangalonzo - Ville Basse Kikwit	164	187	64	31	19	27	15	506
Ville Basse Kikwit – Batshamba	304	344	10	0	14	43	14	728
Mongata – Bandundu - Bendela	8	46	13	40	72	24	48	251

3.1.2. The annual traffic growth rates are indicated in the table below.

Table 3.2: Annual Growth Rate

Period	Goods Transport	Passenger Transport
2018-2025	11.25%	13.99%
2026-2030	9.12%	10.20%
> 2030	7.14%	6.90%

An assessment of investment costs and economic gains provides acceptable internal rates of return (IRRs) for all the lots. Details on each section are provided in the table below. After performing a sensitivity test (10% increase in project cost and 10% reduction in benefits), the IRR remains satisfactory. The project is therefore economically viable. The table below summarises the economic analysis of the project.

Table 3.3: Rates of Return

Economic Parameters Analysed	LOT 1	LOT 2&3	LOT 4	LOT 5	AVERAGE
Economic Rate of Return (ERR)	26.88%	23.29%	32.68%	30.77%	28.41%
Net Present Value (NPV) in USD Million	12	42	54	61	42.25
ERR sensitivity test (+10% variation in costs and -10% variation in benefits)	22.39%	19.94%	28.55%	26.87%	24.44%

3.1.3 The expected benefits of the project will be direct on transport activity (reduction of vehicle operating costs and travel times), increased agricultural production, and improved incomes. At full development, the project will increase the quantity of food products on local markets by about 185,000 tonnes as a result of efforts towards opening up the project area and providing marketing infrastructure. The outputs will facilitate the selling of products and reduce post-harvest losses, thereby encouraging farmers to produce more. In addition, farmers will witness their monthly incomes increase from USD 380 to USD 660, and the additional income generated in the project area by higher agricultural production will stand at about USD 613,555 at full development of the project. Furthermore, the revitalisation and opening up of production areas will help to maintain people in rural areas and reduce unemployment. Indeed, the project will create 25,000 hours/month of jobs, 25% of which will be for women. The distribution of equipment for the processing and conservation of agricultural products, training for small trades, and the rehabilitation and increase in admission capacity of vocational training and social reintegration centres will enable 1,500 young girls and boys to enter the job market.

3.1.4 Other non-quantified benefits will also be achieved, such as: improving the value-added of agricultural products and productivity of officials and other beneficiaries of capacity building, developing marketing and collection activities, improving people's access to basic services and, in general, reducing poverty rates and improving food security and the resilience of communities and infrastructure to climatic hazards.

3.2. Environmental and Social Impact

3.2.1 The RN1 Rehabilitation Project (Kinshasa/Ndjili-Batshamba section) is classified in Category 2 from the environmental and social viewpoints, given the nature of works and number of people affected, which is less than 200. The project consists in the rehabilitation of an existing road without widening the roadway or diversions. There are no protected areas near the RN1 and the ecosystems to be protected are mainly the Kwango and Kwilu rivers, which are large tributaries of the Congo River and some wetlands.

3.2.2 The safeguard measures recommended in accordance with the Bank's Integrated Safeguards System (ISS) and the existing regulations and policies in DRC include an Environmental and Social Impact Assessment (ESIA), an Environmental and Social Management Plan (ESMP), and an Abbreviated Resettlement Action Plan (RAP), due to the limited number of people affected. The studies were conducted and validated in May 2018 by ACE. The study summaries were posted on the Bank's website in May for a period of 30 days prior to the project's presentation to the Board.

Negative Impacts

3.2.3 The field visits showed that the project's nature and works are not expected to produce irreversible impacts overall. The works will mainly involve the rehabilitation and paving of the 7 m-wide road, the rehabilitation of the road shoulders, the drainage network, and the collectors, as well as the stabilisation of slopes and their "greening". The project's expected environmental and social impacts will be mostly temporary and can be controlled if the measures described in the ESMP and RAP are effectively implemented.

Positive Impacts

3.2.4 The positive impacts of the rehabilitated road and rural roads on the physical environment will be the improved of water supply structures that will help control soil erosion, protect water resources, and prevent the flooding of highways and rural roads. Erosion control measures (lamination basins, "greening" of embankments, stabilisation of erosion areas, booms, and low walls) will reduce landslides and erosion and contribute to the sustainability of the road.

3.2.5 As regards the human environment during the road rehabilitation phase, the project will offer job opportunities to the local population, especially young people and women, for unskilled labour and small businesses. The positive impacts during the road operation phase will be as follows: (i) reduction in travel time coupled with easier access to administrative, economic, educational, and medical centres in Kenge, Masimanimba and Kikwit; (ii) job creation estimated at nearly 25,000 hours/month; (iii) marketing of agricultural products along the roads; (iv) opening up of villages and urban centres along the roads and improved living conditions through better access to goods and services, including improved access to drinking water; and (v) improved service level and safety on RN1.

Negative Impacts Improvement and Mitigation Programme

3.2.6 Mitigation of the identified negative impacts of the project during the project implementation will be mainly based on organisation of works and equipment on living areas, as recommended in the Contractor's specifications, under the supervision of the Control Mission. The measures will include: (i) the judicious choice of areas for establishment of work sites and living areas; (ii) the storage and management of equipment and products likely to release pollutants and flammable and dangerous substances; (iii) the provision of traffic signs and plans, and the management of site-related risks; (iv) the organisation of earth movements on sampling sites and their rehabilitation at works completion; (v) reduction of dust emissions; (vi) collection and disposal of liquid and solid waste and, consequently, risks of water pollution; (vii) management of erosion risks and regular assessment of soil stability (identification of areas vulnerable to erosion, slope stabilisation); and (vi) strict compliance with labour laws, etc.

3.2.7. The ESMP, which will cost USD 371,305 or 0.65% of the total project cost, comprises: (i) Institutional capacity building for government technical services (USD 50,000); (ii) Institution building for the Environment Division of the Roads Authority (USD 110,000); (iii) the Monitoring, Surveillance and Capacity Building Plan (USD 100,000); and (iv) the Resettlement Action Plan prepared by the Government taking into account the additional agricultural assets and commercial activities (compensation, support measures and monitoring for about USD 111,305). In accordance with Congolese institutional arrangements, the monitoring of project outcomes will be organised and chaired by MITPR in close collaboration with the Ministry of Environment, Nature Conservation and Tourism (MECNT) and the Congolese Environment Agency (ACE). The MITPR, through the Environmental Unit of the Roads Authority and assisted by the Control Mission, will regularly monitor ESMP implementation until the works are accepted. They will also ensure that environmental and social clauses are included in the bidding documents (BDs) and contracts of construction companies. They will be supported by the Ministry of Territorial Administration, which will act as an interface between the population and the project, and assist in complaints management.

Climate Change

3.2.8 DRC has a wide climate diversity; the climatic zones of Kinshasa and Bandundu (equatorial climate) in which the project area is located are marked by temperatures ranging from 24.9 to 28.4°C and heavy rainfall of about 1,500 mm/year spread throughout the year. The ND-GAIN Country Index¹ for DRC is 32.5, the 7th lowest in Africa, due to a high vulnerability score and low readiness index. DRC's ND-GAIN index shows urgent need for action, as well as the country's growing need for investment and innovation to improve its response capacity.

