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PROJECT PAPER

ON A

PROPOSED ADDITIONAL CREDIT

IN THE AMOUNT OF SDR 55.80 MILLION
(US\$75 MILLION EQUIVALENT)

TO THE

DEMOCRATIC REPUBLIC OF CONGO

FOR THE

AGRICULTURE REHABILITATION AND RECOVERY PROJECT

February 28, 2017

Agriculture Global Practice
Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective (December 31, 2016))

Currency Unit	=	EUR
EUR 1	=	US\$1.1146
US\$ 1	=	EUR .8971
US\$ 1	=	SDR 0.74386497

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
ARAP	Abbreviated Resettlement Action Plan
BDS	Business Development Services
CAADP	Comprehensive Africa Agriculture Development Program
CAFI	Central Africa Forest Initiative
CARG	Conseil Agricole et Rural de Gestion (<i>Agricultural and Rural Management Counsel</i>)
CAS	Country Assistance Strategy
CBO	Community-Based Organizations
CDAI	Centre de Développement Agro-industriel (<i>Agro Industrial Development Centre</i>)
CENCO	Conference Episcopale Nationale du Congo
CLER	Comité Local d'Entretien Routier (<i>Local Committee for Rural Roads Maintenance</i>)
CPR	Commission Provinciale Routière (<i>Provincial Road Maintenance Commission</i>)
CRMN	Centre de Recherche sur les Maladies Nutritives (<i>Research Centre for Malnutrition caused Diseases</i>)
DAPP	Direction d'Etudes et de la Planification (<i>Department for Policy Analysis and Forecasting</i>)
DPCU	Decentralized Project Coordination Units
DRC	Democratic Republic of Congo
DVDA	Direction des Voies de Desserte Agricole (<i>Department of Rural Roads</i>)
ESIA	Environmental and Social Impact Assessment
ESMF	Environment and Social Management Framework
FEC	Federation des Entreprises Congo
FONER	Fond National d'Entretien Routier (<i>National Fund for Road Maintenance</i>)
GDP	Gross Domestic Product
GPN	General Procurement Notice

GRS	Grievance Redress Services
IC	Individual Consultants
ICB	International Competitive Bidding
ICT	Information and Communications Technology
IDA	International Development Association
IDPR	Inspection Provinciale Développement Rural (<i>Provincial Rural Development Inspection</i>)
IMF	International Monetary Fund
INERA	Institut National d'Etudes et de Recherches Agronomiques (<i>National Agricultural Research Institute</i>)
IPAPEL	Inspection Provinciale de l'Agriculture, Pêche et Elevage (<i>Provincial Agricultural Inspection</i>)
IPF	Indigenous People's Framework
IPP	Indigenous Peoples Plan
IRRs	Internal Rates of Return
ITAPEL	Inspection Territoriale de l'Agriculture, Pêche et Elevage (<i>Territorial Agricultural Inspection</i>)
M&E	Monitoring and Evaluation
MSE	Medium Size Enterprises
NAIP	National Agriculture Investment Plan (<i>Programme National d'Investissements Agricoles PNIA</i>)
NCB	National Competitive Bidding
NGO	Non-Governmental Organization
NPCU	National Project Coordination Unit
NSDP	National Strategic Development Plan
ONC	Office National de Café (<i>National Coffee Board</i>)
PAP	Project Affected Person
PAR	Plan d'action de réinstallation
PARRSA	Projet d'Appui à la Réhabilitation et la Relance du Secteur Agricole (<i>Agriculture Rehabilitation and Recovery Support Project</i>)
PCU	Project Coordination Unit
PDO	Project Development Objective
PLR	Performance and Learning Review
PMP	Pesticides Management Plan
PMR	Procurement Management Report
PPA	Project Preparation Advance
PPD	Public-Private Dialogue
PPIU	Provincial Project Implementation Unit
RAPs	Resettlement Action Plans
REDD+	Reducing Emissions from Deforestation and Forest Degradation
RPF	Resettlement Policy Framework
RVP	Regional Vice President
SDR	Special Drawing Rights
SENASSEM	Service National de Semences (<i>National seed certification service</i>)
SME	Small and Medium Size Enterprises
SNV	Service National de Vulgarisation (<i>National Extension Service</i>)

SSS	Single Source Selection
SPN	Specific Procurement Notices
TA	Technical Assistance
TS	Technical Secretariat
UNHCR	United Nations High Commissioner for Refugees
UNOPS	United Nations Office for Projects Services
UPEP	Unité Provinciale d'Exécution du Projet (<i>Provincial Project Implementation Unit</i>)
WB	World Bank
WFP	World Food Program

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DEMOCRATIC REPUBLIC OF CONGO
AGRICULTURE REHABILITATION AND RECOVERY PROJECT
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ADDITIONAL FINANCING DATA SHEET

Congo, Democratic Republic of

DRC Agriculture Rehabilitation and Recovery Additional Financing (P159037)

AFRICA

Basic Information – Parent							
Parent Project ID: P092724				Original EA Category: B - Partial Assessment			
Current Closing Date: 31-Nov-2017							
Basic Information – Additional Financing (AF)							
Project ID: P159037				Additional Financing Type (from AUS): Scale Up			
Regional Vice President: Makhtar Diop				Proposed EA Category: B			
Country Director: Ahmadou Moustapha Ndiaye				Expected Effectiveness Date: 22-Jul-2017			
Senior Global Practice Director: Juergen Voegelé				Expected Closing Date: 23-Mar-2020			
Practice Manager/Manager: Dina Umali-Deininger				Report No: PAD1993			
Team Leader(s): Nora Kaoues, Amadou Oumar Ba							
Borrower							
Organization Name		Contact	Title	Telephone		Email	
Ministry of Finance		Honoré Tshiyoyo	Coordinator Responsible for Project and Programs Ministry	243-811-696-263			
Project Financing Data - Parent (DRC- Agriculture Rehabilitation and Recovery Support- P092724) (in USD Million)							
Key Dates							
Project	Ln/Cr/TF	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date

P092724	IDA-H5550	Effective	30-Mar-2010	20-May-2010	31-Dec-2010	15-Dec-2015	30-Nov-2017		
Disbursements									
Project	Ln/Cr/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Un disbursed	% Disbursed
P092724	IDA-H5550	Effective	XDR	77.30	77.30	0.00	76.42	0.88	99.6
Project Financing Data - Additional Financing DRC Agriculture Rehabilitation and Recovery (P159037)									
<input type="checkbox"/> Loan <input checked="" type="checkbox"/> Grant <input type="checkbox"/> IDA Grant <input checked="" type="checkbox"/> Credit <input type="checkbox"/> Guarantee <input type="checkbox"/> Other									
Total Project Cost:		78.64		Total Bank Financing:		75.00			
Financing Gap:		0.00							
Financing Source – Additional Financing (AF)								Amount	
Borrower								0.00	
International Development Association								75.00	
Central Africa Forest Initiative Trust Fund								3.64	
Total								78.64	
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									
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Bank Staff									
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Claude Lina Lobo	Team Member	Consultant	Consultant	GENDR
Abdoulaye Gadiere	Team Member	Sr. Environment Specialist	Environment	GEN07
Lucienne M. M'Baipor	Team Member	Sr. Social Development Specialist	Social Development	GSU01
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Name	Title	Location		
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Michel Disonama	COSTAB	DRC		FAO

Locations					
Country	First Administrative Division	Location	Planned	Actual	Comments
Congo, Democratic Republic of	Province Sud Ubangi	Gemena			
Congo, Democratic Republic of	Province Nord Ubangi	Gbadolite			
Congo, Democratic Republic of	Province de la Mongala	Lisala			
Congo, Democratic Republic of	Ville-province de Kinshasa	Ville de Kinshasa			
Institutional Data					
Parent (DRC- Agriculture Rehabilitation and Recovery Support Project-P092724)					
Practice Area (Lead)					
Agriculture					
Contributing Practice Areas					
Trade & Competitiveness, Transport					
Additional Financing (DRC-Agriculture Rehabilitation and Recovery Support Project -P159037)					
Practice Area (Lead)					
Agriculture					
Contributing Practice Areas					
Environment & Natural Resources, Fragile, Conflict & Violence, Trade & Competitiveness, Transport & ICT					
Consultants (Will be disclosed in the Monthly Operational Summary)					
Consultants will be required					

I. INTRODUCTION

1. This Project Paper seeks the approval of the Executive Directors to provide an additional credit in the amount of SDR 55.80 million (US\$75 million equivalent) to the Democratic Republic of Congo (DRC) for the Agriculture Rehabilitation and Recovery Support Project (P092724); Credit H5550-ZR. The proposed additional financing (AF) would help finance the costs associated with a scale-up and expansion of the scope of ongoing selected activities, as well as implementation of new activities to enhance the impact of the well-performing parent project. There is also financing from the Central Africa Forests Initiative (CAFI) in the amount of US\$3.64 million as a grant to enhance the environmental benefits of the subprojects and increase the project's contributions to reducing or mitigating deforestation and forest degradation.

2. The main changes that the AF will bring to the parent project are: (i) a slight modification of the PDO from "to increase agricultural productivity and improve marketing of crops, and animal products by smallholder farmers in targeted areas" to "to increase agricultural productivity and improve marketing of crops, and animal products in targeted areas of the Recipient's territory" to broaden the scope of project beneficiaries; (ii) expansion of the geographical scope of the project to include two additional territories, namely Libenge and Bongadanga; (iii) enhanced value chain development including perennial value chains such as coffee and cocoa; (iv) addition of activities to address cross-cutting issues such as nutrition-sensitive activities, climate smart agriculture, gender, and job creation; (v) implementation of a rural roads maintenance strategy that was prepared under the parent project; and (vi) addition of PDO and intermediate indicators and adjustments to some results targets to reflect the AF activities. To enable the implementation launch of these additional project activities, the parent project closing date has been extended from January 31, 2017 to November 30, 2017.

3. The AF is in line with the World Bank's twin goals of eliminating extreme poverty and boosting shared prosperity. It would contribute to poverty alleviation and improved food and nutrition security through the development of agricultural value-chains. In combination with community-based planning processes, it will increase farm productivity and value addition in selected agricultural value chains, thus improving rural livelihoods. It will generate employment for women and young people in the targeted areas. The AF is also well aligned with the DRC Government strategy as outlined in its National Agricultural Investment Plan (NAIP¹) adopted in November 2013, across its five pillars. The AF is also in line with the FY13-FY17 WB Country Assistance Strategy, particularly in respect to pillars 2 and 5: (i) "boost competitiveness to accelerate private-sector-led growth and job creation"; and (ii) "Gender and climate change are cross-cutting themes". The Performance and Learning Review (PLR) extended the period of the original FY13-FY16 CAS by a year. The PLR program proposed a more intensive focus on the key development areas of both commercial and smallholder agriculture.

