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Report No: PAD1487

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT PAPER

ON A

PROPOSED SECOND ADDITIONAL CREDIT

IN THE AMOUNT OF SDR91.1 MILLION
(US\$ 125.0 MILLION EQUIVALENT)

TO THE

DEMOCRATIC REPUBLIC OF CONGO

FOR A

HIGH PRIORITY ROADS REOPENING AND MAINTENANCE PROJECT

PRO-ROUTES

January 27, 2016

Transport & ICT
AFRICA

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CURRENCY EQUIVALENTS

(Exchange Rate Effective NOVEMBER 30, 2015)

Currency Unit = Congolese Franc (FC)
FC 926.3244 = US\$1
US\$1.37 = SDR 1

FISCAL YEAR
January 1 – December 31

ABBREVIATIONS AND ACRONYMS

ACE	<i>Agence Congolaise de l'Environnement</i> (environment Agency)
AF	Additional Financing
BEGES	<i>Bureau d'Etudes pour la Gestion Environnementale et Sociale</i> (Firm contracted for the management of the Environment and Social component)
CAS	Country Assistance Strategy
CI	<i>Cellule Infrastructures</i> (Infrastructure Unit)
CNPR	<i>Commission Nationale de Prévention Routière</i> (Road Security Agency)
CQ	Consultant Qualification
DA	Designated Account
DFID	Department for International Development
DRC	Democratic Republic of Congo
DVDA	<i>Direction des Voies de Desserte Agricole</i> (Rural Roads Agency)
ERR	Economic Rate of Return
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
FCS	Fragile and Conflict-Affected States
FM	Financial Management
GAAP	Governance and Anticorruption Action Plan
GDP	Gross Domestic Product
GLTFP	Great Lakes Trade Facilitation Project
GPN	General Procurement Notice
GovDRC	Government of DRC
GRS	Governance Redress Service
HIV/AIDS	Human Immunodeficiency Virus/ Acquired Immunodeficiency Syndrome
IC	Individual Consultant
ICB	International Competitive Bidding
ICCN	<i>Institut Congolais pour la Conservation de la Nature</i> (Congolese Institute for Nature Conservation)
IDA	International Development Association
IFC	International Finance Corporation
IFR	Interim Financial Report
IP	Implementation Progress

IPs	Indigenous People
IPP	Indigenous Peoples Plan
IPPF	Indigenous People Planning Framework
LIB	Limited International Bidding
M&E	Monitoring and Evaluation
MDTF	Multi-Donor Trust Fund
MECNDD	Ministry of Environment, Nature Conservation, and Sustainable Development
MECNT	Ministry of Environment, Nature Conservation, and Tourism (current MECNDD)
METT	Management Effectiveness Tracking Tool
MIPW	Ministry of Infrastructure and Public Works
MONUSCO	United Nations Organization Stabilization Mission in DRC
NCB	National Competitive Bidding
NGO	Non-Governmental Organization
OdR	<i>Office des Routes</i> (Roads Agency)
OVD	<i>Office des Voiries et Drainages</i> (Office of Urban Roads and Drainages)
PAFAM	Project Administrative, Financial and Accounting Manual
PAD	Project Appraisal Document
PDO	Project Development Objective
PER	Public Expenditure Review
PIA	Project Impact Area
PIM	Project Implementation Manual
PPL	Public Procurement Law
PMPTR	<i>Programme Minimum pour la Transition et la Relance</i> (Minimum Program for Transition and Growth Resumption)
Pro-Routes	High-Priority Roads Re-opening and Maintenance Project
PSCF	Peace, Security, and Cooperation Framework
QCBS	Quality and Cost Based Selection
RAP	Resettlement Action Plan
RPF	Resettlement Planning framework
RRIG	<i>Réseau Routier d'Intérêt Général</i> (Road Network of General Interest)
RMF	<i>Fonds National d'Entretien Routier – FONER</i> (Road Maintenance Fund)
RN	<i>Route Nationale</i> (National Road)
SBD	Standard Bidding Documents
SDR	Standard Drawing Rights
SME	Small and Medium Enterprises
SOE	Statement of Expenditure
SORT	Systematic Operations Risk-Rating Tool
SSA	Sub-Saharan Africa
SSEs	Small-Scaled Enterprises
SSS	Single Source Selection
STIs	Sexually Transmitted Infections
TA	Technical Assistance
TF	Trust Fund
ToR	Terms of Reference

TTC
UES
VOC
WBG

Travel Time Cost
Environmental Unit of CI
Vehicle Operating Cost
World Bank Group

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DEMOCRATIC REPUBLIC OF CONGO
DRC High Priority Roads Reopening and Maintenance Project
Second Additional Financing (P153836)

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ADDITIONAL FINANCING DATA SHEET

Democratic Republic of Congo

DRC High Priority Roads Reopening and Maintenance - 2nd Additional Fin (P153836)

AFRICA

GTI01

Basic Information – Parent							
Parent Project ID:	P101745	Original EA Category: A - Full Assessment					
Current Closing Date:	30-Jun-2016						
Basic Information – Additional Financing (AF)							
Project ID:	P153836	Additional Financing Type (from AUS):		Scale Up and Cost Overrun			
Regional Vice President:	Makhtar Diop	Proposed EA Category:					
Country Director:	Ahmadou Moustapha Ndiaye	Expected Effectiveness Date:		30-Jun-2016			
Senior Global Practice Director:	Pierre Guislain	Expected Closing Date:		28-Feb-2018			
Practice Manager/Manager:	Supee Teravaninthorn	Report No:		PAD1487			
Team Leader(s):	Alexandre K. Dossou						
Borrower							
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Project Financing Data - Parent (DEMOCRATIC REPUBLIC OF CONGO - High Priority Reopening and Maintenance Project-P101745) (in USD Million)							
Key Dates							
Project	Ln/Cr/TF	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date
P101745	IDA-H3590	Effectiv	18-Mar-2008	08-Jul-2008	07-Oct-2008	30-Sep-2013	30-Jun-2016

		e						
P101745	IDA-H7050	Effective	28-Jun-2011	12-Aug-2011	08-Nov-2011	30-Jun-2016	30-Jun-2016	
P101745	TF-92300	Effective	08-Jul-2008	08-Jul-2008	07-Oct-2008	30-Sep-2013	30-Jun-2016	
P101745	TF-99492	Effective	12-Aug-2011	12-Aug-2011	08-Nov-2011	30-Jun-2016	30-Jun-2016	

Disbursements

Project	Ln/Cr/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P101745	IDA-H3590	Effective	USD	50.00	50.00	0.00	46.87	1.73	93.74
P101745	IDA-H7050	Effective	USD	63.30	63.30	0.00	36.60	21.23	57.82
P101745	TF-92300	Effective	USD	73.00	70.74	2.26	70.69	0.05	99.92
P101745	TF-99492	Effective	USD	46.00	22.95	23.05	22.94	0.00	99.99

Project Financing Data - Additional Financing DRC High Priority Roads Reopening and Maintenance - 2nd Additional Fin (P153836) (in USD Million)

<input type="checkbox"/> Loan	<input type="checkbox"/> Grant	<input type="checkbox"/> IDA Grant
<input checked="" type="checkbox"/> Credit	<input type="checkbox"/> Guarantee	<input type="checkbox"/> Other
Total Project Cost:	164.20	Total Bank Financing: 125.00
Financing Gap:	0.00	
Financing Source – Additional Financing (AF)		Amount
BORROWER/RECIPIENT		39.20
IDA Grant		125.00
Total		164.20

Policy Waivers

Does the project depart from the CAS in content or in other significant respects?	No
Explanation	
Does the project require any policy waiver(s)?	No
Explanation	

Team Composition					
Bank Staff					
Name	Role	Title	Specialization	Unit	
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Koho Francine Takoy	Team Member	Team Assistant		AFCC2	
Lydie J. Sankara	Team Member	Temporary		GTI01	
Extended Team					
Name		Title	Location		
Locations					
Country	First Administrative Division	Location	Planned	Actual	Comments
Congo, Democratic Republic of		Democratic Republic of the Congo			
Congo, Democratic Republic of	Province du Sud-Kivu	Uvira			
Congo, Democratic Republic of	Province du Sud-Kivu	Province du Sud-Kivu			
Congo,	Province du	Province du			

Democratic Republic of	Katanga	Katanga			
Congo, Democratic Republic of		Pweto			
Congo, Democratic Republic of		Moba			
Congo, Democratic Republic of	Province du Maniema	Province du Maniema			
Congo, Democratic Republic of	Province Orientale	Kisangani			
Congo, Democratic Republic of		Kilwa			
Congo, Democratic Republic of	Province du Katanga	Kalemie			
Congo, Democratic Republic of	Province Orientale	Province Orientale			
Congo, Democratic Republic of	Province du Sud-Kivu	Fizi			
Congo, Democratic Republic of		Dulia			
Congo, Democratic Republic of		Buta			
Congo, Democratic Republic of		Bunduki			
Congo, Democratic Republic of		Bondo			
Congo, Democratic Republic of		Banalia			

Congo, Democratic Republic of		Kasomeno			
Institutional Data					
Parent (DEMOCRATIC REPUBLIC OF CONGO - High Priority Reopening and Maintenance Project-P101745)					
Practice Area (Lead)					
Transport & ICT					
Contributing Practice Areas					
Cross Cutting Topics					
[] Climate Change					
[X] Fragile, Conflict & Violence					
[] Gender					
[] Jobs					
[] Public Private Partnership					
Sectors / Climate Change					
Sector (Maximum 5 and total % must equal 100)					
Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %	
Transportation	Rural and Inter-Urban Roads and Highways	65			
Public Administration, Law, and Justice	Central government administration	18			
Public Administration, Law, and Justice	Sub-national government administration	17			
Total		100			
Themes					
Theme (Maximum 5 and total % must equal 100)					
Major theme	Theme	%			
Financial and private sector development	Infrastructure services for private sector development	33			
Social dev/gender/inclusion	Conflict prevention and post-conflict reconstruction	33			

Social dev/gender/inclusion	Other social development	17		
Environment and natural resources management	Environmental policies and institutions	17		
Total		100		
Additional Financing DRC High Priority Roads Reopening and Maintenance - 2nd Additional Fin (P153836)				
Practice Area (Lead)				
Transport & ICT				
Contributing Practice Areas				
Cross Cutting Topics				
[] Climate Change				
[X] Fragile, Conflict & Violence				
[] Gender				
[] Jobs				
[] Public Private Partnership				
Sectors / Climate Change				
Sector (Maximum 5 and total % must equal 100)				
Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Transportation	Rural and Inter-Urban Roads and Highways	65		
Public Administration, Law, and Justice	Central government administration	18		
Public Administration, Law, and Justice	Sub-national government administration	17		
Themes				
Theme (Maximum 5 and total % must equal 100)				
Major theme	Theme	%		
Financial and private sector development	Infrastructure services for private sector development	33		
Financial and private sector development	Corporate governance	33		
Social dev/gender/inclusion	Other social development	17		

Environment and natural resources management	Environmental policies and institutions	17
Total		100
Consultants (Will be disclosed in the Monthly Operational Summary)		
Consultants Required ?Consultants will be required		

I. Introduction

1. This Project Paper seeks the approval of the Executive Directors to provide a second additional financing in an amount of US\$125 million (about US\$50 million from Regional IDA Credit for the Great Lakes Region and US\$75 million from National IDA Credit), together with a Level One Restructuring, to the Democratic Republic of Congo (DRC) for the High-Priority Roads Reopening and Maintenance Project – Pro-Routes - (P101745) (IDA Grants H3590 and TF 92300).

2. A first additional financing (AF1) in the amount of US\$63.3 million equivalent (IDA Grant H7050) was approved in June 2011 to scale up project activities and enhance the impact of the project. The Department for International Development (DFID), which co-financed the initial project, agreed to partly fund AF1 (TF 99492). On April 2, 2015, the DRC Government requested a second additional financing (AF2) to: (i) support the reopening and maintenance of three additional sections of high-priority existing roads (about 483 km); (ii) cover the financing gap due to the withdrawal of DFID funding from project financing in 2014, and foreign exchange rate losses due to the fluctuations in the SDR/US\$ rate, which have reduced the amount of funding available; and (iii) cover a cost overrun on some of the road works planned under the initial project, which could not be previously funded. The cost overrun can be directly attributable to the lack of reliable data on road reopening costs when the initial project was being prepared. This led to the postponing of two road sections. Works on Kalemie-Kambu (140 km) are now ongoing, and works on Dulia-Bondo (130 km) would be financed under AF2. Under AF1, the contract for the re-opening of the Akula-Gemena-Libenge-Zongo (Central African border) road was terminated for lack of progress in October 2015. The balance of works are under negotiation for a direct contracting after Bank's approval, and provision for the likely cost increase is needed to complete the construction of that road under AF2.

3. The activities proposed under AF2 would increase the number of km of roads improved and re-opened under the original project/AF1/AF2 to a total of about 2,732 km, which is about 30 percent of the 9,000 km of the high-priority earth roads network (15,800 km), for which no financing was available at the time of initial project preparation. In doing so, it would re-establish lasting road access between provincial capitals, districts and territories in the Orientale, North and South-Kivu, Katanga, and Equateur provinces, and open up road links to Uganda and the Central African Republic (CAR). The project objective would be amended to reflect increased project coverage to a fifth Province¹ (North Kivu). The closing date of the original and additional financing grants would be extended by twenty (20) months to February 28, 2018, to align it with the proposed closing date of AF2. Indicators and targets associated to the scaled up activities have been incorporated in the revised project's results framework (Annex 1).

II. Background and Rationale for Additional Financing in the amount of \$125.0 Million.

Background:

4. With a population of about 75 million and surface area of about 2,345,000 square km, DRC is the second most populous and largest country in Sub Sahara Africa (SSA). DRC's

¹ A recent presidential Decree extended the number of provinces from 11 to 26, to be done gradually.

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 9.2 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, economic growth remains highly dependent on the mining sector, which is subject to exogenous shocks, 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 176 out of 188 countries ranked in 2014. Domestic resource mobilization, at about 13 percent of GDP in 2013, is far too low to ensure adequate provision of key government services, including transport infrastructure.

5. The development of the transport sector in DRC is a critical 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, improve internal and external trade competitiveness, support mining sector growth and address the socio-economic backwardness that affects isolated communities.

6. At present, about 50 percent of DRC's territory remains inaccessible by road or rail transport. More precisely, out of the current ten provincial capitals, only four are currently connected by road (Matadi, Mbandaka, Bandundu and Kananga) to the capital city Kinshasa. Surface travel between major 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.

7. 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 Great Britain Pound (GBP)38 million contribution from DFID equivalent to US\$73 million, 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 would no longer finance the planned project activities due to changed priorities, and this decision became effective three months later.

8. Since the approval of AF1, the project has been restructured twice (September 2013 and in March 2015). The 2013 restructuring revised the intermediary target values for the length of rehabilitated roads 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 (TF 92300 and TF 99492). The 2015 restructuring reallocated the Financing and TF Grant Agreements proceeds to adapt to

the partial cancellation, and revised the disbursement percentages for the different Financing Agreements in order to accelerate the closing of the TFs after DFID's exit.

9. The project has been rated moderately satisfactory or better over the last 12 months. The implementation support mission of November/December 2014 upgraded the Implementation Progress (IP) and Development Objective (DO) ratings to satisfactory from moderately satisfactory. Subsequent implementation support missions have confirmed these ratings. As of today, all project ratings are satisfactory, with the exception of the institutional building component and Monitoring and Evaluation (M&E), which are moderately satisfactory. Procurement and financial management were rated satisfactory. All legal covenants have been complied with. As of December 31, 2015 disbursements under the original grant and AF1 reached 97.4 percent and 68.3 percent respectively, for a global disbursement ratio of 85.3 percent.

Rationale:

10. The proposed AF2 is fully in line with the World Bank Group's (WBG) objectives to reduce poverty and promote shared prosperity together with IDA 17 commitments for Fragile and Conflict-Affected States (FCS), the Africa Strategy which focuses on strengthening governance and public sector capacity and the objectives of the Regional Assistance Strategy to deepen regional cooperation and integration. It complements the proposed Great Lakes Trade Facilitation Project (GLTFP), which includes improving border crossing capacity and procedures at the end of the two national road corridors leading to Uganda, planned to be rehabilitated under AF2. Finally, the activities proposed under AF2 remain fully consistent and aligned with the three goals of the Country Assistance Strategy (CAS) of April 12, 2013 for the period FY13-FY16, namely: (i) the consolidation and expansion of DRC's gains in macroeconomic stability, infrastructure, and human development (HD) through improved governance; (ii) the development of the enabling environment for sustained and inclusive growth and raising HD indicators; and (iii) the country's transition out of fragility, with a focus on addressing the developmental deficits that help to perpetuate violence and conflicts in the Eastern provinces.

11. Two out of the three new road sections would improve the connection between the Eastern provinces of DRC with Uganda and directly support Pillar 2 - Economic Opportunity and Integration – of the Great Lakes Initiative launched in May 2013 to: (i) help provide tangible peace dividends to reduce intra/inter regional tension and create a shared stake in lasting peace and stability; (ii) support additional regional initiatives to address underlying structural causes of instability; and (iii) generate broader economic opportunities based on economic interdependence. This project is included in the list of the eight projects to be funded under the Great Lake Initiative resources, as per a World Bank Group notification letter dated June 12, 2014, to the DRC government.