3.2.9 The identification of climate risks through the Bank's climate safeguards system (CSS) classifies the project in Category II. Climate change may well contribute to increased risks of erosion and landslides because of increasing rainfall intensity. Roads that pass through steep relief areas may be more vulnerable to: (a) river erosion through degradation of banks or retaining walls; (b) road damage due to landslides; and/or (c) damage to bridges or gutters during peak flow periods. Furthermore, the project roads are exposed to flood risks; good road network maintenance practises (effective road maintenance, including the filling of potholes, cleaning of drainage systems and gutters, and control of vehicle loading) will extend the life of project roads. In addition, paved roadways will last longer, and will therefore be much more exposed to climate change impacts, which could lead to subsidence or degradation of the road surface by intense heat. It is therefore important to take increased rainfall and intense heat into consideration in the proposed rehabilitation works. The project has provided for sensitisation and education on infrastructure adaptation to climate change to address some of these risks.

3.2.10 The project's resilience to climate change will require sustained monitoring of the road network. The project intends to treat embankments and cuttings along the RN1 with systematic revegetation, particularly in areas where there is already significant road silting so as to reduce erosion on ditches, drains and collectors.

Gender and Specific Activities for Women

3.2.11 In order to help enhance women's empowerment and thereby make the project more inclusive, women-specific activities will be included in the project and will directly and indirectly strengthen the economic empowerment of nearly 50,000 women through better integration and access to the productive economy. The local communities that will benefit from the related works will receive organisational support from DVDA to establish local maintenance and management committees for the works. Women and young people will be encouraged to organise themselves into cooperatives/associations to benefit from the structures constructed (e.g. stalls in markets and warehouses) and would, on request, receive agricultural tools, mills or kits for drying agricultural products. In addition, it was noted that due to cultural barriers, very few women work in the construction sector, which provides many jobs that can be taken up by women. The Executing Agency will be requested to work more closely with the works contractor to give priority to women seeking employment during the project implementation. The project will also support girls' education in Kikwit Technical School where young women engineers will be encouraged into the construction industry with internship opportunities.

¹ The ND-GAIN Country Index summarises a country's vulnerability to climate change and other global challenges in combination with its readiness to improve resilience.

Social

3.2.12 **Resettlement:** Some commercial assets, mostly of non-durable materials, will be destroyed during the works, particularly for the construction of parking lots and other structures. The Resettlement Action Plan (RAP) identified 25 persons to be affected by loss of commercial and rental income along the RN1, mainly at entry into built-up areas. Consequently, an Abbreviated Resettlement Action Plan (ARAP) has been prepared for the compensation of damaged assets. The cost of the plan, which includes support for PAPs to locate new sites and support vulnerable people, stands at USD 111,305 and will be covered by the project.

3.2.13 **Cross-cutting Issues:** In order to contribute to the achievement of the country's HIV/AIDS policy objectives, a programme will be implemented to sensitise the local population on road safety, HIV/AIDS, Ebola, early motherhood, violence against women, heritage conservation, and environmental protection in the project area.

3.2.14 **Road Safety: Road safety is a major challenge along the RN1:** Indeed, the two-lane roadway and shoulders are regularly occupied by pedestrians and makeshift stalls or small workshops in villages and urban centres, thereby dangerously reducing the space for vehicles. With the rehabilitation of the road, it is expected that road traffic will increase, including heavy trucks. In order to mitigate the negative social effects of the project, a road safety sensitisation programme will be implemented. The construction of parking areas around urban centres (Bankana, Kenge, Masimanimba and Kikwit) and speed limit measures and signs will help reduce the risk of accidents.

3.2.15 **Socio-economic Impacts:** According to the 2017-2018 Food Security Outlook Report for DRC, agricultural production in the two provinces is mainly based on roots and tubers (cassava and sweet potato), as well as oilseeds (groundnuts and oil palm trees). It has been noted that food prices are high, with a generally upward trend, mainly because of problems of marketing of basic food products due to the poor condition of highways and agricultural feeder roads (70%), insecurity (9%), administrative red tape (8%), storage problems (8%), and lack of supervision (5%). The problem of insecurity is more prevalent in the Central, Eastern and Southern basins. The RN1 rehabilitation project and related works such as agricultural feeder roads and storage areas seek to address the country's food security problems.

3.2.16 By providing direct jobs to the rural population, the project will help reduce poverty in the project area and enable the population, and more particularly young people, to have access to vocational training to learn trades and find employment after training. In order to encourage young people to learn trades, the project decided to rehabilitate and equip two dormitories in Kikwit Vocational Institute. The project will also rehabilitate and equip the Maluku Centre for Mentally Handicapped Young People in Kinshasa Province, since the Centre will facilitate their reintegration through agricultural, market gardening, fish farming and livestock farming activities, because it is a development centre for local communities.

3.2.17 The small port on Kwilu River will benefit from the construction of a large warehouse for the storage of agricultural products transported by canoes from the hinterland. This will facilitate more organised transportation of agricultural products to Kinshasa. The project will include financial education in sensitisation activities for young job holders under the works so that they can save part of their income for the development of income-generating activities that could help stabilise their income level.

IV. IMPLEMENTATION

4.1 Implementation Arrangements

4.1.1 The Roads Authority, which a permanent structure in Democratic Republic of Congo responsible for maintenance and management of the national road network, will be the Project Executing Agency. A Project Implementation Unit (PIU) has been established within it to be in charge of project monitoring, as well as technical, administrative, accounting, financial and organisational management. The PIU will comprise: (i) a Coordinator (Civil Engineer); (ii) three Site Managers (Civil Engineers); (iii) a Financial and Accounting Officer; (iv) a Procurement Specialist and a Procurement Assistant; (v) an Environmentalist; and (vii) administrative support staff. The Technical Experts (Coordinator, Civil Engineers, Procurement Assistant and Support Administrative Staff) have been appointed within the Directorate General of the Roads Authority. The Curricula Vitae of Key Experts of the PIU were submitted to the Bank for review and advice prior to appointment. The Procurement Specialist, the Financial Management Officer and the Accounting Officer will be recruited on a competitive basis, following a request for applications and the Bank's no-objection opinion.

Monitoring Arrangements

4.1.2 A Steering Committee, consisting of the Programme and Project Monitoring Unit (PPMU) of the Ministry of Finance (Chair), the Roads Authority (Vice-Chair), FONER (Secretariat), the General Secretariat of Public Works (Member), the General Secretariat of Transport (Member), and the General Secretariat of Rural Development (Member), will coordinate and monitor the project.

4.1.3 As executing agency, the Directorate General of the Roads Authority (OR) will monitor the physical and financial implementation of the project. It will produce semi-annual reports on the physical and financial achievements of the project. The joint supervision missions (Bank and Government) will also review the level of project implementation. The Directorate General of the Roads Authority will be assisted by the National Institute of Statistics (INS) in monitoring and evaluating the socio-economic impact of the project. Two studies will be conducted: (i) establishment of the baseline situation before works start-up; and (ii) socio-economic impact assessment at project completion.

4.2 Procurement Arrangements

4.2.1 **Applicable Procurement Policy and Framework:** Procurement of goods, works and consultancy services financed by the Bank's resources will be made in accordance with the Procurement Policy for Operations Financed by the Bank Group ("AfDB Procurement Policy"), October 2015 Edition, as well as in accordance with the provisions set out in the Financing Agreement. Pursuant to this policy and following the various evaluations conducted, it was agreed that: (a) the agricultural, rural, social and administrative infrastructure works and the rehabilitation of administrative buildings, as well as those relating to equipment and supplies for agricultural/rural infrastructure, rolling stock and support equipment for the project coordination and monitoring unit will be executed in accordance with the country's procurement system ("National System") embodied in Law No. 10/010 of 10 April 2010 on Public Procurement ("LRMP") and its implementing regulations; and (b) procurement of all goods and works other than those mentioned above, as well as all intellectual services, will be made in accordance with the Bank's procurement system ("AfDB System").