4. The parent project has been rated satisfactory for both the Project Development Objectives (PDO) and Implementation Progress (IP) since June 2015. However, in February 2016, the PDO and IP ratings were both downgraded to moderately satisfactory "MS" and moderately unsatisfactory "MU", respectively, due to non-compliance with environmental and social safeguards provisions. In accordance with the Additional Financing Guidelines, an RVP waiver was needed to process the AF (please see para 7). In 2015, due to financial constraints, the

¹ The NAIP or PNIA in French: Plan National d'Investissement Agricole is composed of five pillars: (i) fostering value chains and agribusiness; (ii) achieving food security; (iii) enhancing research, extension, and training; (iv) improving sector governance, gender participation and institutional capacity; and (v) adapting to climate change.

Government stopped replenishments to the escrow account for the project compensation payments to Project Affected Persons (PAPs). The total amount of outstanding compensation to be paid to the remaining PAPs for 2015 and 2016 was estimated at US\$600,000. In October 2016, the government submitted to the Bank a payment schedule for compensating the affected people, to be paid in three equal tranches of US\$200,000 by December 2016. The Recipient has completed the replenishment of the escrow account: the first installment was made on November 10, 2016, the second on November 24, 2016 and the final on December 5, 2016.

5. The safeguards rating for the parent project was subsequently upgraded from “U” to “MS” in January 2017 following resolution of the outstanding safeguards issues. These include the: (i) full release of funds by Government for compensation payments to affected persons due to loss of assets from infrastructure development under the project; and (ii) decision to complete implementation of remaining activities related to the Indigenous Peoples Plan under the project preparation advance for the AF.

6. The implementation of the project Indigenous Peoples Plan (IPP) was delayed due to the challenge of identifying a qualified consultant. The IPP implementation was subcontracted to SNV (Netherlands non-governmental organization (NGO)) only in February 2015. However, as the parent project was initially scheduled to close in December 2015, all activities were extended, but the extension did not include a budget for the SNV NGO contract. Therefore, the contract ended in July 2016, as originally anticipated. Most of the IPP activities under the parent project have been implemented. However, due to the initial implementation delays and current limitations in project resources, some IPP activities remain to be completed (see Annex 3 for details). Completion of these remaining IPP activities are prioritized actions under the AF. To accelerate completion, the consultancy contract to SNV to implement the IPP will be renewed and financed under the Project Preparation Advance (PPA) for the AF by April 2017.

7. In view of the above and in accordance with the Additional Financing Guidelines, an exception to OP 10.00 paragraph 29 was necessary since the ratings for the parent project have not been consistently rated “Moderately Satisfactory” or better for the previous twelve months. An exception memorandum to proceed with the AF was approved by the Africa Regional Vice President (RVP) on January 19, 2017.

II. BACKGROUND AND RATIONALE FOR ADDITIONAL FINANCING

Strategic Context

8. Between 2010 and 2014, the overall economy grew at 7.7 percent and the extractives industry grew at 25 percent², making the DRC one of Africa’s fastest growing economies. Extractive industry exports account for about 95 percent of DRC’s exports. While mining revenues have contributed to strong macroeconomic growth and poverty reduction, high export concentration exposes the country to exogenous shocks and instability³. The recent trends of falling world commodity prices, lower export revenues, and the associated slow-down in DRC’s mining sector have contributed to a tight fiscal environment. In this context, the government has placed significant priority to economic diversification and has identified the agriculture sector,

² World Bank 2016. DRC Economic Update.

³ Bou-Habib, C. (2016). Democratic Republic of Congo Product and Market Concentration and the Vulnerability to Exogenous Shocks, (June).

DRC's second biggest sector- as a key sector for expanding its export base and buffering the economy against oil price shocks.

9. Despite high rates of growth, poverty and malnutrition remains widespread in DRC. The national poverty rate is 64 percent, with poverty rates only slightly higher in rural areas (65 percent) relative to urban areas (62 percent). Almost one quarter of children are underweight. In rural areas, deficiencies in food storage and market access create seasonal food shortages. Food prices are among the highest in Africa in the urban areas, because of low domestic production and sizable food imports. About six million people are classified as food insecure in the country.

10. Climate change will exacerbate droughts, floods, and other extreme weather events. Although the Congo basin seems to be less exposed than dryer parts of Africa, Congolese farmers are particularly poor and isolated, therefore vulnerable to climate impacts and other external shocks.

11. DRC is undergoing a process of decentralization. Last year, the number of provinces officially grew from 11 to 26. Equateur Province has been sub-divided into five new Provinces, three of them falling under the project area (Sud Ubangi, Nord Ubangi, and Mongala). Within the decentralization process, the provincial services of the ministries are being revitalized to better serve the rural population. However, some new provinces lack the structures and fiscal resources to function independently. Consequently, there is a need for new investments, including agriculture investments, to make these new provinces more fiscally secure.

12. **Socio-Political System.** Following the African Union led dialogue, the 2016 Presidential elections were postponed and a second more inclusive dialogue led by the *Conference Episcopale Nationale du Congo* (CENCO) is still underway but has already achieved an agreement for a new government of national unity and a commitment from the President to not run for a third term. Presidential elections are expected to be held in December 2017, but this date has been viewed as not credible. The majority of the provinces are under-resourced (human and financial) and ill equipped. As a result, the majority of the provinces have increased taxes in order to cover their operational costs. Democratic process in the DRC faces a myriad of challenges, including a legacy of exploitation and conflict, lack of physical and communications infrastructure, extreme poverty and continuing pockets of insecurity.

13. **Governance system, conflict and institutional fragility.** The factors blocking economic development in the country include: (a) a crisis resulting from contested 2011 election results; (b) weak governance; and (c) the weakness of state institutions in implementing appropriate policies. As a result, the agricultural sector is operating in a fragile socio-political context with low quality human capacity and an outdated skills base, an unattractive business environment, rent based economy with low agricultural productivity, dilapidated infrastructure and under developed service markets (agricultural inputs, logistics services, financial services).

14. **Enabling environment and tax burden.** Over the past 5 years, the annual inflation has been at around 1.6 percent and real interest rates have remained at about 17 percent. This is illustrative of a business enabling environment which is characterized by: (i) high import taxes; (ii) high sales taxes; (iii) unofficial taxes levied across road, rail, river and air transport; (iii) high port handling fees; (iii) unreliable electricity supply; (iv) corruption; (v) "red tape" bureaucratic procedures that make it more costly to close a transaction or sell a product; and (vi) very high logistical hurdles and costs. In addition, the agricultural sector has outdated laws and regulations

on seed, land, food quality and control. Because of poor transport infrastructure, it is much harder to reach markets and the net effect is reduced competitiveness of domestically produced products in local, national and regional markets. Under-developed input markets and fragmented value chains further reduce the competitiveness of locally produced commodities, but it presents opportunities for private investors.

15. **Project Background.** The parent project-DRC Agriculture Rehabilitation and Recovery Support Project (P092724) or *Projet d'Appui à la Réhabilitation et la Relance du Secteur Agricole* (PARRSA) in French is a US\$120 million IDA grant which was approved in March 2010 and became effective in December 2010. Its development objective is “to increase agricultural productivity and improve marketing of crops, and animal products by smallholder farmers in targeted areas”. The project has three components: (i) improve agricultural and animal production; (ii) improve agricultural marketing infrastructure; and (iii) build capacity of the Ministries of Agriculture, Fisheries and Livestock and Ministry of Rural Development in project management and strengthen project management and Monitoring and Evaluation (M&E). Components (i) and (ii) were designed to address efficiency bottlenecks in the marketing and on- and off-farm production activities. Component (iii) was designed primarily as a contribution towards the Ministry of Agriculture’s restructuring program⁴. The project was restructured in November 2015 to allow for a first extension of the closing date from December 15, 2015 to January 31, 2017. To enable the implementation launch of the additional project activities, the parent project closing date has been extended from January 31, 2017 to November 30, 2017.

16. **Project Performance.** The PARRSA has brought many benefits to the project areas. It has generated new knowledge. It has also piloted solutions addressing systemic challenges facing the agriculture sector in a post conflict context still confronted by internally displaced persons, including refugees from the Central African Republic. These benefits include, among others, improved animal husbandry practices and awareness for regular vaccination of small ruminants and poultry; and the introduction of community savings and loans to allow producers’ organizations to purchase inputs. The project has also made strong efforts to integrate the needs of indigenous groups by elaborating an IPP and implementing it as part of project activities (e.g. access to land, seeds and training, etc.). The project has also contributed towards rebuilding social capital, voice and empowering small scale farmers through the formation and registration of 2,000 farmer producer groups.

17. The results achieved to-date include: (i) substantial increases in crop yields: e.g. cassava, from 7 to 19 tons per hectare and maize, from 0.8 to 1.5 tons per hectare in project areas; (ii) increased access to improved seeds: a total of 2,884 tons of base seed (maize, rice, groundnuts, sorghum) for different crops have been produced (compared to a target of 1,500 tons, an increase of 186 percent) and distributed by the seed multipliers to farmers households leading to the above mentioned productivity increases; (iii) mobilization of more than US\$400,000 equivalent in farmer savings benefitting 77,000 people; (iv) establishment of 16 village storage facilities amounting to a total storage capacity of 12,800 m³ which reduce post-harvest loss considerably; and (v) rehabilitation of 2,269 kilometers of rural roads compared to a target of 2,500 km (90 percent of target). 715 villages with a total of 1.1 million inhabitants have benefitted from the rural roads rehabilitation for transporting their agricultural produce and 50,000 jobs were created since the beginning of the project from the project civil works in the project areas.

⁴ The technical studies for the restructuring program of the Ministry of Agriculture were financed prior to the PARRSA project and their implementation was funded by the Belgium cooperation. The PARRSA project supported the installation of the CARG and the still ongoing biometric census of the personal.

18. In addition, a total of 105,556 households, greater than the end target of 103,000 have already benefitted from various project activities (such as access to seeds and planting materials, agricultural advisory services, new animal breeds, and increased movement of products due to better roads). This represents a 102 percent achievement rate. Two vaccination campaigns were conducted with a total of more than 2.7 million poultry and more than 555,000 small ruminants vaccinated. 450 new small ruminants' breeds and 1600 improved poultry have been introduced in the project areas and disseminated through reproduction centers.