12. The Komanda-Bunia-Goli (Uganda border) road section is the DRC part of the Kisangani-Goli corridor, which was identified as a major international route that needed to be rehabilitated and upgraded to reduce transport costs, and facilitate the efficient movement of goods and people in the region. Its rehabilitation would help revitalize and expand cross-border economic activity, and spur greater opportunity and integration in the areas of agriculture,

energy, transport, and regional trade under the Great Lake Initiative. It would complement the IDA Credit 5434 funding the Uganda North Eastern Road-corridor Asset Management Project (P125590) US\$255 million (April 2014) and the ongoing efforts to reopen and maintain the DRC part (2,355 km) of the Northern Corridor from the Central African border to the port of Mombasa, through Kisangani - the major economic center in Northern DRC – thus contributing to spread the economic benefits of the Initiative to that part of DRC. In addition, the inclusion of the Beni-Kasindi (South-Western border of Uganda) road section would improve economic opportunities and security for the households in this sensitive area and facilitate cross-border commerce, which can play an important role in improving stability in the wider region generating solidarity between communities across borders.

13. The planned road works, in addition to serving the DRC part of the key regional trade/transport corridors traversing the country, would also contribute to reconnect the Eastern part of DRC (mainly South and North Kivu provinces), to Kisangani (Orientale province), and then to Kinshasa by river transportation, creating an efficient and effective intermodal corridor of about 2,500 km. This would facilitate internal connectivity and enhance trade opportunities between different parts of Congo, which is approximately as large as the whole of Western Europe. Furthermore, it would reduce the isolation of large parts of the Eastern provinces of Congo caused by decades of conflict, lack of infrastructure and neglect by the central Government. This has created a large area of insecurity in the country, where armed groups and criminal elements can operate with virtual impunity, holding back economic and social development that is crucial for the long-term stability of DRC and the Great Lakes region as a whole. In addition, it would contribute to enlarging the socio economic impact of the Regional Great Lakes Integrated Agriculture Development Program, which is fully aligned with the outcomes of the regional Peace, Security, and Cooperation Framework (PSCF), particularly pillar 4 “Strengthening regional cooperation, including deepening economic integration”.

14. The new activities would follow the same well tested technical approach as the original project and would further increase institutional capacity and consolidate road sector reforms. In particular, with regards to the ever critical road maintenance issue, AF2 would help the Government ensure that the fast increasing resources mobilized by the Road Maintenance Fund (RMF)² are fully allocated to road maintenance according to a well-defined multiannual program implemented by the Road Agency [*Office des Routes* (OdR)] or any other designated implementing agency. AF2 would also extend support to the Ministry of Infrastructure and Public Works (MIPW) to improve its capacity to lead and manage the various public entities involved in the road sector and complement the sector policy and strategy already elaborated by an adequate multiannual investment and maintenance program together with the required institutional arrangements for its implementation.

15. Finally, AF2 would extend the comprehensive environmental and social program to the additional road segments and would continue the space-based monitoring system of the entire project’s roads. This technology is expected to strengthen the surveillance system put in place under the first additional financing (AF1) to monitor the degradation of forests and protected areas. AF2 would use the same Pro-Routes approach involving a low-cost design and a stage construction concept to rapidly reconnect the country and build the minimum infrastructure

² They reached about US\$120 million in 2014 from US\$60 millions in 2010.

network necessary to unleash tangible economic benefits and reduce poverty.

16. **Justification for IDA Regional Credit.** Based on the above rationale, the proposed scale up component of AF2 fully meets the eligibility criteria for IDA Regional Program Funding in IDA 17. More specifically, it is included in the list of the eight projects to be funded under the Great Lake Initiative resources, as per a World Bank Group notification letter dated June 12, 2014, to the DRC Government. As such, it is consistent with the expected outcomes of the Regional Peace, Security, and Cooperation Framework adopted by the countries for the Great Lakes region. It involves directly two contiguous economically interdependent countries (DRC and Uganda) and indirectly Rwanda, which is a key beneficiary of the proposed GLTFP. As an infrastructure support project to the GLTFP, AF2 would contribute to materialize and expand the expected trade efficiency gains and the social and economic benefits spill over countries' boundaries from the GLTFP.

17. The results framework, for the original project and AF1, included nine (9) outcome indicators. A summary of achievements as of December 31, 2015 is in Table 1 below.

Table 1: Project Development Objective (PDO) indicators as of end-2015

PDO-level Indicators	Status
Number of days/year with roads not passable by 4×2 Breakdowns by road sections: <ul style="list-style-type: none"> • Kisangani – Bunduki (525 km) • Uvira – Kasomeno (1,180 km) • Akula – Gemena - Libenge – Zongo (376 km) • Kisangani - Beni (741 km) 	The current values of the indicator are better than projected and all the roads re-opened by the project are passable in all seasons, against a target of an average of 20 days of impassability per year. As such, it is expected that the final values of this indicator will remain better than the planned target.
Average daily freight traffic (number of vehicles/ day) Breakdowns by road sections: <ul style="list-style-type: none"> • Kisangani-Banalia (125 km) • Kalemie-Uvira (540 km) • Akula-Gemena-Libenge-Zongo (376 km) • Kisangani- Beni (741 km) 	All the current values of traffic observed on the roads re-opened are above the estimated values and the higher than expected figures varied from a 30 to 300 percent increase, depending on the category of roads. It is also expected that the final values of this indicator will be higher than the planned targets by the end of the project.
Share of rural population with access to an all-season road (proportion) [Supplemental Information: Number of people with access to an all-season road]	Data collected during the last campaign show that 2.35 million people, representing 470 percent of the target, have access to an all-season road.
Number of local environmental management plans developed with local communities and non governmental organizations for participatory natural resources management	The value of this indicator is behind schedule due to delay in completing the study for the design of the strategy for management of the Protected Areas by the Congolese Institute for Nature Conservation's (<i>Institut Congolais pour la Conservation de la Nature – ICCN</i>). The first plans are now expected to be available by Mid-February 2016.
Percentage of illegal timber in the monthly volume of industrial timber checked at selected control points along the following road sections: <ul style="list-style-type: none"> • Kisangani - Bunduki, • Kasomeno – Uvira; • Kisangani-Niania-Beni; and • Akula-Gemena-Libenge-Zongo. 	Checkpoints for traded timber and bush meat movements along the roads sections that are already reopened under the project continue to function as planned. On the sustainability side, the Environment and Sustainable Development Ministry (<i>Ministère de l'Environnement et du Développement Durable – MEDD</i>) is experimenting, in Orientale province, some specific measures related to the establishment of new checkpoints and allowing the application of monetary and/or criminal sanctions against

PDO-level Indicators	Status
Percentage of protected species in the monthly count of bush meat checked at selected control points along the following road sections: <ul style="list-style-type: none"> • Kisangani -Bunduki; • Kasomeno-Uvira; • Kisangani-Niania-Beni and; • Akula-Gemena-Libenge-Zongo. 	violations to national regulations related to transportation of protected species. The impact of these measures will be assessed before extending them to all existing or new checkpoints.
Health facilities: Average number of visits per month per center in the selected communities, disaggregated by gender.	Data related to health center attendance is regularly collected in collaboration with the health provincial directorates. The intermediary values are slightly higher than planned in Orientale and Katanga provinces, but slightly lower in South Kivu. The collection of this data has not started in the province of Equateur, due to the fact that the road reopening works have just commenced.
Schools: Average enrollment per primary school in the selected communities, disaggregated by gender.	Data is regularly collected in collaboration with the primary education provincial directorates. The intermediary values collected are slightly higher than planned in the Orientale, Katanga, and South Kivu provinces. The collection is not yet launched in Equateur province, due to the fact that the road reopening works have just commenced.
Direct project beneficiaries (number), of which female (percentage)	Thanks to the roads reopened (about 1,600 km) by the project so far, villages and remote areas where more than 3.0 million people live (13 percent higher than the final target of the indicator), and who had limited or no access to all weather roads for decades, are once again connected to the rest of the country with all-weather roads.

III. Proposed Changes

Summary of Proposed Changes	
18. The PDO has been revised under the AF1 to reflect the extension of project coverage area from three to four provinces. It would be again revised to reflect the extension of project coverage to an additional province, and would read as follows: “the objective of the project is to re-establish lasting road access between provincial capitals, districts and territories in the Project implementation area in a way that is sustainable for the natural environment”.	
Change in Implementing Agency	Yes [] No [X]
Change in Project's Development Objectives	Yes [X] No []
Change in Results Framework	Yes [X] No []
Change in Safeguard Policies Triggered	Yes [] No [X]
Change of EA category	Yes [] No [X]
Other Changes to Safeguards	Yes [] No [X]
Change in Legal Covenants	Yes [] No [X]
Change in Loan Closing Date(s)	Yes [X] No []

Cancellations Proposed	Yes [] No [X]
Change in Disbursement Arrangements	Yes [] No [X]
Reallocation between Disbursement Categories	Yes [] No [X]
Change in Disbursement Estimates	Yes [] No [X]
Change to Components and Cost	Yes [X] No []
Change in Institutional Arrangements	Yes [] No [X]
Change in Financial Management	Yes [X] No []
Change in Procurement	Yes [X] No []
Change in Implementation Schedule	Yes [X] No []
Other Change(s)	Yes [X] No []
Development Objective/Results	
Project's Development Objectives	
Original PDO The proposed project's development objective is to re-establish lasting access between provincial capitals and districts and territories in three provinces in a way that is sustainable for people and the natural environment in the area of influence of the project.	
Current PDO 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.	
Change in Project's Development Objectives	
Explanation: The PDO for the AF2 has been further revised to reflect again the extension of Project impact area, but would not mention the provinces' names in view of the newly enacted administrative organization in DRC, which multiplied the number of provinces. Furthermore, the wording of "Project impact area" instead of adding a fifth provinces also helps to avoid the mention of provinces. This rewording of the PDO highlights adequately the three aspects for which there must be PDO indicators: (i) Road access to provincial capitals, districts and territories; (ii) Lasting of the road accesses (road maintenance aspect), and; (iii) Sustainability for the natural environment.	
Proposed New PDO - Additional Financing (AF)	
The objective of the project is to re-establish lasting road access between provincial capitals, districts and territories, in the Project impact area in a manner that is sustainable for the natural environment	
Change in Results Framework	
Explanation: The Results Framework would be restructured to sharpen the focus on key development objectives. The number of PDO-related indicators would be reduced from 9 to 5, by dropping 4 indicators, which are influenced by factors outside the project, moving two indicators to the intermediary results category, and adding two indicators on deforestation along the re-opened roads and funding of maintenance works. The revised Results Framework is in Annex 1.	

Compliance						
Covenants - Additional Financing (DRC High Priority Roads Reopening and Maintenance - 2nd Additional Fin - P153836)						
Source of Funds	Finance Agreement Reference	Description of Covenants	Date Due	Recurrent	Frequency	Action
IDA	Section V. A	TOR for external auditors	09/30/2016	<input type="checkbox"/>	once	
No later than three months from the Date of Effectiveness, the Recipient will have caused CI to prepare the terms of reference for the employment of the independent external auditors referred to in Section 4.09 (b) of the General Conditions, in accordance with the provisions of Section III of Schedule 2 to the Agreement.						
Conditions						
Source Of Fund		Name	Type			
Description of Condition						
Risk						
Risk Category					Rating (H, S, M, L)	
1. Political and Governance					High	
2. Macroeconomic					Substantial	
3. Sector Strategies and Policies					High	
4. Technical Design of Project or Program					Substantial	
5. Institutional Capacity for Implementation and Sustainability					High	
6. Fiduciary					Substantial	
7. Environment and Social					High	
8. Stakeholders					Moderate	
9. Other					Substantial	
OVERALL					High	
Finance						
Loan Closing Date - Additional Financing (DRC High Priority Roads Reopening and Maintenance - 2nd Additional Fin - P153836)						
Source of Funds			Proposed Additional Financing Loan Closing Date			
IDA recommitted as a Credit			28-Feb-2018			
Loan Closing Date(s) - Parent (DEMOCRATIC REPUBLIC OF CONGO - High Priority Reopening and Maintenance Project - P101745)						

Explanation:
 The closing date of the AF2 is set for February 28, 2018 (to keep the project total implementation period within the ten-years limit). The closing dates of the initial project (H-359-ZR and TF 92300) and AF1 (H-705-ZR and TF 99492) are also being extended by about twenty months, i.e February 28, 2018 to coincide with the closing date of the AF2 and to allow a full completion of the AF1 roads rehabilitation works.

Ln/Cr/TF	Status	Original Closing Date	Current Closing Date	Proposed Closing Date	Previous Closing Date(s)
IDA-H3590	Effective	30-Sep-2013	30-Jun-2016	28-Feb-2018	30-Jun-2016
IDA-H7050	Effective	30-Jun-2016	30-Jun-2016	28-Feb-2018	30-Jun-2016
TF-92300	Effective	30-Sep-2013	30-Jun-2016	28-Feb-2018	30-Jun-2016
TF-99492	Effective	30-Jun-2016	30-Jun-2016	28-Feb-2018	30-Jun-2016

Allocations - Additional Financing (DRC High Priority Roads Reopening and Maintenance - 2nd Additional Fin - P153836)

Source of Fund	Currency	Category of Expenditure	Allocation	Disbursement %(Type Total)
			Proposed	Proposed
IDAT	XDR	1. Goods, works and consultants' services for the project	0.00	100.00
IDAT	XDR	(a) Performance Contract	144,000.00	100.00
IDAT	XDR	(b) Environmental and Social Assistance Contract	9,537,000.00	0.00
IDAT	XDR	(c) Others	67,945,000.00	0.00
IDAT	XDR	2. Performance Bonuses	0.00	100.00
IDAT	XDR	(a) OdR	0.00	0.00
IDAT	XDR	(b) MECNDD and ICCN	162,000.00	0.00
IDAT	XDR	3. Operating Costs	0.00	100.00
IDAT	XDR	(a) CI	1,950,000.00	0.00
IDAT	XDR	(b) MIPW	189,000.00	0.00
IDAT	XDR	(c) OdR	562,000.00	0.00
IDAT	XDR	4. Unallocated	10,611,000.00	100.00
		Total:	91,100,000.00	

Components

Change to Components and Cost

Explanation:

19. The main change in project scope concerns the road rehabilitation and maintenance component, and the related activities in the environmental and social management component. The proposed AF2 would fund the reopening of the following three new road sections: (i) the Komanda-Bunia-Goli (Uganda border) road (about 259 km), which would complete the link between Kisangani and Uganda; (ii) the Beni-Kasindi (Uganda border) road (about 78 km); and (iii) the Bukavu-Goma road (about 146 km). These road sections are part of the high priority national road network, and have been selected because they would greatly improve access of DRC's Northeastern provinces to Uganda. In addition, two road sections, which were included in the initial project and AF1 respectively, but for which the construction was delayed due to cost overrun under the initial financing, would be re-opened: the Dulia-Bondo road (about 130 km) in the Orientale Province and the Akula-Gemena-Libenge-Zongo (about 385 km) in the Equateur Province. The latter road would complete the link between Bangui in Central African Republic (across the border from Zongo) and the Uganda border, and provide crucial access to the network of rural roads, which have been re-opened in the province under a World Bank-financed Agricultural project. AF2 would include the maintenance of all road sections re-opened since the start of the project. The maintenance cost of road sections re-opened under the initial project and AF1 would be borne by RMF as the Government of DRC (GovDRC) counterpart funding to AF2.

20. Changes in the two other components will focus on the reform of the Ministry of Infrastructure and Public Works (MIPW) under the institutional strengthening component, and on making the M&E system more effective in the monitoring and evaluation component. The initial project has helped DRC prepare a strategy for the road sector (approved in December 2013), and a manual for road maintenance. However, two elements are missing for making the strategy fully operational: greater consensus on the reform of the institutional framework for the road sector and a multi-annual investment and maintenance road program. While the RMF continues to increase availability of resources dedicated to road maintenance, the percentage of the high-priority road network in fair to good condition remains low (about 30 percent) due to inefficiencies in the various implementation agencies (OdR, Office of Urban Roads and Drainages - OVD, etc.) and delay in the institutional reform of the sector. The reform would streamline the institutional framework to make it more efficient and focused. AF2 would help the Government implement an institutional reform program, and prepare a multi-annual road re-opening and maintenance program.

21. The M&E system remains weak because there is too much focus on processes rather than on evaluation of results and system efficiency. AF2 would enhance the monitoring and evaluation of project activities and improve the efficacy of the M&E system. The household budget surveys and socio-economic studies initiated under AF1 will be completed for all road sections to measure the impact of road re-opening on the well-being of the people along the project roads. A consultant would prepare a final evaluation of project results, using all data collected through these studies.

Current Component Name	Proposed Component Name	Current Cost (US\$M)	Proposed Cost (US\$M)	Action
Road Reopening and Maintenance	Road Reopening and Maintenance	156.30	233.60	Revised
Institutional Building	Institutional Building	42.90	51.80	Revised
Environmental and Social Program	Environmental and Social Program	31.90	44.80	Revised

Monitoring and Evaluation	Monitoring and Evaluation	1.20	1.80	Revised
	Total:	232.30	332.00	

Other Change(s)

Implementing Agency Name	Type	Action

Change in Financial Management

Explanation:

22. Financial Management (FM). The FM system and performance of the Cellule Infrastructures (CI) of MIPW under both initial and first additional financing are acceptable to IDA. The June 2015 implementation support mission rated the project’s FM performance as satisfactory. Most of the key recommendations are under implementation. CI would be responsible for the FM aspects of the second additional financing and remain the Bank’s focal point. CI is familiar with the Bank FM requirements. The same FM arrangements would be maintained under AF2. The current FM staffing is adequate; no additional staff would be required. The multi-project and multi-site financial and accounting management software “TOM2PRO” will be used under AF2. The existing FM manual of procedures would be updated. The residual FM risk after mitigation measures remains Substantial. The interim un-audited financial reports (IFR) will be prepared every quarter and regularly submitted to the World Bank on time (45 days after the end of each quarter).

23. The internal audit function under the current CI-managed project operates well. The same arrangements will be maintained under AF2. The work-program of the current internal audit unit would be extended to fully reflect AF2 activities.

24. There are no overdue external audit reports under the project. The audit report of the current CI-managed project for the period ending on December 31, 2014 was submitted on time and was acceptable to IDA. The accounts of AF2 will be audited on an annual basis and the external audit report would be submitted to IDA not later than six months after the end of each calendar year. An external auditing firm will be recruited in compliance with acceptable Terms of Reference (TOR).