4.2.2 However, the Bank reserves the right to request the Borrower to revert to the Bank's System if: (i) the legal framework for public procurement in DRC were to change to a system that is not

satisfactory to the Bank; (ii) the specific arrangements described in paragraph B.5.7.1 of the Technical Annexes are not followed by the executing agency. The use of the National System to procure some goods and services will improve efficiency without relinquishing the Bank's fiduciary responsibilities, which will be maintained through a series of measures taken and described in paragraph B.5.7 of Technical Annex B.5. Efficiency will thus be improved through the following actions: (i) better ownership of the procurement system to be used by the executing agency; (ii) time saved without the need for a second audit (after that of national entities) which has been done by the Bank's prior review.

4.2.3 Procurement Risks and Capacity Assessment (PRCA): In order to take into account the specificities of the project, the Bank has assessed: (i) risks at national, sector and project levels; and (ii) the capacities of the executing agency. The results of the assessment showed that there was a substantial level of risk to the project procurements. However, appropriate mitigation measures have been proposed in the Technical Annex to allow for satisfactory project implementation.

4.2.4 Special arrangements due to the use of the national system: The use of the national system requires the implementation of special measures to enable the Bank to continue fulfilling its fiduciary responsibility in the project. The measures are described in paragraph B.5.7 of Technical Annex B5 and cover the following aspects: (i) eligibility; (ii) audit of public procurement; (iii) complaints management; (iv) publication of bidding results; (v) ensuring that prices are reasonable; and (vi) reporting.

4.3 Financial Management and Disbursement Arrangements

4.3.1 Disbursement Arrangements: Disbursement of Bank resources for the project will be made in accordance with Bank procedures. The disbursement methods to be used are: (i) the direct payment method, (ii) the revolving capital method, and (iii) the reimbursement method. The disbursement arrangements are specified in the Technical Annexes and will be indicated in the project negotiation documents, including the disbursement letter.

4.3.2 Financial Management and Audit: The capacity of the Directorate General of the Roads Authority (DG-OR) designated as the project executing agency within the Ministry of Infrastructure, Public Works and Reconstruction (MITPR) has been assessed in accordance with the current policy for financial management of operations. Based on the lessons learned from the financial management of ongoing and completed road projects, as well as information gathered through the questionnaire and interviews with the team in DG-OR, the current capacity needs to be strengthened to ensure financial management in line with the Bank's minimum requirements.

4.3.3 Preliminary measures to strengthen DG-OR's capacity in accounting and asset management, internal audit and monitoring of external audits have been proposed to mitigate the fiduciary risk deemed high at appraisal. Consequently, responsibility for financial management of all project components will be assumed by DG-OR, whose capacity will be strengthened. The Directorate General of the Roads Authority has an operational Financial Department in charge of the financial management of the State and Financial Partners. The Finance Department will, with support from technical assistance in financial management, be responsible for: (i) supervising financial and accounting tasks, (ii) providing management tools (software and manual), (iii) strengthening the internal control system within OR and the project, (iv) preparing interim financial reports and annual financial statements, and (v) monitoring audit activities and submitting audit reports to the Bank. The financial management of the project is presented in detailed in Technical Annex B4.

4.3.4 The financial team within the Finance Department will be trained in Bank procedures, and a project management procedures manual will be prepared before the first disbursement under the

supervision of the Financial Management Specialist at the Bank's Office in Kinshasa in close collaboration with the DG-OR team, whose capacities will be strengthened in the preparation and updating of manuals, audit monitoring, and disbursements.

4.3.5 The project accounts will be separate from those of the Roads Authority and will be prepared each year under the supervision of DG-OR and adopted in accordance with accounting legislation in DRC along with those of the other OR activities to be audited each year by an independent auditor to be recruited with project resources. Annual audits of the project financed from ADF resources will be conducted by an independent external audit firm recruited on a competitive basis and in accordance with the Bank's standard Terms of Reference (ToR) to be adapted to the project specificities.

4.4 Monitoring and Evaluation

4.4.1 Operational monitoring and evaluation arrangements will be made for this project upon project start-up. The arrangements will help to: (i) monitor the implementation of project activities; and (ii) assess the achievement of project development objectives at completion by assessing its socio-economic impact. The implementation of each component will be monitored by the Project Implementation Unit of the Roads Authority (PIU/OR), the Project Executing Agency, and the main actor in charge of related activities. The DVDA will be involved in implementing project activities, especially as regards farm roads and boreholes. The various internal and external supervision missions will also be an opportunity to review the project implementation progress. Regular reports (quarterly and annual) on the project implementation will be prepared by the Roads Authority and submitted to the Bank.

4.4.2 With regard to monitoring and evaluation of the impact of this project, two studies will be conducted by the INS: (i) Establishment of the baseline situation before works start-up; and (ii) Assessment of the socio-economic impact at project completion. These two studies will focus on the same impact indicators (included in the logical framework) and use a similar methodology. The quantitative impact assessment will be complemented by an assessment of the beneficiaries' perception of the changes that have occurred in their environment due to the project implementation. Such assessment by beneficiaries will be conducted using participatory data collection tools.

4.4.3 **Implementation and Supervision Schedule:** The project will be implemented from July 2019 to December 2021, covering a period of 30 months. During its implementation, the Bank will undertake joint supervision missions with DRC Administrative Services (OR, DVDA, FONER, etc.). The table below shows the key dates of the provisional project supervision schedule.

Table 4.1: Provisional Supervision Programme

Period	Activity	Team Composition
08/2019	Launching Mission	Task Manager (1 Transport Engineer, 1 Transport Economist, 1 Disbursement Officer, 1 Procurement Officer, 1 Financial Officer + COCD
11/2019	Supervision	Task Manager + 1 Socio-economist, 1 Environmentalist + COCD
1/2020	Supervision	Task Manager + COCD + 1 Transport Engineer
06/2020	Supervision	Task Manager + 1 Socio-economist + 1 Environmentalist + COCD
11/2020	Supervision	Task Manager + 1 Socio-economist + 1 Environmentalist + COCD
05/2021	Supervision	Task Manager + 1 Socio-economist + 1 Environmentalist + COCD
09/2021	Supervision	Task Manager + 1 Socio-economist + 1 Environmentalist + COCD
12/2021	Completion Report	Task Manager + 1 Socio-economist + 1 Environmentalist + COCD

4.5 Governance

4.5.1 DRC's governance indicators are still below the sub-Saharan African average. The country is ranked in the 5th and 10th percentile respectively for the "Control of Corruption" and "Voice and Accountability" indicators according to the World Bank ranking. Devolution mechanisms will need to

be clarified to make the Government's strategy for decentralisation and the transfer of powers and financial resources effective, particularly to the provinces. With a corruption perception index of 21 out of 100, DRC ranks 160th out of 176 countries in Transparency International's 2017 Report, and Government's efforts – at times quite vigorous - to change this situation have not always produced the expected outcome.

4.5.2 Following the CSP 2013-2017 update to end-2020, the Bank undertook to conduct a new fiduciary risk assessment before end-2019 as part of the non-lending programme. The fiduciary risk conducted in September 2015 within the context of the CSP 2013-2017 (updated to end-2018) mid-term review deemed the risk significant. Although it has the LOFIP, DRC must meet major governance challenges due to the delay recorded in implementing public finance management reforms. LOFIP is being implemented, while the 2010 Strategic Plan for Public Finance Reform considered too ambitious by TFPs is also being updated. Dialogue has been initiated with the authorities (an IMF mission is expected under Article IV). The Government has requested partners to finance a new Public Expenditure and Financial Accountability (PEFA) framework under which a public finance diagnostic study would be conducted. As part of its operations, the Bank supports the DRC through the PAMRIM FP Project approved in 2018, whose components are helping to build the capacity of departments responsible for mobilizing internal revenue. A portion of that revenue is used to finance projects, the department charged with accountability reporting and the Audit Bench. Although the country is aware of the Construction Sector Transparency Initiative (CoST) launched under the auspices of DFID and the World Bank, its adherence thereto is not yet effective.