19. **New knowledge generation.** The project has generated new knowledge in the two project ecological zones. This includes: (i) better understanding of seed quality requirements and performance; (ii) deeper understanding of seed production, replication and marketing challenges; (iii) seed purchase choices of households and; (iv) seeds purchase decisions of women in rural households. Thanks to the impact evaluation, models that could be easily replicated such as: (i) public agricultural extension and technology transfer model; (ii) village savings and credit model; and (iii) livestock (small stock) husbandry model were documented and disseminated.

20. **Additional unanticipated results.** The project has also brought about a number of notable additional benefits (as reflected in the impact evaluation report disseminated in June 2016⁵), in areas such as: (i) household nutrition (where positive impact on infant nutrition was realized); (ii) gender (involving women in seed purchase decision can improve household nutrition status and income as suggested by their choice for groundnuts seeds with higher commercial value); (iii) agricultural storage and food conservation; and (iv) stimulated demand for logistics facilities like crop drying equipment.

21. **Systemic changes achieved.** The project has also had some success in introducing systemic change within the project zone: (i) social capital has been rebuilt amongst community members as a result of the establishment of 4,533 producer groups, laying the foundation for citizen engagement, voice and agency; (ii) promotion of a savings culture through the introduction of the “*petites caisses villageoises autogérées*” (Self-managed village savings); USD\$358,000 has supported the capacity of producer groups to purchase seeds from seed multipliers, contributing to reinforcing the seed marketing the region; (iii) seed production capacity has been rebuilt in the project zone through promotion of private sector participation in seed production & marketing (seed multipliers), civil society and investment in public research organizations (*Institut National d' Etudes et de Recherches Agricoles* (INERA) and *Service National de Semences* (SENASA)); and (iv) the establishment of project management units at district level has rebuilt administrative and institutional capacity at decentralized levels.

22. Disbursement stands at 99.6 percent. Financial, project and procurement management are rated “satisfactory”. The project implementation units established at national and provincial levels have strengthened the administrative and institutional capacity of the Ministry of Agriculture, which had been non-existent for the last twenty years.

Sector Context and Priorities

23. Agriculture currently accounts for about 20 percent of GDP and employs some 70-75 percent of the economically active population. Related agro-industries employ another 10 percent

⁵ Rapport Final d'Evaluation : Evaluation d'Impact du Projet d'Appui à la Réhabilitation et à la Relance du Secteur Agricole en République Démocratique du Congo –PSE Ecole d'Economie de Paris, Août 2015 (disseminated in June 2016)

of the population. Jobs in agriculture tend to be informal, with low value added per worker (US\$227/yr⁶), often providing only for subsistence. Agriculture and other sectors are hampered by the fact that DRC is recovering from more than 15 years of civil war, which has created serious infrastructure and institutional vacuums. The country faces systematic challenges in its business environment and enabling services such as rural connectivity, power infrastructure, and extension systems. Public spending is constrained by weak budgetary processes, inefficiencies, and poor coordination.

24. The Government's objective is to reduce rural poverty by 2020 by restoring and modernizing agricultural production systems, improving nutrition and food security, and mobilizing significant public and private sector investments. According to the DRC Poverty Assessment (June 2016), the poverty rate in the project areas is between 70 and 95 percent⁷. The number of poor people in 2012 in Sud Ubangi was between 1.5 to 2.2 million, in Nord Ubangi, it was between 800,000 and 1.5 million, and in Mongala between 440,000 and 800,000. In recent years agriculture has become a top priority for the DRC Government as evidenced by the allocation of 8 percent of total budget in 2016 (up from 3 percent) in line with the Africa Heads of State Maputo Declaration. The 2013 *Programme National d'Investissements Agricoles* (PNIA)—totaling an estimated cost of US\$5.7 billion over seven years—builds upon five pillars: (i) fostering value chains and agribusiness; (ii) achieving food security; (iii) enhancing research, extension, and training; (iv) improving sector governance, gender participation and institutional capacity; and (v) adapting to climate change. In 2014, the Government launched the agro industrial park strategy to boost agribusiness and agroindustry, and attract private investment in the sector.

25. The proposed AF is aligned with the Country Assistance Strategy (CAS FY13-17) for DRC as it aims to contribute significantly to the Government's efforts to alleviate extreme poverty and malnutrition. It is fully aligned with the fourth outcome of the CAS FY13-17, addressing fragility through “increased agriculture productivity and production and access to markets”. It is also aligned with the Sustainable Development Goal (SDG 2 - end hunger, achieve food security and improved nutrition and promote sustainable agriculture). It is consistent with major strategic initiatives for DRC, the Great Lakes region, and sub-Saharan Africa, including the second pillar (vulnerability and resilience) of the World Bank's Africa Strategy and Africa Climate Business Plan. By supporting the development of agricultural value chains with strong economic potential, the proposed AF project is also in line with the national agriculture strategy of DRC and the Comprehensive Africa Agriculture Development Program (CAADP).

26. Several policy documents govern the agriculture sector, including the National Agriculture Investment Plan (NAIP), the Agricultural Code, a new proposal for Integrated Rural Development Centers, and the Agro-industrial Action Plan (2015). In practice, ownership of these policies at the provincial level – and even occasionally at the central level – is low. There is weak coordination and harmonization across the different policies and implementing agencies, and human, technical, and financial capacity to implement agricultural strategies is poor.

⁶ World Bank WDI (data for 2014 accessed June 29, 2016)

⁷ Although DRC has experienced moderate poverty reduction, the number of poor people increases and the improvement in poverty reduction is not shared across region (DRC Poverty Assessment, 2016)

27. The DRC's green revolution will require a technological leapfrog combined with progress on cross-cutting infrastructure, institutional and business climate issues in order to facilitate private investment and access to markets. From an operational perspective, DRC's green revolution would pursue a two-track approach: (i) enable traditional small-scale farmers to transition from subsistence farming to small holder commercial farming; and (ii) promote private investment in commercial agriculture using modern technologies geared toward mechanized farming and agro-processing for domestic and regional markets.

28. The DRC's agro-industrial action plan proposes to privatize several government-owned farms, establish agro-industrial parks across all provinces, and has identified 60 abandoned farms for development. A focus on large commercial farms has the advantage of tackling many constraints simultaneously to promote faster growth in a challenging environment, albeit in a limited geographical area. Concentrating resources and political will in specific commercial zones can also serve to demonstrate the benefits of specific policy interventions, so that these could be scaled up. Furthermore, incorporating smallholders into agro-industrial revitalization schemes will be critical for promoting peace, stability, and inclusive growth.

Rationale for the Proposed Additional Financing Activities

29. The proposed AF activities are critical to the implementation of the National Strategic Development Plan (NSDP) 2050. The NSDP envisions the DRC as a vibrant emerging middle income country with a diversified economic base. The government has identified the agricultural sector as the one with the highest potentials for driving economic diversification. Four out of the seven NSDP strategic orientations are linked directly or indirectly to the agricultural sector and include: (i) an improved business environment and resource mobilization for upgrading and improving the competitiveness of the private sector; (ii) economic diversification and agricultural transformation through the promotion of processing for the creation of decent jobs; (iii) an increase in agricultural productivity for guaranteed food security and positioning to become the bread basket of Africa; and (iv) environmental protection and climate change adaptation for an improved quality of life. Reviving DRC's agriculture sector will be critical to fostering economic growth that is rapid, diversified and pro-poor. In a sign of commitment, DRC has increased its budget allocation for the agricultural sector from 3 percent to 8 percent for fiscal year 2017, in line with the Maputo Declaration target. The country has also recently enacted reforms to simplify the tax system and reduce the tax burden on companies and small enterprises, including those that are part of agricultural value chains.

30. **Alternatives considered to AF.** Two major alternatives to the proposed AF were considered: (a) financing by the Government's own resources: the Government is facing a huge fiscal constraint due to oil and mineral price crises, which has led to a significant drop in revenues. Hampered by its budgetary situation, the Government has requested the Bank (and other development partners) for support; (b) Financing by other donors: while other donors are actively supporting the sector, the demand far outstrips the commitment made for funding and as a result there is still unmet demand.

III. PROPOSED CHANGES

Summary of Proposed Changes

The proposed AF is sought in order to scale up a successful project that the government sees
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as key to achieving its objective of reducing rural poverty, improving nutrition and food security, and mobilizing public and private sectors. The AF would support the reinforcement of basic production capacity (staple crops and livestock) of smallholder farmers in three provinces and the city of Kinshasa to ensure food and nutrition security, relaunch the perennial crops production and embark on commercial farming by selling surplus production on local markets. Accordingly, the component description was expanded and the results framework was restructured to reflect these changes.		
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 [X] No []
Change of EA category		Yes [] No [X]
Other Changes to Safeguards		Yes [] No [X]
Change in Legal Covenants		Yes [X] No []
Change in Credit Closing Date(s)		Yes [X] No []
Cancellations Proposed		Yes [] No [X]
Change in Disbursement Arrangements		Yes [] No [X]
Reallocation between Disbursement Categories		Yes [] No [X]
Change in Disbursement Estimates		Yes [X] No []
Change to Components and Cost		Yes [X] No []
Change in Institutional Arrangements		Yes [X] No []
Change in Financial Management		Yes [] No [X]
Change in Procurement		Yes [] No [X]
Change in Implementation Schedule		Yes [X] No []
Other Change(s) (Two new territories are added)		Yes [X] No []

Development Objective/Results		
Project's Development Objectives Original PDO <p>The project development objective (PDO) is to increase agricultural productivity and improve marketing of crops, and animal products by smallholder farmers in targeted areas.</p> Current PDO <p>The PDO will be revised to remove the reference to “smallholder farmers” as the AF also aims at attracting the private sector through agricultural SMEs. Thus, the new PDO is “to increase agricultural productivity and improve marketing of crops, and animal products in targeted areas of the Recipient’s territory”.</p> Change in Results Framework Explanation: <p>One additional outcome indicator is added to measure the number of direct beneficiaries and is disaggregated by gender. Additional intermediate outcome indicators focused on the new activities are included in the results framework (see Annex1). The PDO and intermediate target values were revised for several project indicators to reflect the results of the AF activities. Please see appendix 1 for the results framework detailed changes.</p>		
Compliance		
Change in Safeguard Policies Triggered Explanation: <p>Given that the proposed project will support commercial agriculture in the rain forest area in the Congo Basin, the project will trigger the safeguard policies related to forests (OP / BP 4.36) and Natural Habitats (OP / BP 4.04).</p>		
Current and Proposed Safeguard Policies Triggered:	Current (from Current Parent ISDS)	Proposed (from Additional Financing ISDS)
Environmental Assessment (OP) (BP 4.01)	Yes	Yes
Natural Habitats (OP) (BP 4.04)	No	Yes
Forests (OP) (BP 4.36)	No	Yes
Pest Management (OP 4.09)	Yes	Yes
Physical Cultural Resources (OP) (BP 4.11)	Yes	Yes
Indigenous Peoples (OP) (BP 4.10)	Yes	Yes
Involuntary Resettlement (OP) (BP 4.12)	Yes	Yes
Safety of Dams (OP) (BP 4.37)	No	No
Projects on International Waterways (OP) (BP 7.50)	Yes	Yes
Projects in Disputed Areas (OP) (BP 7.60)	No	No

