PROJECT INFORMATION DOCUMENT (PID)
ADDITIONAL FINANCING

Report No.: PIDA26767

Project Name	DRC High Prirority Roads Reopening and Maintenance - 2nd Additional Fin (P153836)
Parent Project Name	DEMOCRATIC REPUBLIC OF CONGO - High Priority Reopening and Maintenance Project (P101745)
Region	AFRICA
Country	Congo, Democratic Republic of
Sector(s)	Rural and Inter-Urban Roads and Highways (65%), Central government administration (18%), Sub-national government administration (17%)
Theme(s)	Infrastructure services for private sector development (33%), Corporate governance (33%), Other social development (17%), Environmen tal policies and institutions (17%)
Lending Instrument	Investment Project Financing
Project ID	P153836
Parent Project ID	P101745
Borrower(s)	Ministere des Finances
Implementing Agency	Cellule Infrastructures - Ministry of Public Works
Environmental Category	A-Full Assessment
Date PID Prepared/Updated	21-Oct-2015
Date PID Approved/Disclosed	22-Oct-2015
Estimated Date of Appraisal Completion	18-Nov-2015
Estimated Date of Board Approval	18-Feb-2016
Appraisal Review Decision (from Decision Note)	The review did authorize the team to appraise and negotiate
Other Decision	The overall implementation timeline will be shorten to remain below ten (10) years period and the AF2 activities will be adapted accordingly.

I. Project Context

Country Context

With a population of about 75 million and surface area of about 2,345,000 square km, DRC is the 3rd most populous and largest country in Sub Sahara Africa (SSA). DRC’s economy has fully recovered from the 2008 global economic crisis. Driven by a rapid expansion of mineral production, Gross Domestic Product
GDP) annual growth has accelerated to an estimated 9 percent in 2014, from 2.8 percent in 2009.

Inflation has slowed down to less than 2 percent, from over 15 percent in 2011. However, rapid growth remains highly dependent on a vulnerable mining sector, and has not yet translated into increased employment in the private sector. Poverty is pervasive and social indicators are particularly low, giving DRC a Human Development Index ranking of 186 out of 187 countries ranked in 2013. Domestic resource mobilization at 13 percent of GDP in 2013 is far too low to ensure adequate provision of key government services, including transport infrastructure.

Sectoral and institutional Context

The development of the transport sector in DRC is a major element of the government's policy to stimulate broad-based economic growth, contribute to poverty reduction and provide basic connectivity to the disparate parts of the country. The transport sector is also seen as a key enabler to increase agriculture sector output, improving internal and external trade competitiveness, supporting mining sector growth and combating the socio-economic backwardness that affects isolated communities throughout.

At present, about 50 percent of DRC's territory remains inaccessible. More precisely, out of current ten provincial capitals, only four are currently connected by road (Matadi, Mbandaka, Bandundu and Kananga) to the capital city Kinshasa, while one is only accessible by river and air (Kisangani) and five only by air (Mbuji-Mayi, Lubumbashi, Kindu, Goma, and Bukavu). Surface travel between these population centers, as well as access to rural areas is often not possible. National unity and economic stability are DRC government's two top priorities. Accordingly, improving the transport sector's performance constitutes a vital goal for the government, and spending on transport can be considered core development spending.

The initial IDA grant of US$50 million was co-financed by a recipient-executed Multi-Donor Trust Fund (MDTF) administered by the World Bank, with an initial GBP38 million contribution from DFID equivalent to US$73 million (after deducting World Bank charges), bringing the total original external financing to US$123 million. The IDA grant was approved on March 18, 2008, signed together with the MDTF grant on July 8, 2008, and both became effective on October 7, 2008. AF1 was approved in June 2011 and became effective on November 8, 2011. The initial closing date of September 30, 2013 was extended to June 30, 2016 when AF1 was approved. In addition to the IDA additional financing (US$63.3 million equivalent), DFID agreed to provide a new grant in an amount of US$46 million equivalent to finance the scaled up activities. The Road Maintenance Fund (RMF) was also expected to provide US$15.9 million, resulting in a total amount of US $125.2 million. However, on August 4, 2014, DFID informed the World Bank that it could no longer finance the planned project activities due to changed priorities. This decision became effective three months later.

Since approval of AF1, the project has been restructured twice in September 2013 and in March 2015. The 2013 restructuring revised the intermediary targeted values for the length of roads rehabilitated indicator and reallocated the project resources between the different categories of expenses in the Grant and Trust Funds (TF) Agreements. The March 2015 restructuring was needed as a consequence of DFID's decision to withdraw from the project, leading to a partial cancellation of the proceeds of the two TF grants. The 2015 restructuring reallocated the Financing and TF Grants Agreements proceeds to adapt to the partial cancellation; and revised the disbursement percentages for the different Agreements in order to accelerate the closing of the TFs after DFID's exit.

The initial project included four components: (i) road re-opening and maintenance; (ii) institutional strengthening; (iii) environmental and social program; and (iv) monitoring and evaluation. The second component was designed to build up the capacity of institutions involved in the road sector, including the Infrastructure Unit, the unit in charge of coordinating project implementation, and help the Government introduce sector reforms and develop a strategy for the sector. The third component included a comprehensive program of activities to enhance the positive socio-economic aspects of the project and mitigate its potential negative social and environmental impacts.

In April 2015, the Government requested IDA to extend a second additional financing (AF2) to scale up project activities and cover a financing gap due to a cost overrun incurred during the initial phase and the withdrawal of DFID from project financing in 2014.

II. Proposed Development Objectives

A. Current Project Development Objectives – Parent

The objective is to re-establish lasting access between provincial capitals and districts and territories in four provinces (Province Orientale, Katanga, Sud Kivu, and Equateur) in a way that is sustainable for people and the natural environment in the area of influence of the project.

III. Project Description

Component Name

Road Reopening and Maintenance

Comments (optional)

To help re-establish a land connection between the Provinces of Sud and Nord Kivu, and within the Province of Nord Kivu and the Province Orientale. About 750 km of new roads, including two linking the Oriental and North Kivu provinces to Uganda would be reopened or rehabilitated and maintained

Component Name

Institutional Strengthening includes all activities related to capacity building, institutional strengthening and project implementation

Comments (optional)

This component would further strengthen the capacity of agencies in the road sector, and support an institutional reform in the sector, and preparation of a multi-annual investment and maintenance program

Component Name

Environmental and Social Program

Comments (optional)

To enhance the positive socio-economic aspects of the project and to mitigate the potential negative social and environmental impacts. It would extend the environmental and social program to the new road area

Component Name

Monitoring and Evaluation

Comments (optional)

This component would focus on evaluation of results and systems

IV. Financing *(in USD Million)*

Total Project Cost:	190.60	Total Bank Financing:	125.00
Financing Gap:	0.00		

For Loans/Credits/Others	**Amount**
BORROWER/RECIPIENT	65.60
IDA Grant	125.00
Total	190.60

V. Implementation

The project will be implemented by the Cellule Infrastructures as per the original grant and AF1. The sustainability of this project relies primarily, as per the initial project on the effective maintenance of the re-opened roads implying stable funding, available qualified contractors and adequate contract management capacity. The project would fund the maintenance of the 750 km to be re-opened, as well as the maintenance of all roads re-opened since project inception through RMF's funding. Performance-based maintenance contracts would be used where possible. Secondly, sustainability would also depend on application of sound environmental and social safeguards measures. AF2 would follow the same rules as under the initial project and AF1.

VI. Safeguard Policies (including public consultation)

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

Comments (optional)

VII. Contact point

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