4.5.3 The risks of poor governance in this project lie mainly in procurement and contract performance. This risk will be mitigated by: (i) the presence of a high-level Procurement Expert in the Management Unit; (ii) the holding of information sessions and technical assistance to PIUs to enhance knowledge of the Bank's rules and procedures for better quality procurement and financial management documents at entry; (iii) the existence of an administrative, financial and accounting procedures manual; (iv) Bank control over the various stages of the procurement process through no-objection opinions; and (v) supervision and financial audits of the project. In addition, COCD will provide on-site support to the Executing Agency in procurement and contract management, as well as financial management.

4.6 Sustainability

4.6.1 Sustainability of National Road No. 1 and the associated rural infrastructure to be rehabilitated under this project will depend on the following key factors: (i) the quality of pre-works technical studies; (ii) the quality of works executed; (iii) the operation of the infrastructure; (iv) the management of abandoned broken-down vehicles on the road way; and (v) the level and quality of routine and periodic maintenance.

4.6.2 As regards works execution, the contractors will be selected through international competitive bidding based on files validated by the Bank. The technical clauses will define all technical specifications of the materials to be used, as well as the criteria for acceptance of the works. The selected contractor will then prepare the works execution documents, which will be submitted for approval to the control mission, the project owner (OR/DVDA) and the delegated project owner (Roads Authority). To ensure that quality standards are met during the construction phase, control and supervision will be undertaken by a firm of consulting engineers chosen from among the most qualified who are familiar with similar projects, in accordance with the relevant Bank rules and procedures. On the other hand, the Highways Department and the National Laboratory Department of

the Roads Authority (OR) will be more involved than usual in works supervision. These departments will also review execution files submitted by the contractor, and assign a high-level engineer to the various project lots. In addition, the decentralised services of the ministries concerned by the project (Gender, Environment, Rural Development/DVDA-SNHRU-SNHR, etc.) will be closely involved in the construction of related agricultural and rural infrastructure, as well as in the monitoring and acceptance of project outcomes.

4.6.3 ***With regard to maintenance of the road after its commissioning***, it should be noted that DRC, through Law No. 08/006-A of 7 July 2008 and Decree No. 08/27 of 24 December 2008, established a National Road Maintenance Fund (FONER) with almost all the features of a second-generation fund. The resources of the Fund are mainly derived from: (i) charges levied on land transport lubricants and fuels (96%); (ii) toll charges (3%); and (iii) overload penalties (1% of the amount of cargo). The distribution of FONER's revenues is as follows: 60% for maintenance of the national road network and allocated to OR, and 40% for provincial roads and rural roads allocated to the provinces.

4.6.4 The road maintenance financing needs expressed by the Roads Authority, the Roads and Drainage Authority, and the Department of Agricultural Feeder Roads are estimated at USD 250 million per year, which means that the current resources (2016: USD 118 million) can cover only 40% of the needs. This confirms the huge financing gap in the road subsector. The deadline for payment of oil royalties has been extended, and this has been detrimental to FONER and road maintenance since 2015. The Bank noted this situation during the project preparation mission. At project appraisal, the Bank noted that the Government had begun to resolve the problem by returning to the original arrangements for paying oil royalties to FONER. Reform measures to strengthen the legal, institutional and technical framework of the road maintenance policy are being considered. A corrective law establishing FONER will be submitted to the Government by the Directorate General of FONER. The Financial and Technical Partners in DRC support this initiative.

4.6.5 ***With regard to the maintenance of agricultural feeder roads*** for which DVDA is responsible for maintenance works, the Belgian Technical Cooperation, which is very involved in this area, is using the beneficiary population through the Local Road Maintenance Committees (CLERs), which are very motivated because the project has a significant impact on their major activities (particularly agriculture).

4.7 Risk Management

4.7.1 The direct project risks are: (i) delays and lack of transparency in the procurement process; (ii) increase in works costs. Mitigation measures: (i) broadening of competition by capitalising on the size of works contracts; (ii) project costs are aligned with those of a similar ongoing project in the same area. The risk associated with lack of maintenance of highways and rural roads is mitigated by the adoption of a Ministerial Order to return to the original arrangements for the payment of oil royalties to FONER. The risk is also mitigated through the programming, by the Roads Authority in consultation with the National Road Maintenance Fund (FONER) and DVDA, of the maintenance of the national road network in which top priority is given to RN1 and DVDA's commitment to include the rehabilitated rural roads in the priority road network.

4.8 Knowledge Building

4.8.1 The lessons learned from the project implementation as a whole and from innovative experiences in the establishment of CLERS will be consolidated through the monitoring and evaluation mechanism. An analysis of key impact indicators before project start-up (baseline situation) and the impact assessment at project completion will provide useful information on the project

outcomes and impacts. This knowledge will be managed from a database, which will be operational at the Roads Authority and DVDA monitoring and evaluation departments, will be disseminated in annual reports and on the Bank's website. The establishment of CLERs and their operation will provide the project area with local capacities for the maintenance of agricultural feeder roads.

V. LEGAL FRAMEWORK

5.1 *Legal Instrument*

As regards financing of the project, a Loan Agreement shall be signed between the Fund and Democratic Republic of Congo.

5.2 *Conditions for Bank Intervention*

A. *Conditions precedent to effectiveness*

Effectiveness of the Loan Agreement shall be subject to the Borrower fulfilling, to the Bank's satisfaction, the conditions set out in Section 12.01 of the General Terms and Conditions applicable to African Development Fund Loan Agreements and Guarantee Agreements (Sovereign Entities).

B. *Conditions precedent to first disbursement of the loan resources*

The first disbursement of the loan resources shall be subject to effectiveness of the Loan Agreement.

C. *Special conditions precedent to disbursement of the loan resources for works involving resettlement*

In addition to effectiveness of the Loan Agreement, the disbursement of loan resources for works involving resettlement shall be subject to the Borrower fulfilling, to the satisfaction of the Fund, the following condition:

- (i) Provide, as the works progress and prior to works start-up in any area concerned, evidence of compensation to persons affected by the project in that area, in accordance with the Environmental and Social Management Plan (ESMP), the Abbreviated Resettlement Action Plan (ARAP) for the population, and the relevant Bank rules and procedures, particularly the Involuntary Resettlement Policy and its Integrated Safeguards System.
- (ii) Where such compensation is not possible, either in whole or in part, due to impossibility of identifying the rightful claimants or in the event of a dispute or any other impossibility beyond the Borrower's control, duly justified and acceptable to the Bank (hereinafter referred to as "Disputed Cases"), the condition may be deemed to have been fulfilled if the Borrower provides evidence that the resources allocated for the compensation and/or resettlement of the Disputed Cases have been deposited in a bank account acceptable to the Bank and specifically allocated to such compensation and/or resettlement, or delivered to a trusted third party acceptable to the Bank.

D. Other Conditions

In addition, the Borrower shall, to the satisfaction of the Fund:

- (i) Provide, not later than three (3) months following effectiveness of the loan, evidence of the recruitment, on a competitive basis, of the Procurement Specialist, the Financial Officer, and the Accounting Officer, whose qualifications and experience have previously been deemed satisfactory by the Fund; and
- (ii) Provide, by 31 December 2019, evidence of effective implementation of axle load control with the application of axle overload penalties and load shedding of the trucks concerned.