25. Disbursement arrangements. Transaction-based disbursements would be used. The grant would finance 100 percent of eligible expenditures. A new designated account (DA) would be established in a commercial bank acceptable to IDA. The ceiling of the DA would be set at US\$10.3 million, which represents four months of forecasted project expenditures to be paid from the DA. Advances to the Designated Account would be made against withdrawal applications supported by Statements of Expenditures (SOE) and other documents as specified in the Disbursement Letter. All supporting documents would be retained by the project team and readily accessible for review by periodic IDA implementation support missions and external auditors. The current disbursement methods (Advance, Reimbursement, Direct Payment and Special Commitment) would continue to be used under AF2. The option to disburse against submission of quarterly unaudited Interim Financial Reports (IFRs) could be considered at any time subject to both the quality and timeliness of the IFRs submitted to the Bank, as well as the overall FM arrangements as assessed in due course. In this case, the DA ceiling would be equal to the cash forecast for two quarters as provided in the quarterly unaudited IFRs. An advance account would be opened by BEGES (Bureau d’Etudes pour la Gestion Environnementale et Sociale) to help fund the activities performed at its level, the account would be supplied from the Designated Account on the basis of procedures

which would be detailed in the Project Administrative, Financial and Accounting Manual (PAFAM).

26. Counterpart funds. The GovDRC has agreed to provide counterpart funding in the amount of US\$39.2 million as its share of the cost of the maintenance and supervision contracts on all the 2,732 km re-opened and maintained under the initial project and AF1. The Counterpart Funds would be deposited in a Project Account opened in a commercial bank acceptable to IDA in line with the agreed disbursement schedule specified in the Financing Agreement. Detailed FM arrangements are provided in Annex 2.

Change in Procurement

Explanation:

27. Procurement. Based on its satisfactory performance to date, the current procurement unit set up within CI would remain the procurement agent for AF2 and will carry out all procurement activities. This procurement unit has benefited from the assistance of a specialized firm hired internationally during the initial project and AF1. It has now the needed qualifications and experience to handle all procurement activities for this project.

28. Procurement for AF2 activities would be carried out in accordance with World Bank's "Guidelines: Procurement of Goods, Works and Non-consulting Services under International Bank for Reconstruction and Development (IBRD) Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 and revised July 2014 ("Procurement Guidelines"), in the case of goods, works and non-consulting services; and World Bank's "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 and revised July 2014 ("Consultant Guidelines") in the case of consultants' services, and the provisions stipulated in the Financing Agreement. The "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011; and the provisions stipulated in the Legal Agreement shall apply. Following is a brief summary of procurement arrangements with details provided in Annex 3.

Change in Implementation Schedule

Explanation:

The closing date of the original and additional financing grants will be extended by twenty (20) months to February 28, 2018, to align it with the proposed closing date of AF2. This will allow to complete the reopening works delayed under the initial project and AF1 due to cost overrun.

Other Change(s)

Explanation:

F. Gender

29. The rehabilitated/re-opened roads have benefited women. More specifically, access to services such as health clinics have been re-established. Access has improved, including the quantity of goods transported and produced, as well as the quality of those goods. Relatives in urban and rural areas have increased their interactions. Mobility gains have reduced travel time and travel costs for women. Men and women have not only been able to transport their goods faster to the local markets, but also have reduced losses related to poor or non-existing refrigeration facilities for fish or vegetables. Among indigenous groups, better living conditions have improved the socio-economic position of women within the community and capacity building in leadership and micro project management has empowered women among indigenous people. The same activities developed under the initial grant and the AF1 to obtain these results will continue under the AF2.

IV. Appraisal Summary

Economic and Financial Analysis

Explanation:

30. Consistent with the approach followed by the original project and AF1, the focus of the investments under AF2 is to rehabilitate and maintain identified roads to basic, all-season passable standard. It is expected to contribute to socio-economic growth and poverty reduction in the DRC by directly reducing vehicle (both motorized and non-motorized) operating costs (VOCs) and road-user travel time costs (TTC), and by indirectly yielding increased social values in the form of broadened socio-economic opportunities for affected populations.

31. To decrease the number of investment alternatives, a multi criteria screening process was applied to pre-select roads from the high priority road network identified in the Programme Minimum de Partenariat pour la Transition et la Relance (PMPTR) framework by MIPW. Screening involved identifying unpaved roads that complement existing and planned rehabilitation activities, while also prioritizing geographical areas with high population densities and agricultural production potential. It also took into account the need for a geographically focused network for contracting purposes.

32. The methodology applied in the study consists of counting all the traffic on the proposed roads, including two-wheel motorized and non-motorized, and assessing the typology of products transported by each of them. Site visits also gave the opportunity to take stock of the agricultural production in the influence area of the proposed roads. It was noted that the bicycles are loaded with more than 100 kg and travel more than 100 km, and two-wheel motorized vehicles are mostly used for passenger transportation, very often traveling more than 200 kilometers.

33. The economic study assumes that bicycles are loaded on average with 75 kg, their speed is around 5 km per hour, and only the conductor salary is taken into account. In such conditions, the bicycle transportation costs are about US\$2 per ton per kilometer. In the case of the two-wheel motorized vehicles, only the driver and the fuel are taken into account in the transportation cost, giving an estimate of US\$0.085 per passenger per kilometer.

34. Once the roads are rehabilitated, it is assumed that bicycle loads will be transferred to light trucks and passengers will be carried by pickup trucks. The equivalent vehicle traffic evaluated above is considered as the low scenario for the economic rate of return (ERR) calculation. It is assumed that the benefit will only come from the reduction of costs fostered by the transfer of freight from bicycles to trucks, and that the traffic growth will be at the same rate as the GDP, which is highly conservative since agricultural production is at a much lower level than at the end of the 1980s, and there are many losses due to the general road condition. The following scenarios assume the same annual economic growth rate, but consider that road rehabilitation will generate substantial amounts of traffic. However, only half of the cost-benefits from the comparison of the VOCs on rehabilitated and non-rehabilitated roads are taken into account for the generated traffic. For the medium scenario, the generated traffic is equivalent to the existing one, which amounts to doubling the traffic baseline. The high scenario considers that at the end of the rehabilitation works, the generated traffic will be double that of the medium scenario.

35. A sensitivity test taking into account the medium scenario Economic Rate of Return (ERR) and an increase of 20 percent of the rehabilitation/reopening costs, a reduction of the bicycle transportation cost from US\$2 to US\$1.5 and a decrease of 20 percent of the traffic, shows that the results are robust and the above increase of re-opening cost still generates an acceptable ERR, even more so considering that the traffic scenarios are highly conservative. All ERRs are in excess of 12 percent, even in the lowest case scenario and applying a factor of one between traffic growth and economic growth. Follow-up traffic counts and socio-economic surveys conducted during project implementation to evaluate the economic impact of the project have validated the above assumption and led to higher ERRs for the following three roads sections for which the ERRs were recalculated

in 2014, using two sets of costs, after the reopening of these sections: (i) Kisangani-Bunduki, the ERRs have reached 44.7 or 35.8 percent while the high case ERR in the initial economic analysis was 30 percent; (ii) Kalemie-Kasomeno, the recalculated ERRs with the two sets of costs, were 26.0 and 18.5 percent, and; (iii) Kalemie-Uvira, the recalculated ERRs, in the same conditions, were 18.7 and 15.8 percent.

36. The rationale for public provision is primarily due to the status of the project roads. Indeed, the re-opening of the roads funded under the project can only be done with public funding from the GovDRC which is borrowing from IDA. Except for logging and/or mining companies, no one else in the Congo basin will invest in the re-opening of low volume strategic earth roads to connect very isolated and remote parts of the country. Furthermore, the Bank's value added is also confirmed, as this operation is mostly scaling up activities (road re-opening) in remote parts of the Democratic Republic of Congo using the already successful model that we have used since 2008 under the parent project/AF1. Therefore, the experience gained in implementing the same type of road works in Congo under the World Bank funded Pro Routes Project/AF1, gives the World Bank Group unique value added and particular experience in preparing and implementing AF2.

37. Greenhouse gas emissions. The GHG analysis was done using a simplified version of the World Bank tool, because of the scant data availability. In the without-project scenario, constant deterioration of the road and expected increases in traffic due to economic growth over the project period would increase CO2 emissions, leading to a total of 968,000 tons of CO2 over the project lifetime. The decrease in road quality will lower driving speeds and lead to an increase of fuel consumption per vehicle-km, thus generating an increase in emissions. Using standard elasticity of traffic with respect to travel time, the estimated effect of road surface deterioration on demand for transport is negligible. In the project scenario, rehabilitation of the road and expected increases in traffic due to economic growth, as well as low levels of induced traffic resulting from decrease in travel time due to road rehabilitation works, will lead to 659,000 tons of CO2 over the lifetime of the project. Compared with the without project scenario, rehabilitation and maintenance will result in higher driving speeds and lead to a decrease of fuel consumption per vehicle-km (closer to the optimal level of fuel efficiency use), thus generating a decrease in emissions relative to the baseline. The aggregate net project emissions over the lifetime of the project are therefore estimated to be -309,000 tons of CO2.

Technical Analysis

Explanation:

38. AF2 aims to reopen and maintain about 483 km of high-priority roads to motorized traffic, in addition to the two roads, which could not be completed earlier. All the proposed roads, Komanda – Bunia – Goli (Uganda border); Beni – Kasindi (Uganda border); and Bukavu – Goma, are existing and unpaved and their condition is so poor that they barely qualify as tertiary roads. Because traffic volumes will grow from a very low base and hence are not expected to reach substantial levels over the life of the project, except maybe in the vicinity of provincial capitals, it was decided to rebuild the roads to a low service standard. However, the carriageway width would be extended to 6 meters, (from 5 m), while the platform would also be graded to a cross profile of 7 meters between the internal sides of the ditches, to take into account lessons from the implementation of the initial project and AF1. The overriding technical criteria that would be followed for AF2 is the spot improvement approach. This consists in providing a compacted laterite wearing course layer of about 15 centimeters on top of a reinstated foundation course or at some places on the already graded platform directly. Furthermore, focus would be placed on drainage structures and culverts to ensure all weather passability. This technical choice is consistent with the approach followed by the original project and is driven by the need to reduce investment costs to cover as much of the road network as possible to improve connectivity, and increase the impact of the project on trade, economic growth, and rural access.

39. Road surface quality must be good enough for a 4x2 pickup truck to travel at an average speed of 50 km per hour, (compared to 40 km previously). To improve road safety, the carriageway would be widened to a

normal standard of 7 meters to allow truck crossing and overtaking, and in areas of restricted visibility like bends and slopes. These standards will be applied to all roads covered by the project, except in urban areas and for the crossing of villages where wider standards would be used.

40. The reopened road sections will be maintained thereafter under contracts with local enterprises. As much as possible, multi-year maintenance contracts would be considered to foster progressive improvement and lasting results. Works supervision and technical control would be organized along the same principles as in the original project and AF1. In particular, regular technical audits will continue to be carried out by an international consultant.

Social Analysis

Explanation:

D. Social, environment and safeguards policies

41. The environmental safeguards' rating is A, as it was for the original project. AF2 would support the re-opening of three new roads. The Environmental and Social Impact Assessments (ESIAs), Resettlement Action Plans (RAPs) and Indigenous People Plans (IPPs) for the Komanda-Bunia-Goli (Uganda border) and the Beni-Kasindi (Uganda border) have been prepared, reviewed, consulted upon and disclosed within DRC and at the Infoshop by October 15, 2015 over 120 days prior to Board Date. The remaining section Bukavu – Goma (about 146 km), which would be rehabilitated a little later, is covered by the updated Environmental and Social Management Framework (ESMF), Resettlement Planning Framework (RPF) and Indigenous People Planning Framework (IPPF), and, as for the previous sections, an ESIA, RAP and IPP would be prepared, reviewed and approved by the Bank and disclosed before the commencement of works. The updated ESMF, RPF and IPPF were also reviewed, consulted upon and disclosed within DRC and at the Infoshop by October 15, 2015 over 120 days prior to Board Date.

42. As for the initial project and AF1, about 15 percent of the cost of the road works would be allocated to environmental and social activities designed to mitigate their impact. Initially, a Non-Governmental Organization (NGO) was to be recruited for the management of the environment and social component through a delegated management contract. After unsuccessful procedures, CI recruited, with Bank approval, a consulting firm, BEGES. It is responsible for recruiting consultants, NGOs and small-scale enterprises (SSEs), and monitoring their contractual obligations. Consultants were contracted to assess the system. They concluded that responsibilities of main institutions were well defined. Public institutions (ICCN, ACE - Agence Congolaise de l'Environnement, MECNDD - Ministry of Environment, Nature Conservation and Sustainable Development) were constrained by complex procedures and did not fulfill adequately their monitoring obligations. The capacity of SSEs and NGOs was in general weak. The consultants recommended closer monitoring of BEGES by CI.

43. In the original project design, an NGO was expected to provide regular monitoring of the component and adherence to safeguard policies in addition to a yearly supervision to be provided by an Independent Advisory Panel, but this proved inadequate. Thus three international specialists were recruited, as members of the Environmental and Social Advisory Panel, to review all social and environmental aspects of the project on an annual basis. In 2013, CI, with World Bank approval, decided that the panel should visit the project twice a year. During AF2 implementation, the panel would continue to visit DRC twice a year. Monitoring actions taken to follow-up on the panel's recommendations will be more systematic.

Environmental Analysis

Explanation:

See above in section D. Social, environment and safeguards policies.

Risk

Explanation:

44. Overall project risk rating is “High”. The rating per risk category is presented in table 3. Below is a discussion of the various risk categories.

45. Political and governance risk. There is a risk that political and governance factors could significantly impact the achievement of the PDO, due to the volatile post-conflict situation in Eastern DRC. While some level of political stability and peace has been achieved in the area, and the stabilization process supported by the international community is well underway, armed groups still remain active in the area. This has an impact on the actual implementation of the project, as it makes it difficult to attract contractors and consultants necessary for project implementation, and it generally discourages the private sector. The mitigating factor for this substantial risk is the ongoing stabilization and peace building process that is supported by the United Nations Organization Stabilization Mission in DRC (MONUSCO) and to which this proposed project would also contribute. Finally, presidential elections are scheduled for November 2016 and their outcomes or potential delays could undermine political stability in DRC.

46. Macroeconomic risk. The macroeconomic risk is substantial. Although DRC has made significant progress in terms of macroeconomic management, its economy still faces substantial downside risks because of its continued reliance on volatile mining exports with little in-country processing. Additionally, the rapid growth of the economy over the past years has not contributed to private sector employment. The Bank engages in close macro-economic monitoring and continued dialogue with Government and partners.

47. Sector strategies and policies risk. The sector strategies and policies risk is high because of the delays in sector reform and lack of consensus on how to allocate scarce resources. The project approach is focused on re-opening priority roads at low cost, and ensure their continuous maintenance. There are strong pressures, however, to use scarce resources for paving key roads at high cost, or to rehabilitate road sections, which are not part of the priority program, without concern for maintenance. The resources of the Road Maintenance Fund (RMF) are sufficient to finance the routine maintenance of the high priority road network, which is open to traffic. There is a risk of delays in mobilizing RMF resources. Because a consistent sector multi-annual maintenance program is not yet available, there are risks that RMF’s resources are used for one-shot road rehabilitation works. The mitigation factor is to help the Government reach a consensus on institutional reform, and MIPW prepare and implement a multi-annual investment and maintenance program. The mobilization and use of RMF resources actually invested in road maintenance would be monitored in the new results framework.

48. Technical design of project risk. The technical design of project risk is substantial because, while the low cost approach for road reopening is performing well, it is not yet fully internalized by public institutions in the road sector. It is yet to be applied to the entire high-priority road network. The mitigation factor is the demonstration that the project approach delivers results in a cost efficient way. It is expected that MIPW would insist that all sector stakeholders apply this approach consistently.

49. Institutional capacity for implementation and sustainability. The institutional capacity for implementation and capacity risk is high because the CI may be overstretched, as it is involved in other projects with other donors. In addition, it would have to complete a large work program in a short period of time. The mitigation factor is the additional human resources which would be allocated to CI in due time to handle the extended task volume of the Pro-Routes, as it was done during AF1 after the review of the organization chart of the CI and clarification in its job new positions’ profiles. Delays in reaching the effectiveness stage for the financing agreement due to the pre-electoral context in 2016 could further reduce the project implementation period. The relevant authorities are fully aware of the need to make all the efforts required to avoid undue delays.

50. Environmental and social risk. The environment and social risk is high because of the importance of tropical forests, natural resources, and biodiversity in the project impact area (PIA), and the large number of vulnerable people and indigenous communities. The risk is mitigated by the high proportion of project resources allocated to the environmental and social component and the professionalism of the agency in charge of this component and of the panel in charge of regular monitoring of the component implementation. The panel would continue to visit DRC twice a year and there would be systematic follow-up on its recommendations.

51. Disaster and Climate Change Risk. The screening for Disaster and Climate change was done retrospectively for this AF2 at the appraisal stage and it was not found relevant.