Covenants - Additional Financing (DRC Agriculture Rehabilitation and Recovery AF - P159037)						
Source of Funds	Finance Agreement Reference	Description of Covenants	Date Due	Recurrent	Frequency	Action
Conditions						
Source Of Fund		Name			Type	
IDA		PPIUs establishment and staffing			Effectiveness	
Description of Condition						
Establishment of the three PPIUs under terms of reference satisfactory to the Association with staffing and resources satisfactory to the Association.						
Source Of Fund		Name			Type	
IDA		Project Implementation Manual			Effectiveness	
Description of Condition						
The Project Implementation Manual has been adopted by the Recipient in form and substance satisfactory to the Association.						
Source Of Fund		Name			Type	
IDA		Implementation of RPF and RAP			Disbursement	
Description of Condition						
Under Category (3), unless and until evidence has been furnished to the Association, in form and substance acceptable to the Association, that the Recipient has implemented the RPF, and any resettlement action plan to be prepared under part 2.1 of the Project, in accordance with such RPF, in a manner acceptable to the Association, including payment of compensation to Displaced Persons prior to the commencement of civil works under Part 2.1 of the Project.						
Risk						
Risk Category						Rating (H, S, M, L)
1. Political and Governance						High
2. Macroeconomic						Substantial
3. Sector Strategies and Policies						Moderate
4. Technical Design of Project or Program						Moderate
5. Institutional Capacity for Implementation and Sustainability						Moderate
6. Fiduciary						Moderate
7. Environment and Social						Substantial
8. Stakeholders						Low
OVERALL						Substantial

Finance					
Credit Closing Date - Additional Financing (Additional Financing to DRC Agriculture Rehabilitation and Recovery Support Project)					
Source of Funds					Proposed Additional Financing Credit Closing Date
International Development Agency					03/23/2020
Change in Disbursement Estimates (including all sources of Financing)					
Explanation: There is no change in the disbursement schedule of the original grant. The table below reflects the expected disbursement of the AF Credit.					
Expected Disbursements (in USD Million) (including all Sources of Financing)					
Fiscal Year	2017	2018	2019	2020	
Annual	5	27.4	23.1	23.14	
Cumulative	5	32.4	55.5	78.64	
Allocations - Additional Financing (Additional Financing to DRC Agriculture Rehabilitation and Recovery Support Project)					
Source of Fund	Currency	Category of Expenditure	Allocation		Disbursement % (Type Total)
			Proposed		Proposed
IDA	XDR	(1) Goods, works, non-consulting services, consultants' services, Training and Operating Costs for the Project (other than goods, works and services for Part 2.1. and goods and works provided as Sub-grants under Part 1.1.(d) and 1.2.(d) of the Project)	33,100,000		100
		(2) Goods and services provided as Sub-grants under Parts 1.1.(d) and 1.2.(d) of the Project	3,000,000		100
		(3) Goods, works, non-consulting services and consultants' services for Part 2.1. of the Project	18,600,000		100
		(4) Refund of Preparation Advance	1,100,000		Amount payable pursuant to Section 2.07 of the General Conditions

Components
Change to Components and Cost
<p>The proposed AF will provide additional resources to reinforce the basic production capacity (staple crops and livestock) of smallholder farmers in three provinces (Sud-Ubangi, Nord-Ubangi and Mongala) to ensure food and nutrition security, relaunch the perennial crops production and embark on commercial farming by selling surplus production on local markets. In addition, it will support the rehabilitation of an irrigation system to improve horticulture, vegetable and rice production in the Linkana valley (Pool Malebo in Kinshasa). The AF will support the re-emergence of a sustainable mixed farming system which is prevalent in the project areas. It will revamp the extension and advisory services in the project areas giving a more prominent role to government institutions and involving the private sector. It will also assist the Government in setting up a sustainable feeder roads maintenance program and strengthening agriculture research and development. The AF will introduce information and communication technologies to enable mobile banking, remote sensing and other innovations for the beneficiaries. It will also expand a demand driven matching grant facility and combine it with free technical assistance so different actors can fully participate in the project activities. Finally, the proposed AF also aims to promote climate adaptation (new technologies and management practices) and build community resilience (sub-projects storage facilities, warehouses, processing centers, nurseries, etc.) through partnership with the Central African Forest Initiative (CAFI) Fund.</p> <p>Component 1: Improve agricultural and animal production (US\$36.85 million). The component will consolidate and further develop activities undertaken under the parent project which sought to increase the capacity of smallholder farmers in targeted areas to produce staple crops and small stock including poultry and goats. The scope will be broadened to include two additional territories and introduce perennial crops like coffee and cocoa. The AF will support the private sector or small private enterprises interested in investing in commercial crops. Cross-cutting issues (see details in Annex 2) such as nutrition (fortified crop varieties, sensitization on micro-nutrients), gender (labor saving devices/ new technology, community participative approaches), climate smart agriculture (sustainable agroforestry and other agriculture practices), and employment (creation of on farm and off-farm opportunities) will be fully embedded into the AF activities.</p> <p>This will involve funding to the following:</p> <p>(1.1) Improve production by providing seed, planting materials, and advisory services (US\$24.35 million). This sub-component will support (i) the establishment of a revamped sustainable agriculture extension and advisory services; (ii) the introduction of perennial cash crops through an “open menu”, (iii) scale-up and consolidate the seed value chain system; and (iv) an expanded demand-driven matching grant facility to support sub-projects at key segments of the value chain that are determined to be critical in unlocking growth of the value chain as a whole.</p> <p>(1.2) Improve animal production capacity for small ruminants and poultry (US\$10 million). In order to ensure the sustainability of the outcomes achieved under the parent project, the AF will focus on: (i) improving access to veterinary drugs; (ii) improving access to high quality and affordable veterinary services; (iii) including improved breeds of other types of small stock such as pigs; and (iv) the demand driven matching grant facility to support sub-projects.</p> <p>(1.3) Improve rice and vegetable production in the Pool Malebo/Kinshasa (US\$2.5 million). This component aims to contribute to the rehabilitation of an irrigation system to improve horticulture, vegetable and rice production in the Linkana Valley in the outskirts of Kinshasa (Pool Malebo).</p>

Component 2: Improve market related infrastructure (US\$30 million). This component aims to continue with the rehabilitation and maintenance of feeder roads and construction of key local markets and storage facilities across the three provinces. Focus will be on building capacity at local and provincial levels to ensure maintenance and sustainability of all the infrastructure investments. There are two subcomponents:

(2.1) Improve rural roads network (estimated cost: US\$25 million). This sub-component will focus on implementing the rural roads maintenance strategy developed under the parent project. The AF will assist the government to establish a comprehensive mechanism for the planning and management of the feeder roads maintenance program for a total of 1,269 km that will be rehabilitated by the closing date of the parent project; and provide technical support to provincial authorities to manage the program. Additionally, 531 km of rural roads will be rehabilitated under the AF (231 km from the parent project program that were suspended due to lack of funding and 300 km for the two new territories). Two landing docks will be rehabilitated at Mongana in Bongandanga and in the Libenge territory.

(2.2) Construction of marketing infrastructure (US\$5 million). This sub-component will mainly focus on improving the management of 4 markets and 16 storage facilities built under the parent project as well as 4 new ones in the two new territories of Libenge and Bongandanga. This will entail developing a mechanism through which these facilities can generate revenues for the communities. The AF will also finance technical assistance to be provided to youth groups, in particular to establish a range of activities geared toward market and logistics services, prepare and submit business plans to the matching grant facility, and manage the new associated businesses. In addition, communities will be supported to enter into service agreement contract arrangements with other actors in the value chains to capitalize on the infrastructure they own and ensure sustainable and quality services beyond the project's life. Additional attention will be paid towards building community resilience to the negative impacts of climate change in the project zone which is prone to flooding.

Component 3: Strengthening of Capacity Building and Project Management (US\$11.79 million).

(3.1) Capacity building for strengthening public services (US\$8.5 million). This subcomponent will support the government to: (i) re-engineer the national agriculture extension and advisory services so it is responsive and inclusive (non-governmental organizations, private sector and producer organizations as advisory service providers); (ii) strengthen the planning, coordination and monitoring and evaluation capacity at national and provincial levels (statistics and georeferenced data system); (iii) strengthen the agricultural research and development relevance, efficiency and effectiveness by establishing a brokering mechanism which encourages partnerships with agriculture institutes at the local level, universities, research centers and private sectors, and (iv) support feasibility studies for the installation of integrated development centers (IDC); and (v) introduce landscape management planning at local and provincial levels to support climate adaptation and community resilience.

(3.2) Project Management, Monitoring, Evaluation and Communication (US\$3.29 million). The subcomponent will finance: (i) the operating costs of the PPIUs and of the different project executing agencies; (ii) project M&E; (iii) the communication of project activities to different audiences; and (iv) the hiring of additional staff (in addition to the existing staff), consultant services, workshops, and training. Under this subcomponent, the project will also ensure proper monitoring of environmental and social safeguards policies.

Current Component Name	Proposed Component Name	Current Cost (US\$M)	Proposed AF Cost (US\$M)	Total Costs (US\$M)	Action
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Component 1: Improving agricultural and animal production	Component 1: Improve agricultural and animal production	49.42	36.85	86.27	Revised
Component 2: Marketing Infrastructure Improvement	Component 2: Improve market related infrastructure	50.58	30.00	80.58	Revised
Component 3: Capacity Building Support to the Ministry of Agriculture and Ministry of Rural Development, and Project Management	Component 3: Strengthening of Capacity building and Project Management	20.00	11.79	31.79	Revised
	Total:	120.00	78.64	198.64	

IV. APPRAISAL SUMMARY

Economic and Financial Analysis

The proposed AF will provide direct socio-economic benefits to more than 185,000 agricultural households, and to a number of other actors involved in the agriculture sector, thereby contributing to DRC' national socio-economic welfare. The project's development benefits correspond to the three project components: (i) higher agricultural and animal production with increased awareness of nutrition choices; (ii) improved agricultural marketing infrastructure; (iii) stronger capacity within the Ministry of Agriculture and the Ministry of Rural Development to provide climate and environment relevant services. The first benefit, increased production, is expected to stem from investments such as seed multiplication, extension, and rural credit infrastructure. The second set of benefits will take the form of higher farm-gate prices and value addition that result from improved agricultural marketing and infrastructure. Costs associated with this component will include improvement of roads and small ports. The third set of benefits, related to stronger government capacity, is the most difficult to quantify. The project will invest in information management and basic research to improve the overall efficacy of public agricultural investments. The internal rates of return (IRRs) from the first two components (investments to increase the efficiency of on and off farm production activities) are estimated to be in the range of 20-30 percent. The third component is expected to generate important externalities which have not been quantified, for example the benefits to be gained from implementing the Ministry of Agriculture's restructuring program.