E. Undertakings Concerning Social and Environmental Safeguards

The Borrower undertakes [and shall ensure that the Executing Agency, its contractors and/or agents do same] to: (i) implement the Project in accordance with the ESMP, RAP, Bank safeguards policies and applicable national legislation; (ii) prepare and submit to the Fund semi-annual reports on the implementation of the ESMP and RAP, including any shortcomings and corrective measures taken; and (iii) refrain from any actions that would hamper or hinder the ESMP implementation, including any modification, suspension, waiver and/or cancellation of any provision of the ESMP, in whole or in part, without the Bank's prior written consent.

5.3 Compliance with Bank Policies

The project complies with all relevant Bank policies.

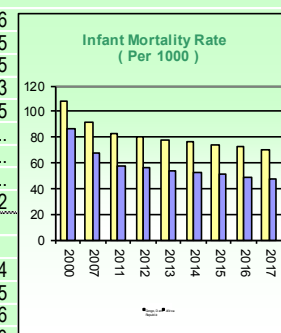
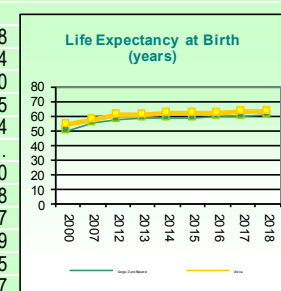
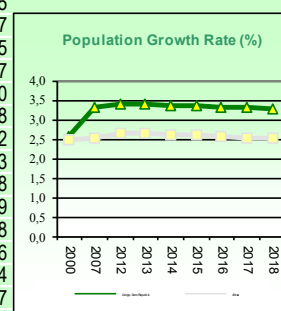
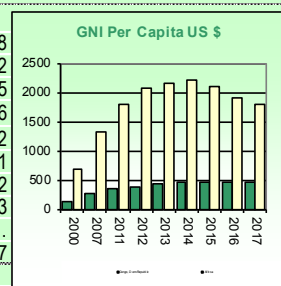
VI. RECOMMENDATION

Management recommends that the Board of Directors should approve the proposal for an ADF loan not exceeding UA 50.57 million to Democratic Republic of Congo for this project and under the terms and conditions set out in this report.

ANNEX I. Comparative Socio-economic Indicators

Congo, Dem. Republic COMPARATIVE SOCIO-ECONOMIC INDICATORS

	Year	Congo, Dem. Republic	Africa	Developing Countries	Developed Countries
Basic Indicators					
Area ('000 Km ²)	2018	2 345	30 067	92 017	40 008
Total Population (millions)	2018	84,0	1 286,2	6 432,7	1 197,2
Urban Population (% of Total)	2018	44,5	42,5	50,4	81,5
Population Density (per Km ²)	2018	37,4	43,8	71,9	31,6
GNI per Capita (US \$)	2017	460	1 767	4 456	40 142
Labor Force Participation * - Total (%)	2018	71,4	65,9	62,1	60,1
Labor Force Participation ** - Female (%)	2018	70,6	55,5	47,6	52,2
Sex Ratio (per 100 female)	2018	99,6	99,8	102,3	99,3
Human Develop. Index (Rank among 189 countries)	2017	176	...	...	...
Popul. Living Below \$ 1.90 a Day (% of Population)	2007-2017	77,1	...	11,9	0,7
Demographic Indicators					
Population Growth Rate - Total (%)	2018	3,3	2,5	1,2	0,5
Population Growth Rate - Urban (%)	2018	4,6	3,6	2,3	0,7
Population < 15 years (%)	2018	46,2	40,6	27,5	16,5
Population 15-24 years (%)	2018	19,0	19,2	16,3	11,7
Population >= 65 years (%)	2018	3,0	3,5	7,2	18,0
Dependency Ratio (%)	2018	94,0	79,2	53,2	52,8
Female Population 15-49 years (% of total population)	2018	22,2	24,1	25,4	22,2
Life Expectancy at Birth - Total (years)	2018	60,4	63,1	67,1	81,3
Life Expectancy at Birth - Female (years)	2018	62,0	64,9	69,2	83,8
Crude Birth Rate (per 1,000)	2018	41,2	33,4	26,4	10,9
Crude Death Rate (per 1,000)	2018	9,4	8,3	7,7	8,8
Infant Mortality Rate (per 1,000)	2017	70,0	47,7	32,0	4,6
Child Mortality Rate (per 1,000)	2017	91,1	68,6	42,8	5,4
Total Fertility Rate (per woman)	2018	5,9	4,4	3,5	1,7
Maternal Mortality Rate (per 100,000)	2015	693,0	444,1	237,0	10,0
Women Using Contraception (%)	2018	24,0	38,3	61,8	...
Health & Nutrition Indicators					
Physicians (per 100,000 people)	2010-2016	...	33,6	117,8	300,8
Nurses and midwives (per 100,000 people)	2010-2016	...	123,3	232,6	868,4
Births attended by Trained Health Personnel (%)	2010-2017	80,1	61,7	78,3	99,0
Access to Safe Water (% of Population)	2015	52,4	71,6	89,4	99,5
Access to Sanitation (% of Population)	2015	28,7	39,4	61,5	99,4
Percent. of Adults (aged 15-49) Living with HIV/AIDS	2017	0,7	3,4	1,1	...
Incidence of Tuberculosis (per 100,000)	2016	323,0	221,7	163,0	12,0
Child Immunization Against Tuberculosis (%)	2017	80,0	82,1	84,9	95,8
Child Immunization Against Measles (%)	2017	80,0	74,4	84,0	93,7
Under eight Children (% of children under 5 years)	2010-2016	23,4	17,5	15,0	0,9
Prevalence of stunting	2010-2016	42,6	34,0	24,6	2,5
Prevalence of undernourishment (% of pop.)	2016	...	18,5	12,4	2,7
Public Expenditure on Health (as % of GDP)	2014	1,6	2,6	3,0	7,7
Education Indicators					
Gross Enrolment Ratio (%)					
Primary School - Total	2010-2017	108,0	99,5	102,8	102,6
Primary School - Female	2010-2017	107,6	97,4	102,0	102,5
Secondary School - Total	2010-2017	46,2	51,9	59,5	108,5
Secondary School - Female	2010-2017	36,0	49,5	57,9	108,3
Primary School Female Teaching Staff (% of Total)	2010-2017	29,2	48,7	53,0	81,5
Adult literacy Rate - Total (%)	2010-2017	77,0	65,5	73,1	...
Adult literacy Rate - Male (%)	2010-2017	88,5	77,0	79,1	...
Adult literacy Rate - Female (%)	2010-2017	66,5	62,6	67,2	...
Percentage of GDP Spent on Education	2010-2015	2,3	4,9	4,1	5,2
Environmental Indicators					
Land Use (Arable Land as % of Total Land Area)	2016	3,1	8,0	11,3	10,4
Agricultural Land (as % of land area)	2016	11,6	38,2	37,8	36,5
Forest (As % of Land Area)	2016	67,2	22,0	32,6	27,6
Per Capita CO2 Emissions (metric tons)	2014	0,1	1,1	3,5	11,0



Sources : AfDB Statistics Department Databases; World Bank: World Development Indicators;

last update : February 2019

UNAIDS; UNSD; WHO, UNICEF, UNDP; Country Reports.