V. World Bank Grievance Redress

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

Annex 1: Revised Results Framework and Monitoring Indicators

Project Name:	DRC High Priority Roads Reopening and Maintenance - 2nd Additional Fin (P153836)	Project Stage:	Additional Financing	Status:	FINAL
Team Leader(s):	Alexandre K. Dossou	Requesting Unit:	AFCC2	Created by:	Laure Deffa Barry on 15-May-2015
Product Line:	IBRD/IDA	Responsible Unit:	GTI01	Modified by:	Alexandre K. Dossou on 24-Jan-2016
Country:	Congo, Democrat	Approval FY:	2016		
Region:	AFRICA	Lending Instrument:	Investment Project Financing		
Parent Project ID:	P101745	Parent Project Name:	DEMOCRATIC REPUBLIC OF CONGO - High Priority Reopening and Maintenance Project (P101745)		
Project Development Objectives					
Original Project Development Objective - Parent: The proposed project#s development objective is to re-establish lasting access between provincial capitals and districts and territories in three provinces in a way that is sustainable for people and the natural environment in the area of influence of the operation.					
Current Project Development Objective - 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.					
Proposed Project Development Objective - Additional Financing (AF): The objective of the project is to re-establish lasting road access between provincial capitals, districts and territories, in the Project impact area in a manner that is sustainable for the natural environment					
Results					
Core sector indicators are considered: Yes			Results reporting level: Project Level		
Project Development Objective Indicators					

Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
New	Deforestation rate within a bandwidth of 10 kilometers centered on the project's road sections.	<input type="checkbox"/>	Percentage	Value	0.00	0.00	0.00
				Date	30-Sep-2015	30-Sep-2015	31-Dec-2017
				Comment		Baseline and Actual values are same, as the concerned roads are all funded under AF2.	End target is also the same as the baseline because the mitigation measures aim to reduce the current trend to accelerating deforestation in the targeted areas.
New	Bukavu-Goma	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	7.00	7.00	7.00
				Date	30-Sep-2015	30-Sep-2015	31-Dec-2017
				Comment			
New	Komanda-Bunia-Goli	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	15.00	15.00	15.00
				Date	30-Sep-2015	30-Sep-2015	31-Dec-2017
				Comment			
New	Beni-Kasindi	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	7.00	7.00	7.00
				Date	30-Sep-2015	30-Sep-2015	31-Dec-2017
				Comment			
New	Akula-Gemena-Zongo	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	8.00	8.00	8.00
				Date	30-Sep-2015	30-Sep-2015	31-Dec-2017
				Comment			
New	Dulia-Bondo	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	5.00	5.00	5.00
				Date	30-Sep-2015	30-Sep-2015	31-Dec-2017
				Comment			

New	Percentage of annual national road maintenance budget disbursed	<input type="checkbox"/>	Percentage	Value	67.00	67.00	75.00
				Date	30-Sep-2015	30-Sep-2015	31-Dec-2017
				Comment			
Revised	Days per year with roads not passable by 4x2 vehicles on reopened sections	<input type="checkbox"/>	Number	Value	0.00	0.00	0.00
				Date	25-Feb-2008	30-Sep-2015	31-Dec-2017
				Comment	Project started in 2009.		As the closing date of the ongoing initial project and AF1 will be extended to coincide with the AF2 closing date which is February 28, 2018.
Revised	Kisangani-Beni	<input type="checkbox"/>	Number Sub Type Breakdown	Value	30.00	15.00	20.00
				Date	28-Jun-2010	30-Sep-2015	31-Dec-2017
				Comment	This was the progress to date in 2010, at the time of the preparation of the AF1.		The increase between the actual value and the target is due to normal depreciation while the road is only under regular maintenance program.
Revised	Akula-Gemena-Libenge-Zongo	<input type="checkbox"/>	Number Sub Type Breakdown	Value	40.00	60.00	15.00
				Date	28-Jun-2010	30-Sep-2015	31-Dec-2017
				Comment	This was the progress to date in 2010, at the time of	The increase since 2010 is the result of the 2 terminations	

					the preparation of the AF1.	occurred with the works contract which led to deterioration of the road condition.	
Revised	Uvira - Kasaomeno	<input type="checkbox"/>	Number Sub Type Breakdown	Value	365.00	30.00	35.00
				Date	25-Feb-2008	30-Sep-2015	31-Dec-2017
				Comment			The increase between the actual value and the target is due to normal depreciation while the road is only under regular maintenance program.
Revised	Kisangani - Bunduki	<input type="checkbox"/>	Number Sub Type Breakdown	Value	365.00	24.00	30.00
				Date	25-Feb-2008	30-Sep-2015	31-Dec-2017
				Comment			The increase between the actual value and the target is due to normal depreciation while the road is only under regular maintenance program.
New	Komanda-Bunia-Goli	<input type="checkbox"/>	Number Sub Type Breakdown	Value	30.00	30.00	15.00
				Date	30-Sep-2015	30-Sep-2015	31-Dec-2017
				Comment		Baseline and	

						Actual values are same, as this road is funded under AF2.	
New	Beni-Kasindi	<input type="checkbox"/>	Number Sub Type Breakdown	Value	25.00	25.00	15.00
				Date	30-Sep-2015	30-Sep-2015	31-Dec-2017
				Comment		Baseline and Actual values are same, as this road is funded under AF2.	
New	Bukavu-Goma	<input type="checkbox"/>	Number Sub Type Breakdown	Value	30.00	30.00	15.00
				Date	30-Sep-2015	30-Sep-2015	31-Dec-2017
				Comment		Baseline and Actual values are same, as this road is funded under AF2.	
Marked for Deletion	Average daily freight traffic on Kisangani - Banalia (number of vehicles per day)	<input type="checkbox"/>	Number	Value	0.00	118.00	60.00
				Date	25-Feb-2008	30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Pick-ups	<input type="checkbox"/>	Number Sub Type Breakdown	Value	12.00	95.00	45.00
				Date	25-Feb-2008	30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Trucks	<input type="checkbox"/>	Number Sub Type Breakdown	Value	2.00	23.00	15.00
				Date	25-Feb-2008	30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Average daily freight traffic on Kalemie - Uvira (number of vehicles per day)	<input type="checkbox"/>	Number	Value	4.00	59.00	16.00
				Date	25-Feb-2008	30-Sep-2014	30-Jun-2016
				Comment			

Marked for Deletion	Pick-up	<input type="checkbox"/>	Number Sub Type Breakdown	Value	3.00	45.00	10.00
				Date	25-Feb-2008	30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Truck	<input type="checkbox"/>	Number Sub Type Breakdown	Value	1.00	14.00	6.00
				Date	25-Feb-2008	30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Average daily freight traffic on Akula-Gemena-Libenge-Zongo (number of vehicles per day)	<input type="checkbox"/>	Number	Value	13.00	91.00	60.00
				Date	30-Jun-2010	30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Pick-Ups	<input type="checkbox"/>	Number Sub Type Breakdown	Value	8.00	15.00	35.00
				Date	30-Jun-2010	30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Trucks	<input type="checkbox"/>	Number Sub Type Breakdown	Value	5.00	76.00	25.00
				Date	30-Jun-2010	30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Average daily freight traffic on Kisangani - Beni (number of vehicles per day)	<input type="checkbox"/>	Number	Value	100.00	376.00	335.00
				Date	30-Jun-2010	30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Pick-ups	<input type="checkbox"/>	Number Sub Type Breakdown	Value	70.00	247.00	120.00
				Date	30-Jun-2010	31-Dec-2013	30-Jun-2016
				Comment			
Marked for Deletion	Truck	<input type="checkbox"/>	Number Sub Type Breakdown	Value	30.00	129.00	115.00
				Date	30-Jun-2010	31-Dec-2013	30-Jun-2016
				Comment			
Revised	Share of rural population with access to an all-season road	<input checked="" type="checkbox"/>	Percentage	Value	1.40	10.00	14.10
				Date	30-Jun-2010	30-Sep-2015	31-Dec-2017

				Comment			The closing date of the ongoing project, initial and AF1, will be extended to coincide with the closing date of AF2.
Revised	Number of rural people with access to an all-season road	<input checked="" type="checkbox"/>	Number Sub Type Supplemental	Value	125000.00	2350000.00	4300000.00
Marked for Deletion	Local environmental management plans developed and implemented in consultation with local communities and local authorities and NGOs for participatory natural resources management	<input type="checkbox"/>	Number	Value	0.00	0.00	10.00
				Date	25-Feb-2008	30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Illegal timber in the monthly volume of industrial timber checked at selected control points along Kisangani - Bunduki	<input type="checkbox"/>	Percentage	Value	50.00	0.00	25.00
				Date		30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Illegal timber in the monthly volume of industrial timber checked at selected control points along Kalemie - Uvira	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	0.00	0.00	0.00
				Date		30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Illegal timber in the monthly volume of industrial timber checked at selected control points along Kisangani-Beni	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	100.00		60.00
				Date		30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Illegal timber in the monthly volume of industrial timber	<input type="checkbox"/>	Percentage Sub Type	Value	50.00		30.00
				Date		30-Sep-2014	30-Jun-2016

	checked at selected control points along Akula-Gemena-Libenge-Zongo		Breakdown	Comment			
Marked for Deletion	Percentage of illegal timber in the monthly volume of artisanal timber checked on selected points	<input type="checkbox"/>	Percentage Sub Type Supplemental	Value			
Marked for Deletion	Percentage of illegal timber in the monthly volume of artisanal timber checked on Kisangani-Bunduki	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	90.00	57.00	50.00
				Date		30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Percentage of illegal timber in the monthly volume of artisanal timber checked on Kalemie-Uvira	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	67.00	100.00	40.00
				Date		30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Percentage of illegal timber in the monthly volume of artisanal timber checked on Akula-Gemena-Zongo	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	100.00		50.00
				Date	31-Dec-2013	30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Percentage of illegal timber in the monthly volume of artisanal timber checked on Kisangani-Beni	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	100.00		50.00
				Date	31-Dec-2013	30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Protected species in the monthly count of bushmeat checked at selected control points along Kisangani-Bunduki	<input type="checkbox"/>	Percentage	Value	30.00	96.50	18.00
				Date		31-Dec-2013	30-Jun-2016
				Comment			
Marked for Deletion	Protected species in the monthly count of bushmeat checked at selected control points along Uvira - Kasomeno	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	20.00	66.00	8.00
				Date	30-Jun-2011	30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Protected species in the monthly count of bushmeat at	<input type="checkbox"/>	Percentage Sub Type	Value	30.00	0.00	18.00
				Date	30-Jun-2011	30-Sep-2014	30-Jun-2016

	selected control points along Kisangani-Beni		Breakdown	Comment			
Marked for Deletion	Protected species in the monthly count of bushmeat checked at selected control points along Akula-Gemena-Libenge-Zongo	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	30.00	0.00	18.00
				Date	30-Jun-2011	30-Sep-2014	30-Jun-2016
				Comment			
Revised	Direct project beneficiaries	<input checked="" type="checkbox"/>	Number	Value	600.00	3000000.00	4900000.00
				Date	30-Jun-2010	30-Sep-2015	31-Dec-2017
				Comment			
Revised	Female beneficiaries	<input checked="" type="checkbox"/>	Percentage Sub Type Supplemental	Value	51.00	51.50	51.30
Marked for Deletion	Average number of visits of children checking into a medical center in the case of malaria per month per center in the selected community disaggregated by gender	<input type="checkbox"/>	Percentage	Value			
				Date	30-Jun-2010	30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Province Orientale	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	49.00	63.00	58.00
				Date	30-Jun-2010	30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Province Equateur	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	39.00	0.00	48.00
				Date	30-Jun-2010	30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Province South Kivu	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	53.00	69.00	62.00
				Date	30-Jun-2010	30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Province Katanga	<input type="checkbox"/>	Percentage Sub Type	Value	39.00	67.00	48.00
				Date	30-Jun-2010	30-Sep-2014	30-Jun-2016

			Breakdown	Comment			
Marked for Deletion	Average rate of attendance of health centers in the projects influence area	<input type="checkbox"/>	Percentage	Value			
				Date	30-Jun-2010	30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Province Katanga	<input type="checkbox"/>	Percentage	Value	25.00	42.00	45.00
				Date	30-Jun-2010	30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Province Sud Kivu	<input type="checkbox"/>	Percentage	Value	57.00	48.00	64.00
				Date	30-Jun-2010	30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Province Orientale	<input type="checkbox"/>	Percentage	Value	35.00	60.00	45.00
				Date	30-Jun-2010	30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Province Equateur	<input type="checkbox"/>	Percentage	Value	39.00	0.00	48.00
				Date	30-Jun-2010	31-Dec-2013	30-Jun-2016
				Comment			
Marked for Deletion	Average enrollment per primary school in the selected communities, disaggregated by gender	<input type="checkbox"/>	Percentage	Value			
				Date	30-Jun-2010	30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Province Sud Kivu	<input type="checkbox"/>	Percentage	Value	29.00	50.00	41.00
				Date	30-Jun-2010	30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Province Equateur	<input type="checkbox"/>	Percentage	Value	15.00	0.00	24.00
				Date	30-Jun-2010	30-Sep-2014	30-Jun-2016
				Comment			
Marked for	Province Orientale	<input type="checkbox"/>	Percentage	Value	15.00	78.60	24.00

Deletion			Sub Type Breakdown	Date	30-Jun-2010	30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Province Katanga	<input type="checkbox"/>	Percentage	Value	30.00	47.00	43.00
			Sub Type Breakdown	Date	30-Jun-2010	30-Sep-2014	30-Jun-2016
				Comment			
Intermediate Results Indicators							
Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
New	Percentage of project beneficiaries consulted during the project implementation period	<input type="checkbox"/>	Percentage	Value	0.00	0.00	10.00
				Date	30-Sep-2015	30-Sep-2015	31-Dec-2017
				Comment			
New	Percentage of protected species in the monthly count of bush meat checked at selected control points along:	<input type="checkbox"/>	Percentage	Value		0.00	0.00
				Date	30-Sep-2009	30-Sep-2015	31-Dec-2017
				Comment	This indicator was a PDO indicator which is now considered as Intermediary Result indicator		
New	Kisangani-Dulia-Bondo	<input type="checkbox"/>	Percentage	Value		96.00	85.00
			Sub Type Breakdown	Date	30-Sep-2009	30-Sep-2015	31-Dec-2017
				Comment			
New	Kasomeno-Uvira	<input type="checkbox"/>	Percentage	Value	20.00	75.00	65.00
			Sub Type Breakdown	Date	30-Sep-2009	30-Sep-2015	31-Dec-2017
				Comment			
New	Kisangani-Beni	<input type="checkbox"/>	Percentage	Value		94.00	85.00
			Sub Type	Date	31-May-2010	30-Sep-2015	31-Dec-2017

			Breakdown	Comment			
New	Akula-Gemena-Zongo	<input type="checkbox"/>	Percentage	Value		80.00	70.00
			Sub Type	Date	31-May-2010	30-Sep-2015	31-Dec-2017
			Breakdown	Comment			
New	Komanda-Bunia-Goli	<input type="checkbox"/>	Percentage	Value	100.00	100.00	95.00
			Sub Type	Date	30-Sep-2015	30-Sep-2015	31-Dec-2017
			Breakdown	Comment	This road section is funded under AF2		
New	Beni-Kasindi	<input type="checkbox"/>	Percentage	Value	100.00	100.00	95.00
			Sub Type	Date	30-Sep-2015	30-Sep-2015	31-Dec-2017
			Breakdown	Comment	This road section is funded under AF2		
New	Bukavu-Goma	<input type="checkbox"/>	Percentage	Value	100.00	100.00	95.00
			Sub Type	Date	30-Sep-2015	30-Sep-2015	31-Dec-2017
			Breakdown	Comment	This road section is funded under AF2		
New	Number of MECNT and ICCN staff trained and active in implementing laws and accompanying local initiatives	<input type="checkbox"/>	Number	Value	0.00	392.00	500.00
				Date	30-Sep-2009	30-Sep-2015	31-Dec-2017
				Comment	This indicator did not appear in the Portal while it was part of the initial RF and was regularly reported in the		

					project documents.		
New	Kilometers of project roads maintained each year	<input type="checkbox"/>	Kilometers	Value	0.00	2200.00	3344.00
				Date	30-Sep-2009	30-Sep-2015	31-Dec-2017
				Comment	This indicator has only been revised. However, it appears as a new indicator as it was presented in the previous RF as a breakdown of the "Roads rehabilitated" indicator.		The target has been revised to include the roads from AF2.
New	Percentage of illegal timbers in the monthly volume of handicraft timber checked at selected control points along:	<input type="checkbox"/>	Percentage	Value		0.00	0.00
				Date	30-Sep-2009	30-Sep-2015	31-Dec-2017
				Comment	This indicator was a supplemental of the PDO indicator concerning the industrial timber. It becomes an Intermediary Result indicator and concerns the handicraft timber		
New	Bukavu-Goma	<input type="checkbox"/>	Percentage	Value	100.00	100.00	95.00

			Sub Type Breakdown	Date	30-Sep-2015	30-Sep-2015	31-Dec-2017
				Comment	This road section is funded under AF2		
New	Benin-Kasindi	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	100.00	100.00	95.00
				Date	30-Sep-2015	30-Sep-2015	31-Dec-2017
				Comment	This road section is funded under AF2		
New	Komanda-Bunia-Goli	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	100.00	100.00	95.00
				Date	30-Sep-2015	30-Sep-2015	31-Dec-2017
				Comment	This road section is funded under AF2		
New	Akula-Gemena-Zongo	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value		100.00	85.00
				Date	31-May-2010	30-Sep-2015	31-Dec-2017
				Comment			
New	Kalemie-Uvira	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value		100.00	80.00
				Date	30-Sep-2009	30-Sep-2015	31-Dec-2017
				Comment			
New	Kisangani-Beni	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value		100.00	85.00
				Date	31-May-2010	30-Sep-2015	31-Dec-2017
				Comment			
New	Kisangani-Bunduki	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value		95.00	70.00
				Date	30-Sep-2009	30-Sep-2015	31-Dec-2017
				Comment			