Public sector financing is justified given the importance of agricultural production to the country's overall growth and employment, foreign exchange revenues, and poverty reduction. Additional household farm revenues will improve their food security status and generate monetary revenues to meet their minimal recurrent cash needs and investment requirements. To date, farmers and other actors in agricultural value chains have insufficient access to finance to increase their production. High transport and transactions costs, combined with limited information, have all but prevented private investment in agriculture. The Ministry of Agriculture restructuring and other government capacity building efforts will increase access to research, extension, and services for the benefit of producers and, ultimately, food consumers.

The World Bank's value added is high given the extensive knowledge and expertise generated under PARRSA's activities to date. As an additional financing, the investment builds on previous implementation experience, local World Bank staff expertise, ongoing government dialogue, and global best practices.

Technical Analysis

The proposed AF is based on clearly identified needs and based on experience gained from the parent project. There is also broad buy-in from all stakeholders into planned interventions. Furthermore, enhanced technical in-country capacity was gained from the implementation of the parent project. This, combined with enhanced fiduciary and safeguard control measures should ensure adequate implementation of project activities. In addition, the rural roads designs prepared under the parent project will be used for construction under the AF.

Social Analysis

As aforementioned, the proposed activities under the AF are similar to the parent project, and the safeguards Environmental Category remains the same, i.e., category B. However, a number of lessons can be learned from the parent project. Namely, the parent project was non-compliant on social safeguards as of February 2016 because of: (i) delays in compensation payments to PAPs for loss of assets (no physical relocation) caused by market-related infrastructure development under the Project; and (ii) delayed initiation of the IPP. To-date several minor activities are still to be completed (see Annex 3 for more details). As a result, the safeguards rating for the parent project was downgraded from “Moderately Satisfactory” to “Unsatisfactory” on February 5, 2016.

The safeguards rating for the parent project was subsequently upgraded from “U” to “MS” in January 2017 following resolution of the outstanding safeguards issues. These include the: (i) full release of funds by Government for compensation payments to affected persons due to loss of assets from infrastructure development under the project ; and (ii) decision to complete implementation of remaining activities related to the Indigenous Peoples Plan under the project preparation advance for the AF. Delays in paying compensation to project affected persons for assets lost due to infrastructure being developed under Component 2 of the Project that have since been addressed.

In accordance with the Additional Financing Guidelines, an exception to OP 10.00 paragraph 29 was necessary since the ratings for the parent project had not been consistently rated “Moderately Satisfactory” or better for the previous twelve months. Thus, an exception memorandum to proceed with the AF was approved by the RVP on January 19, 2017. In addition, the Project proposes to implement measures under the Additional Financing to ensure compliance with the World Bank’s Safeguard Policies. These are measures to ensure timely payment of compensation to PAPs and to fully implement the IPP activities under the AF (See Annex 3).

The AF triggers both OP 4.10 on Indigenous Peoples, and OP 4.12 on Involuntary resettlement. The AF has updated the Indigenous People’s Framework (IPF) and the Resettlement Policy Framework (RPF). Once the project sites are clearly identified, the project will prepare IPPs as well as Resettlement Action Plans (RAPs) as necessary prior to any civil works. Both the IPF and RPF were disclosed in-country on January 13, 2017 and at the World Bank on January 17, 2017.

Environmental Analysis

Given that the proposed project will support commercial agriculture in the rain forest area in the Congo Basin, the project will trigger two additional safeguard policies: Forests (OP / BP 4.36) and Natural Habitats (OP / BP 4.04). The proposed AF is not expected to induce significant or irreversible adverse environmental or social impacts. There will be close collaboration with CAFE- financed initiatives and sub-projects that would include REDD+ aspects such as agro-forestry and land management practices elements. The environmental category remains B.

The following operational policies are triggered: Environmental Assessment (OP/BP 4.01), Natural Habitats (OP/BP 4.04), Forests (OP/BP 4.36), Pest Management (OP/BP 4.09), and Physical Cultural Resources (OP/BP 4.11). Projects on International Waterways (OP/BP 7.50) was also triggered as the AF involves minor additions or alterations to an ongoing scheme, however the AF is not expected to adversely affect the quality or quantity of water flows to the other riparians of the Congo River, and it will not be adversely affected by other riparians’ water use. An exception to the riparian notification requirement was approved on the basis of paragraph 7(a) of OP/BP 7.50 by the Bank on December 15, 2016.

The required environmental and social instruments were revised and updated, namely the Environmental and Social Management Framework (ESMF) and the Pesticides Management Plan (PMP). Both the ESMF and PMP were cleared by the Bank and disclosed in-country on January 13, 2017 and at the World Bank on January 17, 2017.

Risk

The overall implementation risk is rated as Substantial. This is a change from the parent project which had a moderate risk rating. The change and increase in the risk rating for the AF can be attributed to: (i) changes in the macroeconomic outlook for the AF funding period for the country; (ii) political uncertainties and turbulence as the country heads for a new election cycle and; (iii) the downgrade of the social safeguards rating of the parent project to unsatisfactory from February to December 2016. An action plan with a series of measures to prevent similar social safeguard issues to occur has been agreed upon with the Government. In addition to stronger Bank supervision, additional measures include the implementation of outstanding activities related to the IPP, establishment of an escrow account for compensation payments, and strengthening of safeguards capacity at provincial level (see Annex 3).

V. WORLD BANK GRIEVANCE REDRESS

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

Project Name:	DRC Agriculture Rehabilitation and Recovery AF (P159037)			Project Stage:	Additional Financing	Status:	FINAL
Team Leader(s):	Nora Kaoues, Amadou Oumar Ba	Requesting Unit:	AFCC2	Created by:	Nora Kaoues on 10-Jul-2016		
Product Line:	IBRD/IDA	Responsible Unit:	GFA07	Modified by:	Nora Kaoues on 28-Feb-2017		
Country:	Congo, Democratic Republic	Approval FY:	2017				
Region:	AFRICA	Lending Instrument:	Investment Project Financing				
Parent Project ID:	P092724	Parent Project Name:	DRC - Agriculture Rehabilitation and Recovery Support (P092724)				
Project Development Objectives							
Original Project Development Objective - Parent:							
The project development objective (PDO) is to increase agricultural productivity and improve marketing of crops, and animal products by smallholder farmers in targeted areas.							
Proposed Project Development Objective- Additional Financing:							
The project development objective (PDO) is to increase agricultural productivity and improve marketing of crops, and animal products in targeted areas in the Recipient’s territory.							
Results							
Core sector indicators are considered: Yes				Results reporting level: Project Level			

Project Development Objective Indicators							
Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
Revised	Average annual sales of specific crops and products in targeted markets/warehouses (average percentage increase of sale)	<input type="checkbox"/>	Percentage	Value	0	35	40
				Date	4-March-2010	31-Jan-2017	23-Mar-2020
				Comment			
New	Direct project beneficiaries	<input checked="" type="checkbox"/>	Number	Value	0	105,556	155,000
				Date	4-March-2010	31-Jan-2017	23-Mar-2020
				Comment			
	Female beneficiaries	<input checked="" type="checkbox"/>	Percentage	Value	0	49	60
			Sub Type	Date	4-March-2010	31-Jan-2017	23-Mar-2020
			Supplemental	Comment			
Revised	Average annual production of specific livestock by targeted farmers: Poultry (number produced per farmer)	<input type="checkbox"/>	Number	Value	0	70	180
				Date	4-March-2010	31-Jan-2017	23-Mar-2020
				Comment			
Revised	Average seasonal yield per standard area of specific crops among targeted farmers	<input type="checkbox"/>	Metric ton	Value			
				Date	4-March-2010	31-Jan-2017	23-Mar-2020
				Comment			
	Maize	<input type="checkbox"/>	Metric ton	Value	0.5	1.50	2.00
			Sub Type	Date	4-March-2010	31-Jan-2017	23-Mar-2020
			Breakdown	Comment			
	Cassava (t/ha)	<input type="checkbox"/>	Metric ton	Value	7	20	25
			Sub Type	Date	4-March-2010	31-Jan-2017	23-Mar-2020
			Breakdown	Comment			

	Rice (t/ha)	<input type="checkbox"/>	Metric ton	Value	1	1.50	2
			Sub Type	Date	4-March-2010	31-Jan-2017	23-Mar-2020
			Breakdown	Comment			
	Groundnuts (t/ha)	<input type="checkbox"/>	Metric ton	Value	0	1	1.5
			Sub Type	Date	4-March-2010	31-Jan-2017	23-Mar-2020
			Breakdown	Comment			
	Coffee (t/ha)	<input type="checkbox"/>	Metric ton	Value	0	200	450
			Sub Type	Date	4-March-2010	31-Jan-2017	23-Mar-2020
			Breakdown	Comment			
Intermediate Results Indicators							
Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
Revised	Advisory services and agricultural research reform strategy adopted by the central government	<input type="checkbox"/>	Number	Value	0	1	2
				Date	4-March-2010	31-Jan-2017	23-Mar-2020
				Comment			
Revised	Area provided with new/improved irrigation or drainage services (number of hectares)	<input type="checkbox"/>	Number	Value	0	0	150
				Date	4-March-2010	31-Jan-2017	23-Mar-2020
				Comment			
Revised	Quantity of improved seed certified annually	<input type="checkbox"/>	Number	Value	0	2,792	3,500
				Date	4-March-2010	31-Jan-2017	23-Mar-2020
				Comment			