Note : n.a. : Not Applicable ; ... : Data Not Available. * Labor force participation rate, total (% of total population ages 15+)

** Labor force participation rate, female (% of female population ages 15+)

ANNEX II: NOTE ON WAIVER OF THE COUNTERPART CONTRIBUTION

The purpose of this Note is to present the analysis that justifies the request for waiver of the amount of counterpart contribution submitted to the Country Team for financing of the RN1 Rehabilitation Project: Kinshasa/Ndjili - Batshamba Section. The requested waiver is justified by the fact that no contribution is required from the Government for this project; only a minimum of 10% is required by the policy on expenses eligible for Bank financing. It is based on three criteria required by the above-mentioned Bank policy, particularly as regards cost sharing. An analysis of these criteria is summarised below:

1. The country's commitment to implement its development programme

At the strategic level, following expiry of the second Growth and Poverty Reduction Paper (GPRSP) 2011-2015 and the Priority Action Programme (PAP) 2012-2016, DRC currently has no valid national development strategy. Nevertheless, the country has begun preparing the National Strategic Development Plan (PNSD), but it has not yet been finalised. Indeed, after a change of regime following the Presidential Elections of December 2018, it was necessary to include the priorities of the new President of the Republic in the strategy that had almost been finalised.

Despite the absence of a national development strategy and the fragile economic and political context, the Government has always given priority to the infrastructure sector, in general, and to transport, in particular. With Bank support, the Congolese Government was able to adopt an Integrated National Transport Master Plan (PDNIT) in 2018 for the development of infrastructure that could connect the national territory through various means of communication, namely by land, rail, sea, river and lake and air. The Plan is an effective working tool for prioritising and implementing infrastructure projects, as well as operating transport services until 2040. The RN1 Rehabilitation Project: Kinshasa/Ndjili - Batshamba Section contributes to operationalisation of the Plan.

2. Priority given by the country to the sector targeted by the Bank's assistance

DRC's transport sector has been facing many challenges for several years. Indeed, although the transport system has a multimodal network of road, rail and waterway infrastructure, there is no harmonious integration of the networks. The density of the paved road network and the rail network is still very low. The common challenges that all means of transport face include: (a) old age and obsolescence of the operating and production equipment; (b) highly advanced deterioration of the infrastructure; (c) insufficient financial resources for investment and maintenance of transport infrastructure and equipment; and (d) ageing and under-qualified staff. Given all these challenges, modernisation of infrastructure stands out as one of the main priorities of the PDNIT. In the 2018 Finance Law, about 11.3% of the general budget was allocated to infrastructure development, despite budgetary restrictions due to low prices for the country's main export commodities and the priority given to organising elections and securing the territory. In 2019, the allocation was increased to 12.1%

3. The Country's Fiscal Situation and Debt Level

In order to cope with increasing budgetary constraints due to the unfavourable international situation for mining products, the Government in 2015 decided to limit some expenditures to sustain public finance sustainability. Consequently, the execution of the State budget ended in

2018 with a budget deficit of 0.6% of GDP, taking into account budgetary pressures from the elections. It should be noted that DRC's State budget is executed on a cash basis, i.e. disbursements are based on actual revenue, which in turn reduces budget deficits. Given the limited resources, the overall budget execution rate is low. In 2017, the budget was poorly executed at 52%. In 2018, in view of various pressures from the holding of elections, this rate increased to 70%. Payment arrears (unpaid liquidated expenses) amounted to CDF 817.3 billion at the end of 2018, or about USD 510.8 million. Given the budgetary constraints, priority is given mainly to recurrent expenditure and salaries, to the detriment of capital expenditure. For example, the execution rate of the investment budget was only 14.5% in 2018. For the same reasons, the State has not been able to meet its commitments to pay the counterpart contribution for projects financed from external resources. In 2018, out of the CDF 60 billion budgeted for project counterpart expenditure, only CDF 6.4 billion was disbursed by the Treasury, representing barely 10.6%.

The main challenge to the fiscal policy is therefore the structural weakness of domestic revenue, which averaged only 9% of GDP over the 2016-2018 period, compared to an average of 17% of GDP in sub-Saharan Africa over the same period. A new Mining Code was enacted in March 2018; the implementation of this Code will increase in the share of mining revenue in the State budget. This revised Code provides for an increase in royalties from 2% to 3.5% on conventional minerals and up to 10% on minerals considered strategic. In addition, in January 2018, the Bank approved the Support Project for Internal Resource Mobilisation and Public Finance Modernisation (PAMRIM-FP), which will support the country's efforts in this area.

With regard to debt, DRC's Government continues to pursue a prudent debt policy to maintain its public finance sustainability and its international financial credibility. For example, a debt management strategy was developed in 2017 with the Bank's assistance. In this regard, the Government has established a rigorous system for monitoring new commitments to avoid further over-indebtedness, giving priority to the use of concessional loans. The latest debt sustainability assessment conducted jointly by the IMF and World Bank in July 2015, confirms that the country's risk of over-indebtedness remains moderate, despite the increase in the volume of commitments. According to the IMF², the public debt-to-GDP ratio is estimated at 16% in 2018 (compared to 20% in 2013) and an average of 48% of GDP in sub-Saharan Africa.

4. Conclusion

Successive reviews of DRC's portfolio and project completion reports show that the payment of counterpart contribution by the Government remains a generic and recurring constraint for all projects. Not only does this hamper project implementation, but it also has a negative impact on portfolio performance. Given the situation in DRC, which is a country in prolonged fragility, the Bank has been contributing all financing for relative expenses of some projects approved since 2010.

In light of the foregoing, a waiver is requested for the 10% contribution by DRC to the financing of the RN1 Rehabilitation Project (Kinshasa/Ndjili –Batshamba Section).

² Regional Economic Outlook Report, October 2018.