Revised	Action plan to develop the road construction industry implemented	<input type="checkbox"/>	Percentage	Value	0.00	80.00	100.00
				Date	30-Jun-2011	30-Sep-2015	31-Dec-2017
				Comment		The action plan has been extended with the extension of the project closing date.	
Revised	Roads rehabilitated, Non-rural	<input checked="" type="checkbox"/>	Kilometers	Value	0.00	1674.00	2672.00
				Date	10-Sep-2008	30-Sep-2015	31-Dec-2017
				Comment	Values represent cumulative kilometers reopened or rehabilitated under the project (initial and AFs)		Targeted value has been revised to include the length of roads to be rehabilitated under AF2
Marked for Deletion	Kilometers of project road maintained each year	<input type="checkbox"/>	Kilometers Sub Type Breakdown	Value	0.00	1768.00	2947.00
				Date	30-Jun-2011	30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Kilometers of project road maintained each year - Kisangani-Beni	<input type="checkbox"/>	Kilometers Sub Type Breakdown	Value	0.00	672.00	741.00
				Date	30-Jun-2011	30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Kilometers of project road maintained each year - Kisangani-Bunduki	<input type="checkbox"/>	Kilometers Sub Type Breakdown	Value	0.00	435.00	640.00
				Date	30-Jun-2011	30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Kilometers of project road maintained each year - Akula-Gemena-Libenge-Zongo	<input type="checkbox"/>	Kilometers Sub Type Breakdown	Value	0.00	0.00	376.00
				Date	30-Jun-2011	30-Sep-2014	30-Jun-2016
				Comment			

Marked for Deletion	Kilometers of project road maintained each year - Uvira-Kasomeno	<input type="checkbox"/>	Kilometers Sub Type Breakdown	Value	0.00	900.00	1170.00
				Date	30-Jun-2011	30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Inter-urban Kms rehabilitated under the project: Akula-Gemena-Zongo	<input type="checkbox"/>	Kilometers Sub Type Breakdown	Value	0.00	0.00	376.00
				Date	30-Jun-2010	30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Inter-urban Kms rehabilitated under the project: Kisangani - Bunduki	<input type="checkbox"/>	Kilometers Sub Type Breakdown	Value	0.00	525.00	630.00
				Date	10-Sep-2008	30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Inter-urban Kms rehabilitated under the project: Uvira - Kasomeno	<input type="checkbox"/>	Kilometers Sub Type Breakdown	Value	0.00	1030.00	1170.00
				Date	10-Sep-2008	30-Sep-2014	30-Jun-2016
				Comment			
Revised	Roads in good and fair condition as a share of total classified roads	<input checked="" type="checkbox"/>	Percentage	Value	16.00	39.00	55.00
				Date	10-Sep-2008	30-Sep-2015	31-Dec-2017
				Comment	This represents globally the percentage of the High-Priority network (15,800 km) in good to fair condition.		
No Change	Size of the total classified network	<input checked="" type="checkbox"/>	Kilometers Sub Type Supplemental	Value	15800.00	15800.00	15800.00
				Date			
				Comment			
Revised	Reopened project roads in good to fair condition	<input type="checkbox"/>	Percentage	Value	0.00	85.00	90.00
				Date	25-Feb-2008	30-Sep-2015	31-Dec-2017
				Comment			Targets are

							revised to include roads funded under AF2.
Marked for Deletion	Annual amount of road works contracted out to the private sector	<input type="checkbox"/>	Amount(USD)	Value		0.00	180.00
				Date		30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Road Maintenance Fund established and operational	<input type="checkbox"/>	Yes/No	Value	Yes	Yes	Yes
				Date	30-Jun-2010	30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	METT management scores of existing protected areas	<input type="checkbox"/>	Number	Value		0.00	
				Date		30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Elombwe Reserve (Musingilwa)	<input type="checkbox"/>	Number Sub Type Breakdown	Value	27.00	39.00	63.00
				Date	30-Jun-2011	30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Luama Kivu Hunting Reserve	<input type="checkbox"/>	Number Sub Type Breakdown	Value	22.00	36.00	61.00
				Date	30-Jun-2011	30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Rubi - Tele Hunting Reserve	<input type="checkbox"/>	Number Sub Type Breakdown	Value	10.00	38.00	50.00
				Date	30-Jun-2011	30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Size of new protected areas identified	<input type="checkbox"/>	Number	Value	0.00	0.00	1.00
				Date	25-Feb-2008	30-Sep-2014	30-Jun-2016
				Comment			
Revised	Sound road transport strategy and road investment plan	<input type="checkbox"/>	Yes/No	Value	No	No	Yes
				Date	25-Feb-2008	30-Sep-2015	31-Dec-2017

	completed			Comment			
Marked for Deletion	Commercial sex workers reporting practicing safe sex in selected communities	<input type="checkbox"/>	Percentage	Value	0.00	0.00	0.00
				Date	30-Jun-2010	30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Commercial sex workers reporting practicing safe sex in Province Orientale	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	9.50	39.00	25.00
				Date	30-Jun-2010	30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Commercial sex workers reporting practicing safe sex in Province of Katanga	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	20.00	33.00	35.00
				Date	30-Jun-2010	30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Commercial sex workers reporting practicing safe sex in Province of Sud Kivu	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	27.50	35.00	40.00
				Date	30-Jun-2010	30-Sep-2014	30-Jun-2016
				Comment			
Marked for Deletion	Commercial sex workers reporting practicing safe sex in Province Equateur	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	65.00	0.00	69.00
				Date	31-Dec-2013	30-Sep-2014	30-Jun-2016
				Comment			
Revised	Sexually active people reporting use of condom during their last intercourse in selected communities	<input type="checkbox"/>	Percentage	Value	0.00	0.00	0.00
				Date	30-Jun-2010	30-Sep-2015	31-Dec-2017
				Comment			
New	Nord Kivu Province	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	21.00	21.00	22.00
				Date	30-Sep-2015	30-Sep-2015	31-Dec-2017
				Comment	This province is only taken into account under AF2.		
Revised	Sexually active people reporting use of condom during	<input type="checkbox"/>	Percentage Sub Type	Value	28.00	19.00	22.00
				Date	30-Jun-2010	30-Sep-2015	31-Dec-2017

	their last intercourse in selected communities, in Province Katanga		Breakdown	Comment			
Revised	Sexually active people reporting use of condom during their last intercourse in selected communities in Province Orientale	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	7.00	53.00	56.00
				Date	30-Jun-2010	30-Sep-2015	31-Dec-2017
				Comment			
Revised	Sexually active people reporting use of condom during their last intercourse in selected communities, in Province Sud Kivu	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	60.00	36.00	38.00
				Date	30-Jun-2010	30-Sep-2015	31-Dec-2017
				Comment			
Revised	Sexually active people reporting use of condom during their last intercourse in selected communities, in Province Equateur	<input type="checkbox"/>	Percentage Sub Type Breakdown	Value	41.80	44.00	46.00
				Date	31-Dec-2013	30-Sep-2015	31-Dec-2017
				Comment			
Revised	Condoms distributed	<input type="checkbox"/>	Number	Value	0.00	1518000.00	2100000.00
				Date	30-Jun-2010	30-Sep-2015	31-Dec-2017
				Comment			

Annex 2: Financial Management and Disbursement Arrangements

1. The *Cellule Infrastructures* (Infrastructure Unit) (CI) would remain the World Bank focal point, as it is familiar with the World Bank Financial Management (FM) requirements. The FM of the second AF2 would follow the same approach as the implementation arrangements in place under the ongoing Pro-Routes project - P101745; they are considered acceptable to IDA. The Interim un-audited Financial Reports (IFRs) would be prepared every quarter and regularly submitted to the Bank (45 days after the end of each quarter) in form and substance that are in compliance with IDA reporting requirements. The FM performance of the financial management department of the CI was rated Satisfactory during the last supervision mission report in June 2015. However, the residual FM risk remains Substantial. There are no overdue audit reports under the ongoing CI-managed project.

- **Staffing:** the current FM team of CI would handle the FM aspects of AF2. An experienced and qualified Financial Management Expert heads the team, and the current FM staffing arrangement is adequate. Consequently, no additional staff would be required.
- **Budgeting and planning:** The annual work program and budget preparation and approval procedures would follow the same arrangements currently in place; they are in compliance with the FM procedures manual, which is acceptable to IDA.
- **Accounting software:** A multi-projects and multi-sites version of the current accounting software « TOM2PRO » would be used to manage AF2.
- **Internal controls / FM procedures manual:** The FM manual of procedures dated March 1, 2013, after receiving Bank's no-objection, would be updated, not later than three months after effectiveness, to reflect AF2's specificities.
- **Internal audit:** The internal audit function of the ongoing CI-managed project is under the responsibility of an individual Senior Internal Auditor supported by an individual Junior Internal Auditor. The arrangement is satisfactory and would be extended to the AF2.
- **Financial Reporting:** The current content and format of the IFRs are acceptable to IDA. The IFRs of the AF2 would use the same format and content. The IFRs of AF2 would be prepared every quarter and submitted to the Bank (45 days after the end of each quarter) in form and substance that comply with IDA Financial Management reporting requirements. There are no overdue IFRs.

Disbursement arrangements and flows of funds

2. **Flows of Funds - Designated Account.** A new Designated Account (DA) denominated in US\$ would be opened in a commercial bank acceptable to IDA. CI would manage that account which would receive IDA funds to pay for project expenditures eligible under the Credit. Interest income earned on the DA would be deposited into the project account. Additional funds to the DA would be made on a monthly basis against withdrawal applications supported by Statements of Expenditures (SOE) or records as specified in the Disbursement Letter.

3. **Disbursement arrangements.** The project would continue to use the transaction-based disbursements as under the current financing. Advances to the Designated Account would be

made against withdrawal applications supported by Statements of Expenditures (SOE) and other documents as specified in the Disbursement Letter. All supporting documents would be retained by the project team and readily accessible for reviews by IDA implementation support missions and external auditors. The current disbursement methods (Advance, Reimbursement, Direct Payment and Special Commitment) would continue to be used under this additional financing. The option to disburse against submission of quarterly unaudited IFRs (also known as the Report-based disbursements) could be considered at any time subject to both the quality and timeliness of the IFRs submitted to the Bank, as well as the overall FM arrangements as assessed in due course. In this case, the DA ceiling would be equal to the cash forecast for two quarters as provided in the quarterly unaudited Interim Financial Reports.

4. Retroactive Financing: Retroactive financing of payments made by the Recipient prior to the legal agreement date has been agreed upon during the negotiations of the credit. The Government would pre-finance eligible expenditures under Components 1, in line with Bank procurement guidelines³. The Recipient would seek reimbursement payments up to US\$12.5 million made in this context upon financing effectiveness. No withdrawal would be made for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed US\$12.5 equivalent may be made for payments made 12 months prior to this date for Eligible Expenditures under Categories (1), (2) and (3).

5. Disbursement of Funds to Service Providers and Suppliers. CI would make disbursements to service providers and suppliers of goods and services for specified activities under AF2 in accordance with the payment modalities, as specified in the respective contracts / conventions, as well as the procedures described in the project’s Manual of procedures. All of these would follow the same arrangements as the current financing.

6. Counterpart Funding: The Government of the Democratic Republic of Congo (GovDRC) would provide its Road Maintenance Fund (RMF) counterpart funding in the amount of US\$39.2 million as its share of the cost of the maintenance and the contracts’ supervision on all the 2,732 km re-opened and maintained roads under the Initial and the first Additional Financing under component 1 of the project. The Counterpart Funds would be deposited in a Project Account opened in a commercial bank acceptable to IDA in line with the agreed disbursement schedule specified in the Financing Agreement. These payment modalities would be described in the project manuals. The GovDRC, through the RMF, would deposit its contribution as outlined in the table below.

Table A.2.1: Disbursement Schedule of Government Counterpart Funds

No.	Amount (in US\$)	Year contribution	Due Date
1	19,600,000	2016	US\$9,800,000 at AF2 effectiveness (expected by June 30, 2016)
			(US\$9,800,000) by December 1, 2016
2	19,600,000	2017	US\$9,800,000 by June 1, 2017

³ “Guidelines: Procurement under IBRD Loans and IDA Credits” dated July 2011 (Procurement Guidelines); and “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” dated July 2011 (Consultants Guidelines).

			US\$9,800,000 by December 1, 2017
	39,200,000		

7. **External Audit:** The AF2 audit arrangements would be similar to those of the ongoing CI-managed projects; i.e. project accounts would be audited annually and reports submitted to IDA not later than 6 months after the end of each year. AF2 is expected to become effective in the first semester of 2016; consequently, the first audit report would be due on June 30, 2017. The Terms of Reference (ToRs) of the project external auditor, covering all project expenditures, would be submitted for Bank’s no-objection not later than three months after AF2’s effectiveness. There are no overdue audit reports under the ongoing CI-managed projects. AF2 would comply with the Bank disclosure policy of audit reports (make publicly available, promptly, after receipt of all final financial audit reports whatever the opinion; and post the information provided on the official website within one month of the report accepted as final by the team).

8. **Governance and accountability:** The risk of fraud and corruption for contracts of service providers and suppliers of goods and services and misuse of funds by beneficiaries is assessed as high. The existing anti-corruption plan would be updated as needed.

9. **Supervision plan:** Based on the current overall residual FM risk which is substantial, the project would be supervised twice a year to ensure that project FM arrangements still operate well and funds are used for the intended purposes and in an efficient way.

10. **FM Risk assessment and mitigation:** The Bank’s principal concern is to ensure that project funds are used economically and efficiently for the intended purpose. Assessment of the risks that the project funds would not be so used is an important part of the financial management assessment work. The risk features are determined over two elements: (i) the risk associated to the project as a whole (inherent risk), and (ii) the risk linked to a weak control environment of the project implementation (control risk). The content of these risks is described below:

Risk	Risk Rating	Risk Mitigating Measures Incorporated into Project Design	Risk after mitigation measures	Conditions for effectiveness (Y/N)
Inherent risk	S		S	
Country level Poor governance and slow pace of implementation of PFM reforms that might hamper the overall PFM environment.	H	Some PFM reform programs are currently ongoing through IDA-financed projects Enhancing Governance Capacity (P104041), and Establishing Capacity for Core Public Management (P117382), in addition to the project “Strengthening PFM and Accountability” (P145747) effective since May 2014. These reforms address the key new challenges the country is facing.	H	N
Entity level No risk identified.	M	CI is familiar with IDA FM procedures and staffed with experienced fiduciary staff.	M	N
Project level The resources of the project	M	CI would strengthen ex-ante and ex-post control of funds through adaptation of the Internal Audit	M	N

Risk	Risk Rating	Risk Mitigating Measures Incorporated into Project Design	Risk after mitigation measures	Conditions for effectiveness (Y/N)
may not reach all beneficiaries and used for unintended purposes.		work program.		
Control Risk	M		M	
Budgeting: weak budgetary execution and control leading to over-expense of budget item or inefficient used of the funds.	M	The Project manual of procedures paves the way for the Project activities planning and the related budgets preparation, as well as the collection of information from involved stakeholders. The project FM Procedures Manual defines the arrangements for budgeting, budgetary control and the requirements for budgeting revisions.	M	N
Accounting: increase of the FM staff workload leading to some delays	L	The current FM staffing arrangements are adequate; no additional staff is required. The accounting software would be upgraded for taking into account AF2's specificities.	L	N
Internal Control: Specific aspects of the AF may not be applied or reflected in the FM procedures manual; the Internal Audit work-program does not monitor systematically the project's fund auditing.	S	The FM Manual of procedures would be updated to reflect AF2's specificities; the work-program of the current Internal Audit Unit would be updated to reflect AF2's specificities.	S	N
Funds Flow: Risk of misused or inefficient use of funds and weak disbursement rate.	M	The Internal Audit work program would be updated to include frequent controls of each of the stakeholders involved in order to help to prevent and mitigate the risk of diversion and misuse of funds. The project must ensure monthly submission of the withdrawal application.	M	N
Financial Reporting Delay in submission of IFRs due to the increase in the CI activities; format and content of the IFRs may not be appropriate to report-based disbursement method.	L	(i) A computerized accounting system is in place as well as adequate FM staffing arrangements; (ii) IFR format and content is functioning as agreed.	L	N
Auditing: Scope of the audit may not cover key issues; poor performance of the external auditor; or delays in submission of audit reports	L	Recruitment of independent external auditor based on agreed ToRs developed in line with International Accounting Standards (including fraud and corruption). Auditing arrangements would be kept; no need to implement specific actions except for the update of the ToRs of the current auditor.	L	N
Fraud and Corruption Possibility of colluding practices as bribes, abuse of administrative & political positions, misprocurement and misuse of funds etc., are a critical issue.	H	Robust FM arrangements (updating of the Internal Audit work program, annual audit of project accounts, Bank FM supervisions including review of transactions and assets verifications) designed to mitigate the fiduciary risks in addition to the CI overall internal control systems and the anti-corruption plan.	S	N

Risk	Risk Rating	Risk Mitigating Measures Incorporated into Project Design	Risk after mitigation measures	Conditions for effectiveness (Y/N)
OVERALL FM RISK	S		S	

The overall FM risk rating taking into account the mitigation measures is deemed **Substantial**.

Financial Management Action Plan

11. The Financial Management Action Plan described below has been developed to mitigate the overall financial management risks.

Issue	Remedial action recommended	Responsible entity	Completion date	Effectiveness conditions
Manual of procedures	Update the current manual of procedures for including AF2's specificities.	CI/ <i>Ministere des Infrastructures et Travaux Publics</i> (MITP – Ministry of Infrastructure and Public Works)	Three months after effectiveness	N
Information system accounting software	Upgrade the current accounting software to reflect the AF2's specificities.	CI/MITP	Three months after effectiveness	N
Internal auditing	Update the work-program of the current Internal Audit Unit to reflect the new project specificities.	CI/MITP	Three months after effectiveness	N
External auditing	Submit the ToRs for the recruitment of the external auditor to IDA's no objection	CI/MITP	Three months after effectiveness	N
Counterpart funds	Disbursement of the first deposit according to the agreed schedule	<i>Fonds National d'Entretien Routier</i> (FONER)	no later than June 30, 2016	N

Annex 3: Procurement Arrangements

A. General

1. Procurement for the proposed project would be carried out in accordance with World Bank's "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 and revised July 2014 ("Procurement Guidelines"), in the case of goods, works and non-consulting services; and World Bank's "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 and revised July 2014 ("Consultant Guidelines") in the case of consultants' services, and the provisions stipulated in the Financing Agreement. The "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011 would apply. The implementing entity, as well as contractors, suppliers and consultants would observe the highest standard of ethics during procurement and execution of contracts financed under this project.