Revised	Percentage of households in targeted areas satisfied with agricultural advisory services received	<input type="checkbox"/>	Percentage	Value	0	80	80
				Date	4-March-2010	31-Jan-2017	23-Mar-2020
				Comment			Use of Government extension officers may initially reduce satisfaction levels
Revised	Number of markets infrastructure constructed/rehabilitated	<input type="checkbox"/>	Number	Value	0	4	8
				Date	4-March-2010	31-Jan-2017	23-Mar-2020
				Comment			
Revised	Roads constructed or rehabilitated (cumulative)	<input type="checkbox"/>	Kilometers	Value	0	1,883	2,800
				Date	4-March-2010	31-Jan-2017	23-Mar-2020
				Comment			
Revised	Percentage of direct female beneficiaries of rehabilitated roads	<input type="checkbox"/>	Number	Value	0	49	60
				Date	4-March-2010	31-Jan-2017	23-Mar-2020
				Comment			
Revised	Number of direct beneficiaries of rehabilitated roads	<input type="checkbox"/>	Number	Value	0	1,100,000	1,500,000
				Date	4-March-2010	31-Jan-2017	23-Mar-2020
				Comment			
Revised	Number of storage facilities constructed/rehabilitated	<input type="checkbox"/>	Number	Value	0	16	18
				Date	4-March-2010	31-Jan-2017	23-Mar-2020
				Comment			
Revised	Number of producers adopting improved animal husbandry practices	<input type="checkbox"/>	Number	Value	0	13,750	30,000
				Date	4-March-2010	31-Jan-2017	23-Mar-2020
				Comment			

New	Number of Farmers adopting improved agricultural technology	<input checked="" type="checkbox"/>	Number	Value	0	107,403	155,556
				Date	4-March-2010	31-Jan-2017	23-Mar-2020
				Comment			
Revised	Percentage of farmers reached with agricultural assets or service	<input checked="" type="checkbox"/>	Percentage	Value	0	51	70
				Date	4-March-2010	31-Jan-2017	23-Mar-2020
				Comment			Access to finance may improve input use
Revised	Reduced transport time for specific inputs/outputs	<input type="checkbox"/>	hours	Value	0	8	5.00
				Date	4-March-2010	31-Jan-2017	23-Mar-2020
				Comment			Road Maintenance Strategy would ensure all year road access
New	Km of road maintained (cumulative)	<input type="checkbox"/>	km	Value	1,122	1,269	7,000
				Date	4-March-2010	31-Jan-2017	23-Mar-2020
				Comment			
New	Client days of training per annum provided by different service providers	<input type="checkbox"/>	Days	Value	0	120	180
				Date	4-March-2010	31-Jan-2017	23-Mar-2020
				Comment			
New	Number of hectares rehabilitated/planted with coffee/cocoa	<input type="checkbox"/>	Number	Value	0	0	5,000
				Date	4-March-2010	31-Jan-2017	23-Mar-2020
				Comment			
New	Number of administrative	<input type="checkbox"/>	Number	Value	0	0	100

	sectors, territories, and provinces with implemented land use plans			Date	4-March-2010	31-Jan-2017	23-Mar-2020
				Comment			
New	Number of hectares reforested or with increased tree cover	<input type="checkbox"/>	Number	Value	0	0	10,000
				Date	4-March-2010	31-Jan-2017	23-Mar-2020
				Comment			
New	Number of village cash boxes	<input type="checkbox"/>	Number	Value	0	2000	2500
				Date	4-March-2010	31-Jan-2017	23-Mar-2020
				Comment			
New	Volume of savings mobilized	<input type="checkbox"/>	Value in US Dollars	Value	0	350,000	500,000
				Date	4-March-2010	31-Jan-2017	23-Mar-2020
				Comment			
New	Increase in rice production in Pool Malebo	<input type="checkbox"/>	Ha	Value	0	0	150
				Date	4-March-2010	31-Jan-2017	23-Mar-2020
				Comment			

Indicator Description				
Project Development Objective Indicators				
Indicator Name	Description (indicator definition etc.)	Frequency	Data Source / Methodology	Responsibility for Data Collection
Direct project beneficiaries	Direct beneficiaries are people or groups who directly derive benefits from an intervention (i.e., children who benefit from an immunization program; families that have a new piped water connection). Please note that this indicator requires supplemental information. Supplemental Value: Female beneficiaries (percentage). Based on the assessment and definition of direct project beneficiaries, specify what proportion of the direct project beneficiaries are female. This indicator is calculated as a percentage.	Annual	Monitoring records	PIU and M&E District Inspector of Ministry of Agriculture
Female beneficiaries	Based on the assessment and definition of direct project beneficiaries, specify what percentage of the beneficiaries are female.	Annual	Monitoring records	PIU and M&E District Inspector of Ministry of Agriculture
Average annual sales of specific crops and products in targeted markets/warehouses (average percentage increase of sale)	This indicator measures the sales value in USD equivalent from the volume of specific crops through targeted markets and warehouses	Quarterly reporting	- Monitoring records - Annual survey	District Inspector of Ministry of Agriculture
Average annual production of specific livestock by targeted	This indicator measures the production rate per poultry reproductive cycle by targeted farmers.	1 report/year	- Monitoring records - Periodic reports of the Inspector	District Inspector of Ministry Agriculture

farmers: Poultry (number produced per farmer)				
Average seasonal yield per standard area of specific crops among targeted farmers	This indicator will measure the average number of tons per hectare produced of specific crops among targeted farmers per agricultural season			
Maize	Tons per hectare	2 reports/ year	- Yield estimates - Surveys	District Inspector of Ministry of Agriculture
Cassava	Tons per hectare			
Rice	Tons per hectare			
Groundnuts	Tons per hectare			
Coffee	Tons per hectare			
Intermediate Results Indicators				
Indicator Name	Description (indicator definition etc.)	Frequency	Data Source / Methodology	Responsibility for Data Collection
Advisory services, agricultural research, and agro-industry reform strategy adopted by the central government	This indicator measures the number of policy reforms that have been elaborated and strategies that have been adopted for implementation by the Ministry of Agriculture.	Once	Ministry of Agriculture Planning Department	PIU and M&E
Area provided with new/improved irrigation or drainage services	This indicator measures in hectares the total area of land provided with new or improved Irrigation or drainage services in operations supported by the World Bank. The underlying indicators include: (i) the area provided with new irrigation or drainage services (ha); and (ii) the area provided with improved irrigation or drainage services (ha)	Annual	Annual Survey	PIU and M&E UNOPS

	<p>Irrigation or drainage services refers to the better delivery of water to, and drainage of water from, arable land, including better timing, quantity, quality, and cost-effectiveness for the water users. New irrigation or drainage services refers to the provision of irrigation and drainage services in an area that has not had these services before. The area is not necessarily newly cropped or newly productive land, but is newly provided with irrigation and drainage services, and may have been rain-fed land before. Improved irrigation or drainage services refers to the upgrading, rehabilitation, and/or modernization of irrigation or drainage services in an area with existing irrigation and drainage services.</p>			
Quantity of improved seed certified annually	<p>This indicator measures the volume in tons of hybrid seed that will be produced and multiplied for use by farmers as a result of World Bank project support. It will monitor capacity of specialized Institutions and private sector to produce improved seed.</p>	Annual	<p>- Annual survey - Ministry of Agriculture statistics</p>	<p>- SENASEM statistics - District Inspector</p>
Percentage of households in targeted areas satisfied with agricultural advisory services received	<p>This indicator measures the number of farmers who were provided with agricultural assets or services as a result of World Bank project support. Targeted households make use of Services include research, extension, training, education, ICTs, inputs (e.g., fertilizers, pesticides, labor), production-</p>	Yearly reporting	- Annual survey	<p>- Territory Inspector - District PIU</p>

	related services (e.g., soil testing, animal health/veterinary services), phyto-sanitary and food safety services, agricultural marketing support services (e.g., price monitoring, export promotion), access to farm and post-harvest machinery and storage facilities, employment, irrigation and drainage, and finance.			
Number of markets infrastructure constructed/rehabilitated	<p>This indicator measures the number of farmers who were provided with agricultural assets or services as a result of World Bank project support. (Same as above).</p> <p>Specifically monitoring post-harvest machinery and storage facilities,</p>	<p>- Project's quarterly and annual reports</p> <p>- Supervision missions</p>	- Direct site observations	<p>- PIU and M&E</p> <p>- DVDA reports</p>
Roads constructed or rehabilitated (cumulative)	The indicator measures the number of kilometers of all roads constructed, reopened to motorized traffic, rehabilitated, or upgraded by operations supported by the World Bank. Rural roads are functionally classified in various countries as below Trunk or Primary, Secondary or Link roads, or sometimes Tertiary roads. They are often described as rural access, feeder, market, agricultural, irrigation, forestry, or community roads. Typically, rural roads connect small urban centers/towns/settlements of less than 2000 to 5000 inhabitants to each other or to higher classes of roads, market towns, and urban centers.	Annual reporting	- Survey	<p>- PIU</p> <p>- DVDA</p>
Percentage of direct	Among the population benefitting from	Annual	- Survey	- PIU

female beneficiaries of rehabilitated roads	the rehabilitation of (rural) roads supported by the project, number of which are women	reporting		- DVDA
Number of direct beneficiaries of rehabilitated roads	Total number of all people benefitting from the rehabilitation of (rural) roads supported by the project (men and women)	Annual reporting	- Survey	- PIU - DVDA
Number of Kilometers maintained	Total number of kilometers of road maintained	Annual reporting	- Survey	- PIU - DVDA
Number of storage facilities constructed/rehabilitated	<p>This indicator measures the number of farmers who were provided with agricultural assets or services as a result of World Bank project support.</p> <p>Assets include property, biological assets, and farm and processing equipment. Biological assets may include animal agriculture breeds (e.g., livestock, fisheries) and genetic material of livestock, crops, trees, and shrubs (including fiber and fuel crops).</p> <p>Services include research, extension, training, education, ICTs, inputs (e.g., fertilizers, pesticides, labor), production-related services (e.g., soil testing, animal health/veterinary services), phyto-sanitary and food safety services, agricultural marketing support services (e.g., price monitoring, export promotion), access to farm and post-harvest machinery and storage facilities, employment, irrigation and drainage, and finance</p>	<p>- Project's quarterly and annual reports</p> <p>- Supervision missions</p>	- Direct site observations	- PIU and M&E - DVDA reports