ANNEX III: ACTIVE PORTFOLIO AS AT 31 MARCH 2019

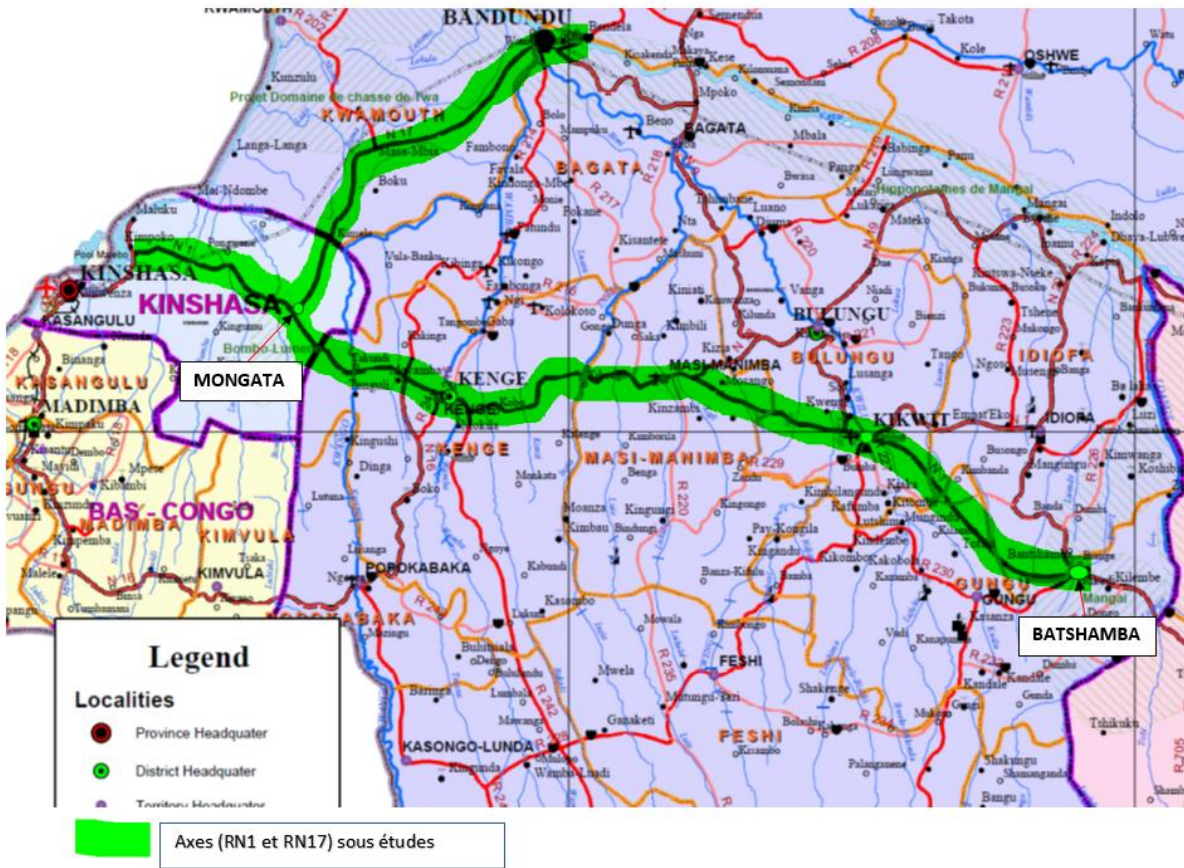
1. National Portfolio

#	Name	Sector Name	SD-Sector Dept	Long Name	Project Status	Finance Project	Loan Number	Net Loan	Value-Dated Capital	Disburs. Ratio	Approval Date	Commitment Date	Entry into Force	Effective 1st Disb.	Planned Final Disb. Date
1	DRC	Agriculture	AHAI	FEASIBILITY STUDY FOR INDUSTRIAL PARKS	OnGo	P-CD-AA0-009	2100155033118	1 524 582.00	243 154.18	15.95	21/09/2016	09/11/2016	09/11/2016	15/03/2017	27/02/2020
2	DRC	Agriculture	AHAI	INTEGRATED REDD+ PROJECT FOR MBUJI-MAYI/KANANGA BASINS	OnGo	P-CD-AAD-003	5565155000351	15 512 377.43	4 181 620.43	26.96	11/09/2013	15/08/2014	15/08/2014	20/02/2015	30/06/2021
3	DRC	Agriculture	AHFR	SUPPORT PROJECT FOR RURAL INFRASTRUCTURE DEVELOPMENT	OnGo	P-CD-AB0-001	2100155021418	49 460 000.00	43 419 085.84	87.79	10/11/2011	20/01/2012	20/01/2012	02/10/2012	31/12/2019
4	DRC	Agriculture	AHFR	YOUTH ENTREPRENEURSHIP PROJECT IN AGRICULTURE AND AGRO-BUSINESS	OnGo	P-CD-AB0-006	2100150036597	40 000 000.00	775 701.46	1.94	09/12/2016	10/03/2017	20/03/2018	20/03/2018	31/12/2022
AGRICULTURAL SECTOR								106 496 959.43	48 619 561.91	45.65					
5	DRC	Ind/Mini/Quar	PISD	NYUMBA YA AKIBA CEMENT PLANT	OnGo	P-CD-B00-001	2000130011980	21 645 177.81	21 645 177.81	100.00	12/02/2014	27/11/2014	27/11/2014	01/09/2015	27/11/2017
	DRC	Ind/Mini/Quar	PISD	NYUMBA YA AKIBA CEMENT PLANT	OnGo	P-CD-B00-001	5060140000101	12 125 087.48	0.00	0.00	04/11/2015	14/10/2016			
MINING SECTOR /PRIVATE								33 770 265.29	21 645 177.81	64.10					
6	DRC	Transport	PICU	AIR SAFETY PRIORITY PROJECT PHASE 2 (PPSA 2)	APVD	P-CD-DA0-003	2100155038366	75 000 000.00	0.00	0.00	18/10/2018	18/12/2018			31/12/2022
	DRC	Transport	PICU	AIR SAFETY PRIORITY PROJECT PHASE 2 (PPSA 2)	APVD	P-CD-DA0-003	5900155014401	5 000 000.00	0.00	0.00	18/10/2018	18/12/2018			31/12/2022
7	DRC	Transport	PICU	BATSHAMBA-TSHIKAPA – L ROAD REHABILITATION PROJECT	OnGo	P-CD-DB0-002	2100155023025	53 550 000.00	50 727 494.31	94.73	13/06/2012	07/08/2012	07/08/2012	24/10/2012	31/12/2019
8	DRC	Transport	PICU	BATSHAMBA-TSHIKAPA – ROAD SECTION DEVELOPMENT PROJECT	OnGo	P-CD-DB0-008	2100150030396	660 000.00	244 010.29	36.97	10/12/2013	07/01/2014	29/09/2016	29/09/2016	31/12/2019
	DRC	Transport	PICU	BATSHAMBA-TSHIKAPA – ROAD SECTION DEVELOPMENT PROJECT	OnGo	P-CD-DB0-008	2100155026371	13 260 000.00	2 266 448.44	17.09	10/12/2013	07/01/2014	07/01/2014	14/09/2015	31/12/2019
9	DRC	Transport	PICU	RNI (TSHIKAPA-MBUJI MAYI) DEVELOPMENT PROJECT	OnGo	P-CD-DB0-009	2100155028819	74 000 000.00	16 109 822.44	21.77	17/12/2014	26/03/2015	26/03/2015	14/10/2015	31/12/2019
10	DRC	Transport	PICU	LOT 3 - BATSHAMBA-TSHIKAPA ROAD DEVELOPMENT PROJECT	OnGo	P-CD-DB0-010	2100155029069	55 560 000.00	17 834 300.55	32.10	22/10/2014	26/03/2015	26/03/2015	14/10/2015	31/12/2019
TRANSPORT SECTOR								277 030 000.00	87 182 076.03	31.47					
11	DRC	Water Sup/Sanit	AHWS	DWSS AND SOCIO-ECONOMIC INFRASTRUCTURE REINFORCEMENT PROJECT	OnGo	P-CD-E00-002	2100150030344	1 475 000.00	1 418 058.99	96.14	27/11/2013	07/01/2014	13/07/2016	22/07/2016	30/06/2021
	DRC	Water	AHWS	DWSS AND SOCIO-	OnGo	P-CD-E00-002	2100155026317	43 525 000.00	12 509 080.77	28.74	27/11/2013	07/01/2014	07/01/2014	22/07/2014	30/06/2021