B. Reference to the National Procurement Regulatory Framework

2. For all contracts, which are not advertised internationally, the World Bank may authorize the use of the national institutions and regulations that comprise the law, including its texts of application, the institutions set up for the control and regulation and the institutions responsible for procurement activities implementation. The national competitive bidding procedures currently in force in the DRC deviate slightly from the World Bank Procurement Guidelines National Competitive Bidding (NCB) procedures for procurement of Works, Goods and services (other than consultants services); thus, they have been already reviewed and appropriate modifications have been proposed to ensure economy, efficiency, transparency, and broad consistency with the provisions included in Section I and paragraphs 3.3 and 3.4 of the World Bank Procurement Guidelines (refer to the paragraph below).

Requirements for National Competitive Bidding

3. National Competitive Bidding may be used subject to using the open procedure ("appel d'offres ouvert") set forth in the Recipient's Public Procurement Law No 10/010 dated April 27, 2010 (the "PPL") and the Manual of Procedures of the PPL as per Recipient's Decree No 10/22 dated June 2, 2010 (the "Manual of Procedures"); provided, however, that such procedure shall be subject to the provisions of Section I and Paragraphs 3.3 and 3.4 of Section III of the Procurement Guidelines and the additional following modifications:

- (a) **Standard Bidding Documents:** All standard bidding documents to be used for the Project under NCB shall be found acceptable to the World Bank before their use during the implementation of Project;
- (b) **Eligibility:** Eligibility of bidders and acceptability of their goods and services shall not be based on their nationality and/or their origin; and association with a national firm shall not be a condition for participation in a bidding process. Therefore,

except for the ineligibility situations referred to in paragraphs 1.10(a) (i) and 1.10(a) (ii) of the Procurement Guidelines, the eligibility of bidders must be based solely on their qualification, experience and capacity to carry out the contract related to the specific bidding process.

- (c) **Advertising and Bid Preparation Time:** Bidding opportunities shall be advertised at least in a national newspaper of wide circulation and on the website of the Recipient's Procurement Regulator (*Autorité de Régulation des Marchés Publics*) and bidders shall be given at least 30 days from the date of invitation to bid or the date of availability of the bidding documents, whichever is later;
- (d) **Criteria for Qualification of Bidders:** Qualification criteria shall only concern the bidder's capability and resources to perform the contract taking into account objective and measurable factors. Such criteria for qualification of bidders shall be clearly specified in the bidding documents;
- (e) **Bid Evaluation and Contract Award:** A contract shall be awarded to the substantially responsive and lowest evaluated bidder provided that such bidder meets the qualification criteria specified in the bidding documents. No scoring system shall be allowed for the evaluation of bids, and no "blanket" limitation to the number of lots, which can be awarded to a bidder, shall apply. The criteria for bid evaluation and the contract award conditions shall be clearly specified in the bidding documents;
- (f) **Preferences:** No preference shall be given to domestic/regional bidders; to domestically/regionally manufactured goods; and to bidders forming a joint venture with a national firm or proposing national sub-contractors or carrying out economic activities in the territory of the Recipient;
- (g) **Publication of Contract Award:** Information on all contract awards shall be published in at least a national newspaper of wide circulation or in the Recipient's Procurement Regulator (*Autorité de Régulation des Marchés Publics*) web-site;
- (h) **Fraud and Corruption:** In accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the World Bank's policy to sanction firms or individuals found to have engaged in fraud and corruption as set forth in the Procurement Guidelines;
- (i) **Inspection and Audit Rights:** In accordance with the Procurement Guidelines, each bidding document and contract shall include provisions stating the World Bank's policy with respect to inspection and audit of accounts, records and other documents relating to the bid submission and contract performance;
- (j) **Requirement for administrative documents and/or tax clearance certificate:** The bidding documents shall not require foreign bidders to produce any administrative or tax related certificates prior to confirmation of awarding a contract; and
- (k) **Modifications of a Signed Contract:** Any change in the contract amount, which singly or combined with all previous changes, increases the original contract amount by fifteen percent (15%) or more shall be done through an amendment to the signed contract instead of signing a new contract.

C. Items to be procured and the methods to be used

4. Advertisement: General Procurement Notice (GPN), Specific Procurement Notices (SPN), Requests for Expression of Interest, and results of the evaluation and contracts award should be published in accordance with advertising provisions in the following guidelines: "Guidelines: Procurement under IBRD Loans and IDA Credits" dated January 2011 revised July 2014; and "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated January 2011 revised July 2014. For this purpose, CI would prepare and submit to the World Bank a General Procurement Notice (GPN). Specific Procurement Notice (SPN) for all goods, non-consulting services and works to be procured under International Competitive Bidding (ICB) and Requests for Expressions of Interests for all consulting services costing the equivalent of US\$200,000 and above, will be published in Dg Market, on the World Bank's external website, and in the national press and also on the Recipient's Procurement Regulation Authority (*Autorité de Régulation des Marchés Publics*) website, in addition to other media with wide circulation. All other specific procurement notices and other requests for expression of interest shall be published at a minimum in the national press with wide circulation.

5. Procurement of works: works to be procured under this AF2 would include the re-opening and subsequent maintenance of an additional 483 km of earth roads on high priority national roads for an estimated cost of US\$70 million. Furthermore, two road sections, which were included in the initial project and AF1 respectively, but for which construction delays were incurred, would be re-opened: the Dulia-Bondo road (130 km) in the Orientale Province and the Akula-Gemena-Libenge-Zongo (385 km) in the Equateur Province. They would also include maintenance of the roads, which have been re-opened under the initial project and AF1. The list of roads covered are among others: (i) road section Komanda-Bunia-Goli (Uganda border) (259 km) and Beni-Kasindi (Uganda border) (78 km); (ii) road section Bukavu-Goma (146 km); (iii) road section Kisangani-Beni (672 km); (iv) road section Kasomeno-Kambu (619 km); (v) road section Lulimba-Uvira (196 km); (vi) road section Kambu-Kalemi-Lulimba (340 km); (vii) road section Kisangani-Dulia-Bunduki (524 km); (viii) road section Akula-Gemena-Libenge-Zongo (385 km), and (ix) road section Dulia – Bondo (130 km). Depending on the size of the contracts, procurement would be done either under International Competitive Bidding (ICB) using World Bank procurement rules that include the related Standard Bidding Documents (SBD) or under NCB using National Standard Bidding Documents agreed with or satisfactory to the World Bank. Other methods would be direct contracting, and Shopping.

6. Procurement of goods and non-consultancy services: Goods and non-consultancy services procured under this project would include mainly items that contribute to bettering the works conditions of the CI; they comprise vehicles; computer equipment; office furniture. Non-consultancy services procured under this project would include a full range of training and capacity building activities. It would also concern the surveys related to the revenue and expenses of households living along roads reopened by the project (SRDM). Depending on the size of the contracts, procurement would be done either under ICB using World Bank procurement rules that include the related SBD or under NCB using National Standard Bidding Documents agreed with or satisfactory to the World Bank. Other methods would be direct contracting, Limited International Bidding (LIB), and Shopping.

7. Selection and employment of Consultants: Consultancy services would include consultancies for international and national consultants both individuals and firms; auditing; road

works study and control; technical assistance; monitoring and evaluation (M&E); preparatory and evaluation studies; Delegated Management Contract for the provision of management and advisory services in the social and environmental area; and surveys. The selection method would be Quality and Cost Based Selection (QCBS) whenever possible. Contracts for specialized assignments estimated to cost less than US\$200,000 equivalent may be contracted through Consultant Qualification (CQ). The following additional methods may be used where appropriate: Quality Based Selection (QBS); Selection Based on the Consultants' Qualifications (CQ); Selection under a Fixed Budget; and Least-Cost Selection.

8. Short lists of consultants for services estimated to cost less than the equivalent of US\$100,000 per contract for ordinary services and US\$200,000 for design and contract supervision may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines. However, if foreign firms express interest, they would not be excluded from consideration.

9. Single Source Selection (SSS) may be employed with prior approval of the World Bank and would be in accordance with paragraphs 3.8 to 3.11 of the Consultant Guidelines.

10. All services of Individual Consultants (IC) would be procured under contracts in accordance with the provisions of paragraphs 5.1 to 5.6 of the Guidelines.

11. Operating Costs: Operating costs shall consist of operations and maintenance costs for vehicles, office supplies, communication charges, equipment, utility charges, travel expenses, per diem and travel costs, training costs, workshops and seminar and associated costs, among others. Operating costs would not include salaries of civil servants. Operating costs would be procured using CI's administrative procedures, which have been reviewed and found acceptable to the Bank.

12. Training and Workshops: Training and workshops would be based on capacity needs assessment. Detailed training plans and workshops activities would be developed during project implementation, and included in the project annual plan and budget for World Bank's review and approval.

D. Implementation arrangements for procurement and evaluation of procurement agency capacity

13. Guiding principles of the procurement implementation: The government and the World Bank have agreed to mainstream the implementation of the project into the existing entities and structures and apply the following principles: (i) line Ministries to be made more responsible and accountable in projects implementation including fiduciary aspects; (ii) equity; and (iii) performance-based agreements. As a consequence of the statements above, the procurement arrangements would be the same as for AF1. The procurement unit set up within CI since July 2011 would carry out the procurement activities under AF2. This procurement unit comprises three procurement specialists and has benefited from the assistance and training of a specialized firm hired internationally, which has performed and supervised the procurement activities of the project under the initial financing. The current procurement team has the needed

qualifications and experience to handle all procurement activities for this project based on its satisfactory performance to date. To ensure economic, efficient, transparent, and effective use of the Project's fund in accordance with the Project's objectives, CI has the possibility to delegate procurement for a small amount, not exceeding US\$500,000 for works, US\$200,000 for goods and US\$200,000 for consultant services, to the *Bureau d'Etudes pour la Gestion Environnementale et Sociale* (BEGES), but the overall fiduciary responsibility would remain with CI.

Assessments of the risks and measures to mitigate

The overall unmitigated risk for procurement is **moderate**. The risk will reduce to low after mitigation.

14. The risk factors for procurement performance include those listed in the country context. In terms of country context, the procurement of the project is likely to involve the following risks:

- (a) A weak governance environment, weaknesses in accountability arrangements, and an overall lack of transparency in conducting procurement processes which creates significant risks of corruption, collusion, and fraud;
- (b) Government officials likely to be involved in project procurement through tender committees may not be familiar with procurement procedures;
- (c) Control and regulation mechanisms according to the provisions of the new procurement law and its application procedures could delay the procurement process if mandatory reviews are required.

Measures to mitigate the risks

15. The following strategy has been devised in the project to mitigate procurement risks:

- (a) The Government project team would apply a 'one-strike' policy to all contractors and consultants and any case of complicity in corruption, collusion, nepotism and/or fraud will lead to dismissal, disqualification from all further project activities and prosecution;
- (b) To avoid delays in the procurement process due to the intervention of the national control and regulation system the World Bank procurement team would identify the sources of delays and propose appropriate solutions to be discussed and agreed.

E. Procurement Plan

16. The Borrower has developed a Procurement Plan for project implementation, which provides the basis for the procurement methods. This plan has been agreed between the Borrower and the World Bank. It would be posted at the CI's Office in Kinshasa and published on the Recipient's Procurement Regulation Authority (*Autorité de Régulation des Marchés Publics*) website. It would also be available in the project's database and in the World Bank's

external website. The Procurement Plan would also be updated in agreement with the World Bank annually or as required, to reflect the actual project implementation needs and improvements in institutional capacity.

Thresholds for Procurement Methods and Prior Review

Expenditure Category	Contract Value Threshold (US\$)	Procurement Method	Contract Subject to Prior Review (US\$)
1. Works	≥10,000,000	ICB	> 15,000,000
	<10,000,000	NCB	None
	<200,000	Shopping	None
	All amount	Direct contracting	>100,000
2. Goods	≥1,000,000	ICB	>3,000,000
	<1,000,000	NCB	None
	<100,000	Shopping	None
	All amount	Direct contracting	>100,000
3. Services Firms	≥200,000	CQ SSS	>1,000,000
	<200,000		None
	All amount		>100,000
Individual Consultants	≥200,000	IC	All
	<200,000 (*)	IC	None
	All amount	SSS	>100,000

(*): Except for special assignment (see paragraph 5.4 of the World Bank Guidelines: “Selection and Employment of Consultants by World Bank Borrowers” dated January 2011, revised July 2014).

All ToRs and justifications of SSS/direct contracting, regardless the value of the contract, are subject to prior review.

F. Frequency of Procurement Supervision

17. In addition to the prior review and supervision to be carried out from Bank offices, at least one implementation support mission would be carried out every year. This support would include not only the organization and functioning of the procurement team but also the procurement activities listed in the procurement plan. One post review of the procurement activities would be carried out every year. As agreed with the government, contracts would be published on the web. Annual compliance verification monitoring would also be carried out by an independent consultant and would aim to: (i) verify that the procurement and contracting procedures and processes followed for the project were in accordance with the Financing Agreement; (ii) verify technical compliance, physical completion and price competitiveness of each contract in the selected representative sample; (iii) review and comment on contract administration and management issues as dealt with by the implementation entity; (iv) review capacity of the implementation entity in handling procurement efficiently; and (v) identify improvements in the procurement process in the light of any identified deficiencies.

18. **Contract Management and Expenditure Reports.** As part of the Procurement

Management Reports, CI would submit contract management and expenditure information in quarterly reports to the *Cellule de Suivi des Projets et Programmes* (CSPP) and to the World Bank. The procurement management report would consist of information on procurement of goods, works and consultants' services and compliance with agreed procurement methods. The report would also provide information on complaints by bidders, unsatisfactory performance by contractors and any information on contractual disputes, if any. These contract management reports would also provide details on payments under each contract, and will use these to ensure no contract over-payments are made or no payments are made to sanctioned entities.

G. Details of the Procurement Arrangements Involving International Competition Goods, Works, and Non Consulting Services

(a) List of contracts packages to be procured following ICB and direct contracting:

1	2	3	4	5	6	7	8	9
Ref. No.	Contract (Description)	Estimated Cost (US\$)	Procurement Method	P-Q	Domestic Preference (yes/no)	Review By Bank (Prior/Post)	Expected Bid Opening Date	Comments
Works								
1	Rehabilitation & Maintenance Works on Komanda-Bunia- Goli and Beni-Kasindi (337 km)	29,536,810.80	ICB	No	No	Prior	February 2016	2 Lots
2	Rehabilitation Works on Bukavu-Goma (146 km)	12,120,616.74	ICB	No	No	Post	March 2016	1 Lot. The BD and evaluation report will be submitted to the TTL, for review.
3	Rehabilitation works on Akula-Gemena-Libenge Zongo (385 km)	25,500,000.00	DC	No	No	Prior	November 2015	Negotiations being held.

Consulting Services

(b) List of consulting assignments with short-list of international firms

Ref No.	Description of assignment	Estimated Cost (US\$)	Selection Method	Review By Bank (Prior/ Post)	Expected Proposals Submission Date
1	Firm / <i>Bureau d'Etudes pour la Gestion Environnementale et Sociale (BEGES)</i> , in charge of Component 3 of Pro-Routes	6,947,904 ⁴	QCBS	Prior	January 2016
2	Renewal of the space borne monitoring contract	345,600	DC	Prior	January 2016
3	Supervision of rehabilitation works on Komanda-Bunia-Goli and Beni-Kasindi	1,476,840.54	QCBS	Prior	February 2016
4	Supervision of rehabilitation works on Bukavu-Goma	606,030.84	QCBS	Prior	February 2016
5	In room Training modules for SMEs	400,000	QCBS	Prior	April 2016
6	Financial Audit of accounts 2016 to 2018	110,000	QCBS	Prior	February 2016
7	Consultants for Technical training modules	330,000	QCBS	Post	April 2016
8	Consultant for on the ground support to SMEs 2016 – 2018	875,000	QCBS	Prior	April 2016
9	Consultant for on the ground support to SMEs for bridge construction and mechanized maintenance	216,765	DC	Prior	November 2015 ⁵
10	Supervision of works on Dulia-Bondo	600,000	QCBS	Post	March 2016
11	Supervision of road maintenance and bridges construction works on RN5	714,418.30	QCBS	Post	February 2016
12	Supervision of road maintenance and bridges construction works on RN4, RN6	669,882.50	QCBS	Post	February 2016
13	Supervision of maintenance works on Kisangani-Beni	459,345.60	QCBS	Post	April 2016
14	Supervision of maintenance works on Kasomeno-Kambu	302,876.70	QCBS	Post	April 2016

⁴ This amount is comprised of US\$2,800,000 for the Delegated Management Contractor fees and US\$4,147,904 for the delegated activities amount.

⁵ This will be awarded to the existing firm ~~EFC~~ by DC or as amendment to its ongoing contract.

Annex 4: Environmental and Social Safeguards

Introduction

1. The AF2 would extend the civil works undertaken under the original project and AF1 by re-opening and maintaining three new road sections: Komanda-Bunia-Goli (Uganda border) (259 km), Beni-Kasindi (Uganda border) (78 km), and Bukavu - Goma (about 146 km). With regard to Komanda-Bunia-Goli (Uganda border) and Beni-Kasindi (Uganda border), environmental and social safeguards instruments addressing adverse environmental and social impacts of all works have been prepared, subjected to public consultations and have been consulted upon and disclosed in-country and at Info-Shop by October 15, 2015 over 120 days prior to Board Date. As for Bukavu – Goma, the existing ESMF, RPF, and IPPF were updated, reviewed, consulted upon, and disclosed both in DRC and at the Infoshop also by October 15, 2015 over 120 days prior to Board Date. Prior to works commencement, ESIA, RAP, and IPP would also be prepared, consulted upon, and disclosed accordingly.