Number of indirect beneficiaries with agricultural assets and services improved agricultural and animal technologies	This indicator measures the number of farmers who were provided with agricultural assets or services as a result of World Bank project support. (Same as above).	Yearly reporting	Annual survey	- Territory Inspector - District PIU
Percentage of indirect female beneficiaries of improved agricultural and animal technologies	This indicator measures the number of farmers who were provided with agricultural assets or services as a result of World Bank project support. (Some as above).	Yearly reporting	Annual survey	- Territory Inspector - District PIU
Number of Farmers adopting improved agricultural technology	This indicator measures the number of farmers who have adopted an improved agricultural technology promoted by operations supported by the World Bank. Adoption refers to a change of practice or change in use of a technology that was introduced or promoted by the project. Technology includes a change in practices compared to currently used practices or technologies (seed preparation, planting time, feeding schedule, feeding ingredients, post-harvest storage/ processing, etc.). If the project introduces or promotes a technology package in which the benefit depends on the application of the entire package (e.g., a combination of inputs such as a new variety and advice on agronomic practices such as soil preparation, changes in seeding time, fertilizer schedule, plant protection, etc.), this counts as one technology. Farmers are people engaged in farming	Yearly reporting	Annual survey	- Territory Inspector - District PIU

	activities or members of a farming business (disaggregated by men and women) targeted by the project.			
Number of direct beneficiaries of improved agricultural and animal technologies	This indicator measures the number of farmers who thanks to the project benefit from an improved agricultural and animal technology. See above for the definition of technology.	2 reports/year	- Monitoring records - Surveys	- M&E Unit - District Inspectors of Ministry of Agriculture
Number of Farmers reached with agricultural assets or services	<p>This indicator measures the number of farmers who were provided with agricultural assets or services as a result of World Bank project support. This includes the following: Number of farmers' households using common facilities (warehouses, postharvest technologies)</p> <p>Percentage of targeted households using processing equipment per season (This indicator measures the targeted number of producers making use of improved inputs, services, and facilities, and whether the management capacity of farmer organizations is strengthened.)</p> <p>Percentage of targeted households benefitting from agricultural advisory services per season (This indicator measures the percentage of households who thanks to the project benefit from agricultural advisory services for each season. See below for the definition of services.)</p>	At the end of each cropping season	Monitoring records	- Territory Inspector - District PIU

	<p>Assets include property, biological assets, and farm and processing equipment. Biological assets may include animal agriculture breeds (e.g., livestock, fisheries) and genetic material of livestock, crops, trees, and shrubs (including fiber and fuel crops). Services include research, extension, training, education, ICTs, inputs (e.g., fertilizers, pesticides, labor), production-related services (e.g., soil testing, animal health/veterinary services), phyto-sanitary and food safety services, agricultural marketing support services (e.g., price monitoring, export promotion), access to farm and post-harvest machinery and storage facilities, employment, irrigation and drainage, and finance. Farmers are people engaged in farming activities or members of a farming business (disaggregated by men and women) targeted by the project.</p>			
Reduced transport time for specific inputs/outputs.	Reduced time of transport for inputs and outputs in project area	Annual	Annual survey	- PIU - DVDA and UNOPS
Client days of training per annum provided by different service providers	Days of training provided to project beneficiaries under the project	Bi-annual	Monitoring Records	PIU and M&E Training service providers
Number of hectares rehabilitated/planted with coffee/cocoa	This indicator measures the number of hectares planted with coffee and cocoa tree by the project	Yearly reporting	Annual survey	- Territory Inspector - District PIU
Land area under sustainable landscape	This indicator measures in hectares the land area for which new and/or improved	Yearly reporting	Annual survey	- Territory Inspector - District PIU

management practices	<p>sustainable landscape management practices have been introduced through operations supported by the World Bank. Land is the terrestrial biologically productive system comprising soil, vegetation, and the associated ecological and hydrological processes. Adoption refers to change of practice or change in the use of a technology promoted or introduced by the project.</p> <p>Sustainable landscape management (SLM) practices refers to a combination of at least two technologies and approaches to increase land quality and restore degraded land—for example, agronomic, vegetative, structural, and management measures that, applied as a combination, increase the connectivity between protected areas, forest land, rangeland, and agriculture land.</p> <p>Number of administrative sectors, territories, and provinces with implemented land use plans. This</p>			
	includes the Provincial level Sustainable Development Plan, Sector level Sustainable Development Plans (22) and the local Simplified Management Plan (at community level - 100)			
Forest area brought under management plans	This indicator measures in hectares the forest land area that has been brought under a management plan by operations supported by the World Bank. This indicator includes production and protection forests as well as other forests under	Yearly reporting	Annual survey	- Territory Inspector - District PIU

	sustainable management for which management plans have been prepared and endorsed and are under implementation e.g. increase in the forest cover in hectares (Reforested areas, restored forests from degraded areas or avoided deforestation, including tree cover protected through agro-forestry and agriculture under shade)			
Number of village cash boxes	This indicator measures the total number of cash boxes for all villages under the project area	Bi-annual	Monitoring Records	PIU and M&E Training service providers
Volume of savings mobilized	This indicator measures the total volume of savings mobilized due to project interventions	Bi-annual	Monitoring Records	PIU and M&E Training service providers

Appendix 1: Results Framework Detailed Changes

Revisions to the Results Framework				Rationale for Change
Project Development Objective (PDO)				
Original	Proposed PDO Change			
To increase agricultural productivity and improve marketing of crops, and animal products by smallholder farmers in targeted areas.	To increase agricultural productivity and improve marketing of crops, and animal products in targeted areas of the Recipient’s territory.			“by smallholder farmers” is removed from the original PDO because the AF also aims at attracting the private sector through agricultural Small and Medium Enterprises (SMEs)
PDO indicators				
Original Indicator	Original Target	Proposed indicator change*	Proposed target change	Rationale for change
Average seasonal yield per standard area of specific crops among targeted farmers		Continued		
Maize	1.50	Continued	2	Change in target reflects increased scope of project
Cassava (t/ha)	20	Continued	25	Reflects increased scope of project
Rice (t/ha)	1.50	Continued	2	Reflects increased scope of project
Groundnuts (t/ha)		New	1.50	New commodity
Coffee (t/ha)		New	450	New commodity
Average annual production of specific livestock by targeted farmers: Poultry (number produced per farmer)	70	Continued	180	Reflects increased scope of project
Average annual sales of specific crops and products	35	Continued	40	Reflects increased scope

Revisions to the Results Framework				Rationale for Change
in targeted markets/warehouses (average percentage increase of sale)				of project
Direct project beneficiaries		New	155,000	This is a core indicator which was missing
Female beneficiaries (percentage)		New	60	
Component 1: Improve agricultural and animal production				
Original Indicator	Original Target	Proposed change	Proposed target change	Rationale for Change
Percentage of targeted households using package of improved inputs per season	60	Dropped		Reflects change in project scope
Percentage of targeted households benefitting from agricultural advisory services per season	60	Percentage of households in targeted areas satisfied with agricultural advisory services received	80	Change in target value to reflect increased project scope
Number of direct beneficiaries of improved agricultural and animal technologies.	441,000	Dropped		Reflects change in project scope
Percentage of direct female beneficiaries of improved agricultural and animal technologies	60	Dropped		Reflects change in project scope
Percentage of indirect female beneficiaries of improved agricultural and animal technologies	60	Dropped		Reflects change in project scope
Number of indirect beneficiaries of improved agricultural and animal technologies	203,000	Dropped		Reflects change in project scope
Number of producers adopting improved animal husbandry practices	63,000	Continued	30,000	Reflects revised scope of the activity
Percentage of households in targeted areas satisfied with agricultural advisory services	80	Continued	80	

Revisions to the Results Framework				Rationale for Change
received.				
Quantity of improved seed certified annually (tons).	2,792	Continued	3,500	Change in target value to reflect increased project scope
Average birth interval per female of small ruminants (months)	8	Dropped		Reflects change in project activities
Rice production increase at Pool Malebo (in tons)	16,000	Dropped		Reflects change in project activities
Number of hectares developed for rice culture	3200	Dropped		Reflects change in project activities
Improved cost of recovery of WUAs for irrigation in Pool Malebo	70	Dropped		Reflects change in project scope
Percentage of targeted households using processing equipment per season	25	Dropped		Reflects change in project scope
Number of farmer organizations using common facilities (warehouses, postharvest technologies)	26,000	Dropped		Reflects change in project scope
Number of storage facilities constructed\rehabilitated	16	No change	18	Change in target value to reflect increased project scope
Number of Farmers adopting improved agricultural technology		New	155,556	Reflects change in project scope
Number of hectares rehabilitated/planted with coffee/cocoa		New	500	Reflects change in project activities
Number of administrative sectors, territories, and provinces with implemented land use plans		New	100	Reflects change in project activities
Number of hectares reforested or with increased tree cover		New	10,000	Reflects change in project activities
Number of village cash boxes		New	2500	Reflects increased project

Revisions to the Results Framework				Rationale for Change
				scope
Volume of savings mobilized (US\$)		New	500,000	Reflects increased project scope
Percentage of farmers reached with agricultural assets or services		New	70	This is a new core sector indicator
Increase in rice production at Pool Malebo (in ha)		New	150	Reflects change in project activities
Component 2: Improve market related infrastructure				
Reduced transport time for specific inputs/outputs (time in minute per km)	15	Revised Reduced transport time for specific inputs/outputs (time in hours per km)	5	Change in target value to reflect increased project scope
Number of direct beneficiaries of rehabilitated roads	1,100,000	Continued	1,500,000	Change in target value to reflect increased project scope
Percentage of direct female beneficiaries of rehabilitated roads	49	Continued	60	Change in target value to reflect increased project scope
Cumulative km of rehabilitated roads	1883	Continued	2800	Change in target value to reflect increased project scope
Number of markets for which infrastructure constructed/rehabilitated	4	Continued	8	Change in target value to reflect increased project scope
Km of road maintained (cumulative)		New	7,000	Reflects change in project activities
Client days of training per annum, provided by different service providers		New	180	Reflects change in project activities
Component 3: Strengthening of Capacity Building and Project Management				
Quantity of improved seed certified annually (tons).	2,792	Continued	3,500	Change in target value to reflect increased project

Revisions to the Results Framework				Rationale for Change
				scope
Advisory services, agricultural research, and agro-industry reform strategy adopted by central government.	1	Continued	2	Change in target value to reflect increased project scope
Percentage of disbursement targets achieved per year.	100	Dropped		Although this information will be tracked, there is no need to include these indicators in results framework
Percentage of procurement goods and services comply with agreed procurement plan.	100	Dropped		
Number of M&E reports produced annually and on time	4	Dropped		

Annex 2 – Project Description (Modified and New Activities)