		Sup/Sanit		ECONOMIC INFRASTRUCTURE REINFORCEMENT PROJECT											
	DRC	Water Sup/Sanit	AHWS	DWSS AND SOCIO-ECONOMIC INFRASTRUCTURE REINFORCEMENT PROJECT	OnGo	P-CD-E00-002	5800155001251	4 808 119.66	807 845.21	16.80	27/11/2013	07/01/2014	07/01/2014	22/07/2014	30/06/2021
	DRC	Water Sup/Sanit	AHWS	DWSS AND SOCIO-ECONOMIC INFRASTRUCTURE REINFORCEMENT PROJECT	OnGo	P-CD-E00-002	5900155005901	55 000 000.00	19 418 472.26	35.31	27/11/2013	07/01/2014	07/01/2014	22/07/2014	30/06/2021
12	DRC	Water Sup/Sanit	AHWS	SD-GIEU KINSHASA PREPARATION AND DWS FEASIBILITY STUDY	OnGo	P-CD-EAZ-002	5600155004151	1 515 163.76	564 361.52	37.25	26/06/2015	14/09/2015	14/09/2015	28/01/2016	31/12/2019
WATER & SANITATION SECTOR								106 323 283.42	34 717 818.75	32.65					
13	DRC	Power	PESD	HYDRO POWER STATIONS REHABILITATION AND REINFORCEMENT PROJECT	OnGo	P-CD-FA0-001	2100155010866	35 700 000.00	34 031 306.92	95.33	18/12/2007	10/04/2008	10/04/2008	14/10/2011	30/06/2019
14	DRC	Power	PESD	SEMI-URBAN AND RURAL ELECTRIFICATION PROJECT	OnGo	P-CD-FA0-003	2100155019766	9 690 000.00	8 005 899.89	82.62	15/12/2010	10/03/2011	10/03/2011	27/12/2011	31/12/2019
	DRC	Power	PESD	SEMI-URBAN AND RURAL ELECTRIFICATION PROJECT	OnGo	P-CD-FA0-003	5900155001603	60 000 000.00	40 523 435.72	67.54	15/12/2010	10/03/2011	10/03/2011	27/12/2011	31/12/2019
15	DRC	Power	PESD	GOVERNANCE AND SECTOR IMPROVEMENT SUPPORT PROJECT	OnGo	P-CD-FA0-011	2100150036496	66 220 000.00	0.00	0.00	07/12/2016	10/03/2017	26/02/2018		30/06/2020
	DRC	Power	PESD	GOVERNANCE AND SECTOR IMPROVEMENT SUPPORT PROJECT	OnGo	P-CD-FA0-011	2100155033668	4 880 000.00	234 317.40	4.80	07/12/2016	10/03/2017	10/03/2017	28/08/2017	30/06/2020
	DRC	Power	PESD	GOVERNANCE AND SECTOR IMPROVEMENT SUPPORT PROJECT	OnGo	P-CD-FA0-011	5900155011102	25 000 000.00	100 372.45	0.40	07/12/2016	10/03/2017	10/03/2017	28/08/2017	30/06/2020
16	DRC	Power	PESD	TECHNICAL ASSISTANCE PROJECT FOR DEVELOPMENT OF INGA 3 (	OnGo	P-CD-FA0-009	5900155004801	1 500 000.00	1 447 487.27	96.50	13/05/2013	31/05/2013	31/05/2013	12/12/2013	30/12/2019
17	DRC	Power	PESD	SUPPORT PROJECT FOR ESTABLISHMENT OF DEVELOPMENT AND PROMOTION AGENCY	OnGo	P-CD-FA0-005	5900155004751	1 995 000.00	486 737.69	24.40	17/04/2013	31/05/2013	31/05/2013	18/12/2013	31/12/2019
POWER SECTOR								204 985 000.00	84 829 557.34	41.38					
18	RDC	Finance	PIFD	RAWBANK	APVD	P-CD-HAB-005	2000120004969	10 822 588.90	0.00	0.00	07/03/2018				
FINANCIAL SECTOR/PRIVATE								10 822 588.90	0.00	0.00					
19	DRC	Multi-Sector	AHHD	SUPPORT PROJECT FOR GENERAL POPULATION AND HOUSING CENSUS	OnGo	P-CD-KF0-007	5900155007701	15 000 000.00	2 440 128.30	16.27	26/11/2014	28/05/2015	28/05/2015	08/09/2015	30/06/2019
20	DRC	Social	AHHD	EMERGENCY AID FOR DISEASE CONTROL	APVD	P-CD-IB0-001	5000199005468	721 505.93	721 505.93	0.00	10/10/2018	05/11/2018			30/06/2019
SOCIAL SECTOR								15 721 505.93	3 161 634.23	20.11					

21	DRC	Multi-Sector	ECGF	STATISTICS AND FINANCE INSTITUTIONAL SUPPORT PROJECT	OnGo	P-CD-K00-009	2100155025918	10 960 000.00	10 577 755.30	96.51	23/10/2013	07/01/2014	07/01/2014	14/04/2014	30/08/2019
22	DRC	Multi-Sector	ECGF	SUPPORT PROJECT FOR PRIVATE SECTOR DEVELOPMENT	OnGo	P-CD-KB0-001	2100155029868	38 000 000.00	24 873 172.94	65.46	03/06/2015	05/08/2015	05/08/2015	07/10/2015	30/06/2019
23	DRC	Multi-Sector	ECGF	SUPPORT PROJECT FOR DOMESTIC RESOURCES MOBILISATION/MODERNI	OnGo	P-CD-KF0-009	2100155036431	15 000 000.00	717 849.97	4.79	10/01/2018	05/03/2018	05/03/2018	29/06/2018	31/12/2021
25	DRC	Multi-Sector	ECGF	SUPPORT PROJECT FOR ECONOMIC FABRIC CONSOLIDATION (PACT	APVD	P-CD-KF0-010	2100150037245	2 424 000.00	0.00	0.00	30/03/2017	23/06/2017			31/12/2020
	DRC	Multi-Sector	ECGF	SUPPORT PROJECT FOR ECONOMIC FABRIC CONSOLIDATION (PACT	APVD	P-CD-KF0-010	2100155034418	1 766 000.00	0.00	0.00	30/03/2017	23/06/2017	23/06/2017	04/12/2017	31/12/2020
GOVERNANCE SECTOR								68 150 000.00	36 168 778.21	53.07					
Total National Portfolio								823 299 602.97	316 324 604.28	38.42					
2. Regional Portfolio															
#	Name	Sector Name	SD-Sector Dept	Long Name	Project Status	Finance Project	Loan Number	Net Loan	Value-Dated Capital	Disbursement Ratio	Approval Date	Commitment Date	Entry into force	Effective 1st Disb	Planned Final Disb. Date
25	Multi	Agriculture	AHAI	DRC- LAKES EDWARD AND ALBERT INTEGRATED FISHERIES & WATER R	OnGo	P-Z1-AAF-006	2100155030167	6 000 000.00	2 669 231.38	44.49	20/05/2015	14/09/2015	14/09/2015	08/06/2016	30/06/2021
AGRICULTURAL SECTOR								6 000 000.00	2 669 231.38	44.49					
26	Multi	Power	PESD	SUPPORT PROJECT FOR INGA DEVELOPMENT AND ACCESS TO ELECTRICITY	OnGo	P-Z1-FA0-045	2100155029267	39 409 000.00	5 189 791.42	13.17	20/11/2013	07/01/2014	07/01/2014	29/09/2014	31/12/2019
	Multi	Power	PESD	SUPPORT PROJECT FOR INGA DEVELOPMENT AND ACCESS TO ELECTRICITY	OnGo	P-Z1-FA0-045	5900155006203	5 000 000.00	2 108 647.04	42.17	20/11/2013	07/01/2014	07/01/2014	29/09/2014	31/12/2019
27	Multi	Power	PESD	CAR-DRC ELECTRIC GRIDS INTERCONNECTION FROM S	OnGo	P-Z1-FA0-047	2100155024116	5 550 000.00	581 456.16	10.48	19/09/2012	20/02/2013	20/02/2013	14/08/2015	30/12/2019
28	Multi	Power	PESD	RUZIZI III – DRC	OnGo	P-Z1-FA0-078	5900155010502	60 000 000.00	267 681.51	0.45	16/12/2015	14/11/2016	14/12/2016	06/11/2017	31/12/2022
29	Multi	Power	PESD	NELSAP INTERCONNECTION PROJECT - DRC - SUPPLEMENTARY GRANT	OnGo	P-Z1-FA0-104	2100155032818	8 040 000.00	1 935 119.62	24.07	05/07/2016	20/10/2016	20/10/2016	21/06/2017	31/12/2021
POWER SECTOR								117 999 000.00	10 082 695.75	8.54					
30	Multi	Social	AHHD	SUPPORT PROJECT FOR SOCIO-ECONOMIC	OnGo	P-Z1-IZ0-027	5900155010404	900 000.00	747 068.99	83.01	25/05/2016	06/10/2016	06/10/2016	25/07/2017	31/12/2020

ANNEX IV: MAP OF THE PROJECT AREA



ANNEX V: MAP OF GRADUAL DEVELOPMENT OF RN1 (TSHIKAPA – MBUJI MAYI SECTION)