Preparation of environmental and social safeguards instruments under the initial project and AF1

2. Safeguards policies triggered during the preparation and implementation of the initial project and the AF1 include: OP4.01 (Environmental Assessment), OP4.04 (Natural Habitats), OP4.36 (Forests), OP 4.11 (Physical Cultural Resources), OP 4.12 (Involuntary Resettlement), and OP 4.10 (Indigenous Peoples). To comply with environmental and social safeguards policy requirements, a number of instruments have been prepared and are under implementation. The main ones are summarized in the table below.

Safeguards Instruments	Disclosure Date at Bank InfoShop
1. Environmental and social impact of road rehabilitation in DRC. Strategic framework. Final report.	September 2007
2. Detailed study of the environmental and social impact of the Kisangani Bunduki road.	November 2007
3. Retrofitting plan for the section PK85 to PK115 on the Kisangani – Banalia road section of the RN4	January 2008
4. Resettlement Action Plan (RAP) for the Kisangani Bunduki road	February 2008
5. Resettlement Policy Framework for the Kisangani Bunduki and Fizi Kasomeno road.	February 2008
6. Conciliation Report	January 2009
7. Report of the mission for the compensation of affected persons (rehabilitation of RN6/Lot 7000)	August 2009

Safeguards Instruments	Disclosure Date at Bank InfoShop
8. Environmental and social study for the rehabilitation of the Kasomeno-Uvira (RN5), Moba-Kapona (RN34) and Dulia-Bondo (RN4) roads – Resettlement Action Plan (RAP). Final report.	March 2011
9. Strategic Framework, Environmental and Social Impact; Final report.	March 2011
10. Environmental and Social Impact Assessments (ESIAs) for the rehabilitation of the Kasomeno-Uvira (RN5), Moba-Kapona (RN34), and Dulia-Bondo (RN4) roads. Final report.	2011
11. Household income studies for residents along RN4, RN5, and RN6, Final report.	December 2011
12. Environmental and social studies for the rehabilitation of the Kasomeno-Uvira (RN5), Moba-Kapona (RN34) and Dulia-Bondo (RN4) roads – Indigenous Peoples Plans (IPP) for the Uvira-Pweto (RN5) road, Final report.	2013
13. CAP survey Human Immunodeficiency Virus/ Acquired Immunodeficiency Syndrome (HIV /AIDS) and Sexually Transmitted Infections (STI) for RN4 Kisangani-Banalia-Buta-Dulia-Bondo, RN6 Dulia-Aketi-Bunduki in Orientale Province and for RN5 Kasomeno-Pweto-Kalemie-Uvira in Katanga and South-Kivu Provinces. Final report	August 2013
14. Update of the environmental and social studies for the AF1 road - RN4 (Kisangani – Beni) - Volume 2: RAP. Final report.	November 2013
15. CAP survey HIV/AIDS and STI for RN6/RN23 (Akula-Gemena-Zongo) and RN4 (Kisangani-Beni) under AF1. Final report.	March 2014
16. Update of the ESIAs for RN4 (Kisangani – Beni) - under AF1. Volume 1, final report.	June 2014
17. Update of ESIAs for AF1 roads RN6/RN23 (Akula-Gemena-Zongo) - Volume 1: final report.	August 2014
18. Update of ESIA for AF1 road RN4 (Kisangani – Beni) – Volume 3. Indigenous Population Plan (IPP) : final report	2014
19. Update of ESIA for AF1 road RN4 (Kisangani – Beni) – Volume 3. IPP, final report.	2014
20. Preliminary assessment of support to ICCN concerning the participatory management of protected areas. Final report.	July 2014
21. Update of ESIA for AF1 road RN6/RN23 (Akula-Gemena-Zongo) - Volume 2: RAP, final report.	February 2015

Management of environmental and social safeguards activities under the initial project and AF1

3. The roads, that have been re-opened and are under maintenance, under the initial project

and AF1, include: Kisangani – Banalia – Buta – Dulia – Bunduki, Kasomeno – Pweto –Kambu, Kalemie - Fizi – Uvira and Kisangani – Niania – Komanda - Beni. Roads under rehabilitation include Akula – Gemena – Libenge - Zongo and Kambu – Kalemie. For all these roads the environmental and social instruments were prepared and implemented in a satisfactory manner.

Environmental aspects

Forestry exploitation and commercial bush meat control

4. Eleven check points have been installed, of which six are operational on the initial project roads, and five on AF1 roads. Unscheduled controls are carried out on markets and river crossing points; forests and protected areas along project roads are patrolled (National Park of Kundelungu, RubiTele, Bili Uere, Luama Kivu and RFO). Databases have been established on the illegal timber and protected animal species trade in the Orientale, Katanga, Equateur, and South-Kivu Provinces. Environmental impact monitoring reports have been prepared to sensitize decision makers. A strategy and action plans for moving from sensitization to repression has been prepared during a workshop with all stakeholders in May 2014. They are to be implemented by the checkpoints. The strategy includes four components: (i) capacity building of control institutions; (ii) involvement of all stakeholders; (iii) information education and communication; and (iv) promotion of good governance. A pilot repression action plan has been launched on the Kisangani – Banalia – Buta road. Lessons will be drawn for subsequent generalization.

Participatory management of protected areas and identification of new areas

5. Site Coordination Committees (SCCs) have been established or strengthened in four protected areas (Rubi-Tele, Bili Uere, Luama Kivu and RFO) to support community-based surveillance and conservation activities. A strategy for the prevention and mitigation of environmental and social impacts of the rehabilitation of RN4, which crosses Rubi-Télé and RFO, has been prepared and implemented. The project has contributed to a preliminary assessment of the support provided by *Institut Congolais pour la Conservation de la Nature* (ICCN) for the participatory management of protected areas. The report was finalized taking into account ICCN's comments.

Community management of natural resources

6. Community management of natural resources in protected areas in the periphery of Rubi-Tele and RFO would continue with support from consultants or NGOs. They would take into account the experiences of the management of other protected areas such as KBPN and the Virunga National Park.

Environmental and social management plans (ESMPs) for work sites

7. ESMPs for work sites have been consistently prepared and implemented by contractors and OdR's road brigades. BEGES was responsible for the validation and supervision of these plans, together with work control missions, Congolese Group for Environmental Studies (*Groupe d'Etudes Environnementales au Congo – GEEC*) (current *ACE-Agence Congolaise de*

l'Environnement) of the Ministry of Environment, Nature Conservation and Sustainable Development (*MECNDD*) and the Environmental and Social Unit of CI. Observations and recommendations are fully documented in the monthly reports of control missions, BEGES' supervision reports, as well as in CI and MECNDD reports. In case of problems, plans to redress the situation have been prepared. Their implementation by contractors and road brigades has been supervised in the same way as ESMPs. Under AF2, the same arrangement would continue and BEGES would focus on a close monitoring of the results.

Social aspects

8. Under the initial project and AF1, the project provided logistical, technical, and financial support to national and provincial administrations and NGOs working with indigenous peoples, Road Safety, and HIV/AIDS prevention.

Resettlement Action Plans (RAPs)

9. RAPs have generally been implemented prior to the start of civil works. Main difficulties encountered included delays in providing lists of the borrowing sites of materials, insufficient BEGES' proactivity and re-possession of compensated sites in spite of sensitization campaigns by BEGES and local committees.

Indigenous Peoples Plans (IPPs)

10. Main results achieved for the benefits of indigenous peoples (IPs) include: (i) the establishment and strengthening of 15 local associations in support of action plans for IPs (3 on RN5 and 4 on RN4) and 8 on RN6/23; (ii) acquisition of about 4,400 ha of land for agricultural activities and animal husbandry, and supply of agricultural inputs and tools; (iii) establishment of women cooperatives in the areas of Uvira, Fizi and Kalemie, focused on the production of palm oil, soap, and handicrafts; (iv) capacity building in leadership and micro projects management for hundreds of women; (v) support to acquire birth certificates for over 1,000 IP children along RN5; (vi) leadership training for 60 leaders; (vii) functional literacy and job training in the areas of construction, sewing, soap making and others for about 100 women and youth along RN5 and RN4; (viii) training of 40 matrons along RN4; and (ix) payment of school fees and supply of school kits for about 1,500 IP children along RN4 and RN5.

11. Strengthening of agriculture activities, income-generating activities (IGA), and animal husbandry has improved the living conditions for women and community socio-economic resilience. Improving access of IP leaders to local administrations is also a positive impact of the project.

Action plan for the prevention of HIV/AIDS and STIs

12. Main activities included Information, Education and Communication (IEC) on HIV/AIDS prevention carried out by BEGES and a number of NGOs on RN4, RN5, and RN6/RN23 reaching about 100,000 people through about 300 peer trainers, distribution of about 1,500,000 condoms, and testing and referencing seropositive individuals (about 2 percent of

those tested). The peer educators trained under the project would continue working with the National Multisectorial Fight against AIDS (*Programme National Multisectoriel de Lutte contre le SIDA – PNMLS*).

Road Safety

13. Awareness building activities have been carried out by a local NGO on all roads rehabilitated under the initial project and AF1. These activities are over for the Kisangani-Bunduki and Kisangani-Bafwasende sections of RN4 and Kasomeno-Kilwa section of RN5. They are ongoing on RN4 East (Bafwasende-Beni) and RN5 (Kilwa-Kalemie). About 150,000 people, of which about 45 percent of women, have been involved in these activities. Through radio broadcasts, it is estimated that about 3.8 million people have been sensitized. Here again the Road Safety core unit put in place under the initial project and AF1 would continue working with the National Commission for Road Safety (*Commission Nationale pour la Sécurité Routière – CNPR*).

Environmental and social challenges for AF2

14. The project is classified as category A. AF2 would focus on the rehabilitation and maintenance of the following roads:

- RN2: Bukavu - Goma (about 146 km) is located in South and North Kivu Provinces close to Lake Kivu. It crosses mountain forests and areas populated by IP Batwa «Impunyu»;
- RN4: Beni – Kasindi (Uganda border) (about 78 km) is located in the North Kivu Province. It crosses the Virunga National Park (ViNP) for about 10 km and runs along it for the remaining distance. IP Mbuti Asua lives in these areas. This section is especially challenging because it is the main export route of timber to Uganda, mostly illegally exploited.
- (RN27: Komanda - Bunia – Goli (Uganda border) (about 259 km) is entirely located in Orientale Province. It crosses areas populated by IP Mbuti (Efe), but not any protected area.

15. The main safeguard instruments prepared, consulted on, and disclosed for the AF2 are summarized in the table below.

Safeguards Instruments	Disclosure Date at Bank InfoShop
1. Environmental and Social Management Framework	October 15, 2015
2. Resettlement Policy Framework	October 14, 2015
3. Indigenous People Planning Framework	October 14, 2015

4. Environmental and Social Impacts Assessment for Komanda-Bunia-Mahagi-Goli (259 km)	October 15, 2015
5. Environmental and Social Impacts Assessment for Beni-Kasindi (78 km)	October 15, 2015
6. Resettlement Action Plan for Komanda-Bunia-Mahagi-Goli (259 km)	October 6, 2015
7. Resettlement Action Plan for Beni-Uganda border	October 6, 2015
8. Indigenous People development Plan for Komanda-Bunia-Mahagi-Goli	October 14, 2015
9. Indigenous People development Plan for Beni-Kasindi	October 14, 2015

Forests, biodiversity and community development

16. The roads to be rehabilitated under AF2 traverse forests and fragile ecosystems, including ViNP, a United Nations Educational, Scientific and Cultural Organization (UNESCO) World heritage area classified as a site in danger since 1994. IP Mbuti, Batwa, and others are under severe pressures because natural forests have almost disappeared on some road sections (RN2, RN4, with the exception of ViNP), or along one of them (RN27). In the absence of the project these pressures are likely to continue unabated. In the absence of an efficient system of control and management of natural resources, the rehabilitation and maintenance of the roads could increase the pressures mentioned above, particularly in the Virunga National Park.

17. Traffic and speed increase on the rehabilitated roads, combined with an intensification of economic activities, could lead to an increase in road accidents and the spread of HIV/AIDS, Sexually Transmitted Infections (STIs), and respiratory illnesses during the dry season. It could also lead to an intensification of local conflicts. Economic development generated by the rehabilitation of the roads could have negative impacts on IPs Mbuti and Batwa, who might lose their access to natural resources and their cultural identity. There are no known cultural resources along the road sections to be rehabilitated.

18. To prevent and mitigate the risks and potential negative impacts on forests, biodiversity and Mbuti and Batwa IPs, AF2 would support participatory and community management of natural resources and promotion of conservation and income-generating activities, particularly in and around the Virunga National Park and Bili-were. AF2 would support preparation of local development plans in the areas around the Parks and implementation of community conservation action plans of the ViNP. Local NGOs and local associations and institutions such as the Site Coordination Committees and the Council for Community Conservation Management would support preparation and implementation of local development plans. The checkpoints for the control of illegal handicraft timber and protected species would also be extended to the new roads and MECNDD would make proposals for the sustainability of all posts including those established under the initial project and AF1.

19. In addition to the activities already mentioned in favor of Mbuti and Batwa IPs, AF2 would support: (i) strengthening IP associations; (ii) improving land tenure security; (iii) promoting agricultural and other income-generating activities, which would help them improve education and health for their children; (iv) improving habitat, hygiene and sanitation; and (v) ensuring adequate water supply to camps with no access.

20. To mitigate the risks of road accidents, spread of HIV/AIDS, STIs and respiratory illnesses, AF2 would implement: (i) awareness campaigns on HIV/AIDS and STIs (including condom distribution, testing and referencing, with particular emphasis for IPs in close cooperation with the National Program for AIDS Control; and (ii) a road security program, including road markings, awareness campaigns in partnership with the National Committee for Road Security (*Commission Nationale pour la Sécurité Routière – CNPR*). In addition, AF2 would support capacity building for CNPR through: (i) establishment of CNPR antennas in the provinces of intervention of AF2; (ii) equipment; (iii) training of staff; and (iv) operating costs for supervision and validation of all outreach and traffic signals activities funded by the project.

Monitoring of environmental and social aspects

21. Environmental monitoring means activities of observation and measures aimed at determining the real impacts of a project as compared to the potential impacts. The follow-up aims at correcting "in real time", through continuous monitoring, the execution methods as regards the interventions and use of infrastructures. Within the framework of AF2, the monitoring of environmental and social aspects aims at highlighting the actual impacts of rehabilitation works of different road sections and particularly in terms of deforestation.

22. The environmental and social monitoring would be carried out by *BEGES* under supervision of the Environment Unit of *Cellule Infrastructures* (UES-CI). Based on the performance assessment of the current *BEGES*, GovDRC would propose to the Bank to extend the contract of the current firm in charge of monitoring the component or to recruit a new firm.

23. In addition to the first environmental and social indicators monitored since the AF1, AF2 would take into account the monitoring of the following environmental and social aspects:

- number of new quarries or lodgings opened;
- length and width of open deviations;
- number of polluted rivers;
- number of registered land conflicts;
- number of soil gullies and erosion points.

24. The rate of the deforestation is the only environmental indicator that would be included in the list of PDO-related indicators. Two previous development objective indicators (percentage of illegal wood in the volume of handicraft wood and percentage of protected species in the monthly count of bush meat, both controlled at the selected check points along the roads) would be moved to the intermediate results indicator category. The rest of the indicators will be handled in the environmental and social monitoring reports.

Reinforcing the environmental and social management capacity

25. AF2 would reinforce the capacity of the Ministry of Environment, Nature Conservation and Sustainable Development, ICCN and National Parks in the areas of planning, management, and monitoring and evaluation of environmental and social programs. It would also work with contractors and road supervision missions to increase their awareness on environmental and social issues. As far as the Ministry and ICCN are concerned, in addition to training, the support might include the supply of equipment. These activities would be carried out in close partnership with the Bank-financed National Park Rehabilitation project.

26. Since 2013, under AF1, the project has undertaken the use of remote sensing to track deforestation related to works under the project. An international firm currently carries out this work. Its mission includes capacity building for the ministries in charge of public works and of environment. The firm, according to its ongoing contract, has organized three training sessions. Under AF2, the current contract is expected to be renewed. Capacity building sessions would enable key players to handle and use satellite images as decision-making aid tools and would concern all the technical departments of the Ministry of Infrastructures and Public Works (MIPW), the Infrastructure Unit (*Cellule Infrastructure*), the Road Agency (OdR), the *Agence Congolaise de l'Environnement* and the *Institut Congolais pour la Conservation de la Nature*. These trainings aim, on one hand, at collecting quantified and reliable data about the impact of Pro-Routes on deforestation and land degradation, and, on the other hand, at optimizing the design of new roads to be built in DRC, so as to minimize deforestation and land degradation. To achieve this the project would acquire the satellite images of the three (3) new road sections (RN2; RN4 and RN27) planned for rehabilitation under AF2 before the beginning of works. Subsequent images would be acquired, every six months to compare the before and after situation. The aim is to measure the deforestation along the various road sections in order to try to identify the part of deforestation directly caused by the road works and to learn from AF2 and prevent such impacts through better planning in the future. The cost of the training and acquisition of satellite images is included in the ESMF fully funded under the environmental and social program. The use of satellite images to capture deforestation due to roads' rehabilitation would also be carried out in close partnership with the Bank-financed National Parks Rehabilitation Project.

Implementation of environmental and social management activities

27. The performance of BEGES is being evaluated. By mid-January 2016, CI would reach a decision on whether to continue with BEGES under an action plan to improve its performance or to select another firm. Arrangements under AF1 would continue. The current or newly recruited BEGES would be in charge of implementing component 3 under the supervision of the environmental unit (UES) of CI. The ACE would be closely associated with the CI's unit. BEGES would focus on strengthening the capacity of local agencies of the Ministry, ICCN and the National Parks, as well as the local NGOs involved in the project.

28. The capacity of UES would be strengthened in line with the recommendations of the international panel (PCES). It would recruit an administrative assistant, and short-term consultants, as needed. PCES started monitoring all environmental and social activities of the

project in 2012 through annual missions. It was agreed subsequently that the panel would visit DRC twice a year. The panel would continue to monitor all environmental and social activities under AF2.

Annex 5: Project Cost

Table A.5.1: Cost per Component (US\$ million)

Table A.5.1 (a): Cost per Components not including the contribution from the GovDRC to AF2.

COST PER COMPONENT WITHOUT GovDRC CONTRIBUTION (in US\$)				
PROJECT COMPONENTS	Original Cost	Additional Financing 1	Additional Financing 2	Total costs
Comp 1: Road reopening & Maintenance Work	75,128,742	80,161,596	80,297,163	235,587,501
Comp 2: Institutional Strengthening	21,752,077	10,837,208	14,160,852	46,750,137
Comp 3: Social and Environmental Program	17,760,535	10,671,111	15,295,745	43,727,392
Comp 4: Monitoring and Evaluation	597,635	454,000	686,490	1,738,125
PPF	1,292,188	0	0	1,292,188
Unallocated	4,209,875	0	14,559,750	18,769,625
TOTAL AMOUNT	120,741,052	102,123,916	125,000,000	347,864,968

Table A.5.1 (b): Cost per Components including the contribution from the GovDRC through the National Road Maintenance Fund (RMF) to AF2.

COST PER COMPONENT INCLUDING GovDRC CONTRIBUTION (in US\$)				
PROJECT COMPONENTS	Original Cost	Additional Financing 1	Additional Financing 2	Total costs
Comp 1: Road reopening & Maintenance Work	75,128,742	80,161,596	114,465,082	269,755,420
Comp 2: Institutional Strengthening	21,752,077	10,837,208	14,160,852	46,750,137
Comp 3: Social and Environmental Program	17,760,535	10,671,111	15,295,745	43,727,392
Comp 4: Monitoring and Evaluation	597,635	454,000	686,490	1,738,125
PPF	1,292,188	0	0	1,292,188
Unallocated	4,209,875	0	19,591,831	23,801,706
TOTAL AMOUNT	120,741,052	102,123,916	164,200,000	387,064,968

1. The expected contribution from the GovDRC (US\$39,200,000) through RMF would cover, maintenance works on the total road length previously re-opened and maintained under the initial project and AF1 (2,732 km), from July 1, 2016 to February 28, 2018. This would demonstrate the commitment of the Government to the sustainability of the road network.

Table A.5.2: Annual Financing Disbursement per component (US\$ million)

Table A.5.2 (a): IDA disbursement schedule.

IDA'S CONTRIBUTION TO AF2 ACTIVITIES (US\$125.0 million)					
(By Components)					
Components	Amount in US\$	Percentage	2016	2017	2018
Component 1 Road Reopening & Maintenance	91,264,556	73.0%	43,428,535	41,951,561	5,884,459
Base Amount	80,297,163		39,105,947	35,306,756	5,884,459
Contingencies	10,967,393		4,322,588	6,644,805	0
Component 2 Institutional Strengthening	15,862,635	12.7%	7,860,719	7,046,234	955,681
Base Amount	14,160,852		7,111,062	6,094,108	955,681
Contingencies	1,701,783		749,657	952,126	0
Component 3 Social & Environmental Program	17,101,469	13.7%	10,526,663	6,250,069	324,739
Base Amount	15,295,745		9,927,788	5,043,219	324,739
Contingencies	1,805,725		598,875	1,206,850	0
Component 4 Monitoring & Evaluation	771,339	0.6%	355,990	271,849	143,500
Base Amount	686,490		355,990	187,000	143,500
Contingencies	84,849		0	84,849	0
TOTAL AMOUNT	125,000,000	100.0%	62,171,907	55,519,714	7,308,379
Base Amount	110,440,250	88.4%	56,500,787	46,631,083	7,308,379
Contingencies	14,559,750	11.6%	5,671,120	8,888,630	0

Table A.5.2 (b): Government's contribution disbursement schedule.

GOVERNMENT'S (THROUGH FONER) CONTRIBUTION TO AF2 ACTIVITIES (US\$ 39.2 MILLION)					
(By Components)					
Components	Amount in US\$	Percentage	2016	2017	2018
Component 1 Road reopening & Maintenance	39,200,000	100.0%	13,901,572	22,403,235	2,895,192
Base Amount	34,167,919		13,901,572	17,371,154	2,895,192
Contingencies	5,032,081			5,032,081	
Component 2 Institutional Strengthening	0	0.0%			
Base Amount	0				
Contingencies	0				
Component 3 Social & Environmental Program	0	0.0%			
Base Amount	0				
Contingencies	0				
Component 4 Monitoring and Evaluation	0	0.0%			
Base Amount					
Contingencies	0				
TOTAL AMOUNT	39,200,000	100.0%	13,901,572	22,403,235	2,895,192
Base Amount	34,167,919	87.2%	13,901,572	17,371,154	2,895,192
Contingencies	5,032,081	12.8%	0	5,032,081	0

Table A.5.2 (c): Global disbursement schedule of the project resources

IDA AND GOVERNMENT (FONER) CONTRIBUTIONS TO AF2 (US\$ 164.2 million) (By Components)					
Components	Amount in US\$	Percentage	2016	2017	2018
Component 1 Road Reopening and Maintenance	130,464,556	79.5%	57,330,107	64,354,796	8,779,652
Base Amount	114,465,082		53,007,519	52,677,911	8,779,652
Contingencies	15,999,474		4,322,588	11,676,886	0
Component 2 Institutional Strengthening	15,862,635	9.7%	7,860,719	7,046,234	955,681
Base Amount	14,160,852		7,111,062	6,094,108	955,681
Contingencies	1,701,783		749,657	952,126	0
Component 3 Social & Environmental Program	17,101,469	10.4%	10,526,663	6,250,069	324,739
Base Amount	15,295,745		9,927,788	5,043,219	324,739
Contingencies	1,805,725		598,875	1,206,850	0
Component 4 Monitoring and Evaluation	771,339	0.5%	355,990	271,849	143,500
Base Amount	686,490		355,990	187,000	143,500
Contingencies	84,849		0	84,849	0
TOTAL Amount	164,200,000	100.0%	76,073,479	77,922,949	10,203,572
Base Amount	144,608,169	88.1%	70,402,359	64,002,238	10,203,572
Contingencies	19,591,831	11.9%	5,671,120	13,920,711	0

Table A.5.3: Allocation of the Proposed AF2 Financial Categories.

Table A.5.3 (a): IDA Allocation to the AF2 Financial Categories.

IDA'S CONTRIBUTION TO AF2 ACTIVITIES (US\$125.0 million) (By Categories)					
Catégories	Amount in US\$	Percentage	2016	2017	2018
Goods, Works and Consultants	106,511,863	85.2%	54,843,335	44,802,896	6,865,631
1.A Performance Contract with the Road Agency (OdR)	197,295		197,295	0	0
1.B Environmental and Social Assistance contract (BEGES)	13,086,478		8,875,494	3,986,984	224,000
1.C Others (Goods, Works and Consultants)	93,228,089		45,770,546	40,815,912	6,641,631
Performance Bonus	221,137	0.2%	66,341	132,682	22,114
2.A OdR	0		0	0	0
2.B MECNDD, ACE and ICCN	221,137		66,341	132,682	22,114
Operating Costs	3,707,250	3.0%	1,591,111	1,695,506	420,634
3.A Cellule Infrastructures	2,675,600		1,154,149	1,178,515	342,936
3.B Ministry of Infrastructure and Public Works	260,000		120,000	120,000	20,000
3.C OdR	771,650		316,962	396,990	57,698
Contingencies	14,559,750	11.6%	5,671,120	8,888,630	0
TOTAL AMOUNT	125,000,000	100.0%	62,171,907	55,519,714	7,308,379
Base Amount	110,440,250	88.4%	56,500,787	46,631,083	7,308,379
Contingencies	14,559,750	11.6%	5,671,120	8,888,630	0

Table A.5.3 (b): Government Allocation to the AF2 Financial Categories.

GOVERNMENT'S (THROUGH FONER) CONTRIBUTION TO AF2 ACTIVITIES (US\$ 39.2 MILLION)					
(By Categories)					
Catégories	Mount in US\$	Percentage	2016	2017	2018
Goods, Works and Consultants	34,167,919	87.2%	13,901,572	17,371,154	2,895,192
1.A Performance Contract with the Road Agency (OdR)	0				
1.B Environmental and Social Assistance contract (BEGES)	0				
1.C Others (Goods, Works and Consultants)	34,167,919		13,901,572	17,371,154	2,895,192
Performance Bonus	0	0.0%	0	0	0
2.A OdR	0				
2.B MECNDD, ACE and ICCN	0				
Operating Costs	0	0.0%	0	0	0
3.A Cellule Infrastructures	0				
3.B Ministry of Infrastructure and Public Works	0				
3.C OdR	0				
Contingencies	5,032,081	12.8%		5,032,081	
TOTAL AMOUNT	39,200,000	100.0%	13,901,572	22,403,235	2,895,192
Base Amount	34,167,919	87.2%	13,901,572	17,371,154	2,895,192
Contingencies	5,032,081	12.8%	0	5,032,081	0

Table A.5.3 (c): Global Allocation to the AF2 Financial Categories.

IDA AND GOVERNMENT (FONER) CONTRIBUTIONS TO AF2 (US\$164.2 million)					
(By Categories)					
Catégories	Amount in US\$	Percentage	2016	2017	2018
Goods, Works and Consultants	140,679,782	85.7%	68,744,907	62,174,050	9,760,824
1.A Performance Contract with the Road Agency (OdR)	197,295		197,295	0	0
1.B Environmental and Social Assistance contract (BEGES)	13,086,478		8,875,494	3,986,984	224,000
1.C Others (Goods, Works and Consultants)	127,396,008		59,672,118	58,187,066	9,536,824
Performance Bonus	221,137	0.1%	66,341	132,682	22,114
2.A OdR	0		0	0	0
2.B MECNDD, ACE and ICCN	221,137		66,341	132,682	22,114
Operating Costs	3,707,250	2.3%	1,591,111	1,695,506	420,634
3.A Cellule Infrastructures	2,675,600		1,154,149	1,178,515	342,936
3.B Ministry of Infrastructure and Public Works	260,000		120,000	120,000	20,000
3.C OdR	771,650		316,962	396,990	57,698
Contingencies	19,591,831	11.9%	5,671,120	13,920,711	0
TOTAL AMOUNT	164,200,000	100.0%	76,073,479	77,922,949	10,203,572

Base Amount	144,608,169	88.1%	70,402,359	64,002,238	10,203,572
Contingencies	19,591,831	11.9%	5,671,120	13,920,711	0

Annex 6: Road Sector Background

1. The length of road network in DRC is supposed to be 150,000 km, of which 58,129 km constitute the RRIG (Road Network of General Interest), including national (20,683 km) and provincial (37,446 km) roads. For decades, the Road Agency (OdR – *Office des Routes*) has been in charge of managing the road network. In the 1980s, at the zenith of its capacity, it was active only on about 20,000 km of roads. Most of the maintenance works was carried out by force account. OdR went through a long period of decay in the 1990s and early 2000s.

2. In 2004, as part of its *Programme Minimum de Partenariat pour la Transition et la Relance* (PMTR – Minimum Partnership Program for Transition and Growth Resumption) the Government presented a high priority road program of 15,800 km to the international donor community. In the past decade, with the help of the international donors, DRC has been able to rehabilitate an annual average of 200 km of asphalted roads and 1000 km of earth roads. For lack of adequate maintenance, however, a large part of the rehabilitated network is in poor condition.

3. The Public Expenditure Review (PER) carried out by the Bank in 2015 estimated that the Government invested an annual average of about 1.2 percent of the GDP in the road sector (excluding urban roads) during 2008-12. To ensure adequate maintenance and gradual development of the road network, the PER recommended that the share of sector expenditures be increased to 2.6 percent of GDP. It estimated that DRC would have to spend on average US\$400 million per year to ensure that, within a decade, about 70 percent of the RRIG would be in fair to good condition.

4. In April 2015, the Government of DRC has requested a second additional financing (AF2) to scale up the impact of the initial project approved in 2008, and ensure that its achievements are sustainable. The project aims at reopening and thereafter maintaining as many kilometers as possible of the 9,000 km high-priority earth road network still impassable to motorized traffic, at the time of the initial project preparation. The project combines institutional support, capacity building, the development of the road construction industry, a low-cost/fast-building re-opening standard coupled with a staged construction approach, and a comprehensive social and environmental safeguards program that can all be easily replicated along the high-priority road network.

5. The financing of roads and more critically of road maintenance and of the operating costs of the road agency (OdR) has constrained the development of a functioning reliable road network. To resolve this problem a Road Maintenance Fund (RMF) was created by law in July 2008 and its operational structure comprised of a board and a management body was set up in August 2009. The revenues of the RMF, essentially collected from a levy on transport fuel, increased from US\$60 million in 2010 to about US\$120 million in 2014. Five percent, six percent, and two percent each of the Road Maintenance Fund revenues finance the operating

costs of the RMF, the OdR, the Directorate of Feeder Roads (*Direction des Voies de Desserte Agricole - DVDA*), and OVD (*Offices des Voiries et Drainages*). Fifty one percent of the resources are allocated to the maintenance of the national roads under the authority of OdR and the national urban roads under OVD. In addition, 34 percent is expected to fund the maintenance of both provincial and local feeder and urban roads. The resources of the RMF are sufficient to finance the routine maintenance of all the rehabilitated/reopened high-priority road network.

6. The selection and prioritization of road segments, the preparation and procurement of contracts and the supervision of the works is the responsibility of the OdR, but it is unlikely that it will deliver unless specific technical assistance and training are provided. Another limiting factor is the supply side: it will take some time and a sustained and fair work market before a sizable and qualified work force of national Small and Medium Enterprises (SMEs) develops. As for the RMF, its role is to maximize, diversify and collect the revenues, make the payments against certified contractual deliverables and have a technical and financial audit of the road maintenance contracts carried out each year.

7. It is becoming more and more compelling for the OdR to operate a soft restructuring whereby it would steadily increase its capacity to contract out road works, regulate the use of road infrastructure, stabilize and then phase out its force account operations as a new class of road construction firms emerges. The time is ripe as they now have a guaranteed annual operating allowance from the RMF. It can also rely on the CI to work out additional assistance through the various donors active in the transport sector in DRC. Ultimately, such restructuring requires the clear-sighted leadership and impetus from the MIPW, coupled with a strong-minded management of OdR. The proposed AF2 would fund short-term TA to MIPW to support the institutional reform process for a restructuring of the sector.

8. The original project already contains a broad program to develop the road construction industry that is complemented by an International Financial Corporation (IFC)-funded SME Development Program. Finally, the RMF would benefit from the technical and policy support from the Association of Road Maintenance Funds in Africa and the Sub-Saharan Africa Transport Program and would be able to fund on-demand TA from its own resources. The Bank team would continue to share knowledge with the RMF, supervise its performance, and review the annual financial and technical audits of its activities.

9. While the road sector institutional set up is slowly settling in, it continues to be affected by a dispersion of the decision-making centers, which hampers the coordination among donor-funded programs. Aggravating the situation is the lack of realism in the planning calendars and sometimes the reassignment of programs among financiers in the hope of accelerating the start of works. The design of the Pro-Routes project seeks to address these shortcomings by setting up the CI under the authority of MIPW. The CI commands the necessary expertise to act as a platform for donors' and donor-funded project coordination. In addition, specific TA to both OdR and the MIPW should help them reclaim the authority and initiative in the management of the road network.

10. Another specific of the Pro-Routes design is that the road re-opening works are based on low-cost road standards adequate to accommodate a limited motorized traffic for a few years

until economic growth kicks off, the vehicle fleet expands, and traffic volumes increase. This technical choice allows for faster and more extended reopening of high-priority earth roads to motorized traffic than conventional technical standards would. A steady maintenance program follows the re-opening works to make them last long enough to identify those specific segments where traffic has picked up substantially and which require an upgrade. The first localized upgrades are expected to materialize in about three to five years, enough to help the MIPW prepare a stage construction project.

11. The project has piloted the long-term output-based maintenance contract approach, which is considered as the most effective approach to maintaining strategic long road itineraries. The ratio of contracted-out to force account reopening works was 1:2 in the original project; in AF1 all works were contracted out in recognition of the expected growth of the road construction industry following the implementation of the action plan prepared under the original project and reinforced by an IFC-sponsored SME development program.

12. The overall project design puts an emphasis on the social and environmental dimensions of road reopening and maintenance by making them sustainable for the people, especially the autochthones, and the natural environment, especially the rain forest, the protected areas and their fauna. The original project contains a comprehensive package of safeguards and beautification measures, field monitoring and data collection, and assistance to the Congolese Institute for Nature Conservation (ICCN) to help them exercise their law enforcement duties. This package has been contracted out to a qualified consulting firm supervised by a dedicated sub-unit of the CI. AF1 expanded this package to the new reopened road segments, and introduced space-borne monitoring from satellite imagery, a promising new tool in the monitoring and surveillance of forest and protected areas degradation.

13. The project undergoes a semi-annual independent monitoring of the compliance of the road works with the quality and cost requirements and technical standards, and with the environmental and social safeguard measures. This independent monitoring would be extended to the roads covered by AF2. Finally, the anti-corruption action plan implemented under the original project and AF1 would remain in effect; this action plan is consistent with the lessons learned from the Uganda Transport Sector Development Project (TSDP), Governance and Anticorruption Action Plan (GAAP), and the Broad-based Recommendations for Better GAAPs.

14. AF2 would help the agency in charge of road security (*Commission Nationale pour la Prévention Routière* - CNPR) extend its presence into the project areas, and would ensure that its annual report on road accidents is issued on a regular basis.