1. The proposed additional financing (AF) for an amount of US\$75 million would help finance the costs associated with a scale-up and expansion of the scope of ongoing selected activities, as well as implementation of new activities to enhance the impact of the well-performing parent project. There is also CAFE financing in the amount of US\$3.64 million as a grant to enhance the environment benefits of the subprojects and increase the project efforts to reduce or mitigate deforestation and forest degradation.
2. The main changes that the AF will bring to the parent project are: (i) a slight modification of the PDO from “to increase agricultural productivity and improve marketing of crops, and animal products by smallholder farmers in targeted areas” to “to increase agricultural productivity and improve marketing of crops, and animal products in targeted areas” to broaden the scope of project beneficiaries and the results targets; (ii) expansion of the geographical scope of the project to include two additional territories, namely Libenge and Bongadanga; (iii) enhanced value chain development including perennial value chains such as coffee, and cocoa; (iv) additional activities to address cross-cutting issues such as nutrition-sensitive activities, climate smart agriculture, land use management, gender, and job creation; (v) implementation of a rural roads maintenance strategy that was prepared under the parent project; and (vi) addition of PDO and intermediate indicators and adjustments to some results targets to reflect the AF activities. These will not require any changes to the project components. To enable the implementation launch of these additional project activities, the parent project closing date has been extended from January 31, 2017 to November 30, 2017. The AF will be processed as an Investment Project Financing for a period of three years.
3. The AF will be substantially based on the design of the on-going DRC Agriculture Rehabilitation and Recovery Support Project which is composed of three Components: Component 1- Improving agricultural and animal production; Component 2- Improving marketing infrastructure; and Component 3: Capacity Building for Ministries of Agriculture, Livestock and Fisheries and Rural Development, and project management, monitoring and evaluation and communication.
4. The AF will build on the positive experience of the parent project and expand the scope to two additional territories of Libenge and Bongadanga. It seeks to consolidate and further develop the activities undertaken under the parent project which sought to: (i) increase the production capacity of smallholder farmers in targeted areas to produce staple crops, small stock and will also introduce commercial perennial crops like coffee, cacao, etc.; (ii) improve market infrastructure; and (iii) strengthen the capacity of the ministries of Agriculture and Rural Development in targeted areas as well as project monitoring and evaluation. In addition, cross-cutting issues detailed below will be fully embedded into the AF activities.
5. *Nutrition:* The AF project aims to address vitamin A deficiency and malnutrition across the project intervention zones through a three pronged approach: (i) The promotion of green leafy vegetable seeds and fortified crop varieties particularly of maize and cassava; (ii) establishment of kitchen vegetable gardens complimented with the adoption of small ruminants and poultry of improved breeds; and (iii) sensitization of women and men on the importance of micro nutrients found in a varied diet (local food) to enable them make better food choices. Partnerships will be explored with the CRMN based in Gemena, in the project area, and NGOs specialized in the dissemination of fortified seeds like Harvest Plus and social marketing campaigns in partnership with private sector telecommunication providers.

6. *Gender:* There is a significant gender gap in agricultural production in the DRC. Female headed households in DRC produce approximately 30 percent less farm output than male headed households. This is due to a complex series of interrelated factors: (i) low levels of literacy amongst women which makes it difficult for them to access information and training to adopt new technologies; (ii) the socio-cultural role and position of women across 3 provinces place them as subordinate to men and not entitled to property rights; (iii) the legal family law/code in the DRC prohibits women from travel, economic activity, employment without express consent from their husbands which makes it difficult for them to engage in markets and generate revenues; and (iv) women are engaged in subsistence farming and not in cash crop production limiting their control and participation in decision making in households. The AF will seek to reduce the gender gap by building on the results achieved under the parent project. It will: (i) use the network of female leaders to share their leadership stories on local radio; (ii) explore ways of promoting labor saving devices/technologies for women; (iii) encourage extension service agents to integrate gender equality and nutrition messaging in their demonstration sessions; (iv) promote community participative approaches through community based organizations (CBOs), NGOs, local theater, games and role plays to engage communities on women's economic contribution.

7. *Climate Change:* Agroforestry approaches and climate smart approaches will be used to promote sustainable agricultural practices in the project zone. The use of conservation farming, application of manure from livestock keeping for soil management purposes, and the promotion of appropriate storage /drying facilities are all measures that the project will use to build resilience against flooding and pest outbreaks of agricultural households across the three provinces. The promotion of coffee, and cacao will also have positive net benefits to carbon emissions as tree crops create carbon sinks. Landscape management approaches and land use management will be promoted to prevent encroachment on primary forests. Existing local agricultural multi-stakeholder platforms, CARG created under the parent project, will be leveraged to support these approaches in each province. In the new territories where the CARG has not been installed, this will be done to ensure broader participation of all stakeholder groups in addressing the climate agenda and the formulation of local sustainable development plans and integrate Reducing Emissions from Deforestation and Forest Degradation (REDD+) in local development initiatives.

8. *Employment:* The AF project aims to stimulate the creation of both on-farm and off-farm jobs part-time and permanent jobs. This will be done through 3 key approaches already being promoted by the project: (i) private-public partnership in the management of commercial infrastructure e.g. warehouse and market management ; (ii) stimulation of youth employment through the creation of farming support services e.g. transport, ploughing, weeding, tilling, soil testing, input provision, servicing equipment etc., and (iii) identification of agribusiness farms and processing enterprises that need skilled agricultural technicians, farm hands, electricians, etc. To stimulate youth employment generation, youth groups will be encouraged to organize, develop business plans and submit their plans for Matching Grant financing. Specialized technical assistance (TA) providers will be contracted to train and coach the youth groups in establishing a range of market and logistics services (soil testing, planting, weeding, harvesting, post-harvest handling-drying & storage, collection, transport, packaging, marketing). An entrepreneurship training and business-set-up approach will be used to ensure the introduction of these key services onto the market.

9. *Matching grants:* The AF will provide a demand-driven matching grants facility up to a maximum of US\$100,000 per grant for each sub-project. These funds will be accessed on a competitive basis by smallholder farmers, small and medium enterprises and seed multipliers for example in the use of, but not limited to multiplication of seeds, cuttings for food crops, purchase of processing equipment, building of storage facilities, and planting materials for perennial crops. The idea is to support actors in key segments of the value chain that are determined to be critical in unlocking growth of the value chain as a whole. Core scoring and selection criteria will be based on technical, and economic soundness, demonstrated access to markets, gender considerations, use of climate smart practices such as proper soil management, use of biodegradable forest matter, etc. Because the AF will be supporting commercial agriculture in the rainforest area, close collaboration with REDD+ initiatives will be essential and sub-projects that would include REDD+ aspects such as agro-forestry and land management practices elements will be given priority (e.g. use of REDD+ sensitive criteria). In addition, TA will be provided to help prepare sound proposals. A key consideration under this instrument will be the building of productive public-private partnerships with producers for value chain upgrading. It is envisaged that matching grants will be used in the following areas (among others):

- **Input supply:** To enhance the accessibility of improved seeds, breeds, and other farm inputs among targeted POs, matching grants will be available for co-investment in development of a robust, private sector-driven input supply system. Matching grants will also be provided to private firms willing to invest in hybrid seed supply systems.
- **Technology development:** One of the key constraints is low utilization of mechanized technology in processes ranging from production through produce assembly, post-harvest handling, and value addition or processing. At the farm level, the particularly acute shortage of farm machinery and equipment for conservation agriculture greatly hampers the adoption of CSA practices. Matching grants could address this constraint by supporting equipment makers and service providers interested to invest in providing higher-efficiency mechanization services for production and other segments of the value chain.
- **Post-harvest and storage facilities:** To address the significant post-harvest losses experienced among smallholder farmers, matching grants will continue to be provided to players willing to invest in improved production and post-harvest handling practices, which reduce losses and uphold the high food quality standards demanded by niche markets. Matching grants will be available with investments tailored to achieving high standards in produce handling from the point of production to storage and marketing to safeguard against post-harvest losses, enhance shelf-life, and meet food quality standards. Eligible investments will include the construction or refurbishment of produce collection and storage facilities and adoption of warehouse receipt systems.
- **Value addition and processing:** Matching grants will support feasibility studies and provide technical support required by investors that are considering investing in value addition in targeted project areas.
- **Communication:** Taking into account challenges in communication experienced in the parent project the AF will use sensitization meetings at local levels and the local radio to communicate and engage local stakeholders about project progress and results.

- Specific support to refugees from the Central African Republic to host families: The DRC in conformity with international and regional refugee conventions is hosting a total of 72,000 refugees from the Central African Republic. 20,000 of these refugees are residing with host families (approximately 2 per family) in the Libenge territory in Sud Ubangi and Mobayi Mbongo in Nord Ubangi and in four refugee camps in the two provinces. This situation exacerbates the level of poverty, nutrition and food security concerns amongst host families. The project will support the refugees working in partnership with United Nations High Commission for Refugees (UNHCR) in the target project zone and in collaboration with the Congolese Government.

Component 1: Improve agricultural and animal production (US\$36.85 million)

10. This component seeks to consolidate and further develop the activities undertaken under the parent project which sought to increase the production capacity of smallholder farmers in targeted areas to produce staple crops, small stock and will also introduce commercial perennial crops like coffee and cacao. Activities that will be supported include the supply of improved seeds, improved cuttings, animal breeds, advisory and extension services to support the development of commercial small holder farming and increased capacity to process commodities. This component will strengthen producer groups in the targeted areas to improve access to agricultural services, inputs (particularly seeds), appropriate farm equipment, the sale of agricultural products and the establishment of business linkages with private agribusiness firms. The entry point of this component are the producer groups which comprise of women's groups, youth groups, SMEs and private sector operators actively engaged in agribusiness. Additional emphasis will be put on promoting climate adaptation and building resilience of communities to mitigate the impacts of climate change in the project areas.

11. This component should be viewed as the mechanism for reinforcing the basic production capacity (staple crops and livestock) of small holder family farms to ensure food and nutrition security for the family, embark on commercial farming by selling surplus production on local markets and engaging in perennial crop production. All of these activities have always been part of the mixed farming system that has been prevailing in the project areas and which constitute the source of a sustainable revenue base for small holders. The AF will support the re-emergence of a sustainable mixed farming system, in a holistic way after having prepared the building blocks for this farming system under the parent project. At the same time, the project has reserved space to support the private sector interested in investing/rehabilitating commercial crops and in supporting the development of out-growers schemes.

Subcomponent 1.1: Improve production by providing seeds, planting materials, and advisory services (US\$24.35 million).

12. This subcomponent will fund: (i) the establishment of tailored, pluralistic and sustainable agricultural extension services; (ii) the rehabilitation of perennial cash crops farming; (iii) scale up of the seed diversification, production and transfer system developed under the parent project; and (iv) an expanded demand-driven matching grant facility to support sub-projects at key segments of the value chain that are determined to be critical in unlocking growth of the value chain as a whole.

13. **Support Services (appropriate, tailored, pluralistic and sustainable agricultural advisory and extension services).** The AF will contribute to rebuilding the collapsed agricultural

advisory services system at provincial level so it is of better quality, better managed, efficient and effective and supervised by the *Service National de Vulgarisation* (SNV). The agricultural advisory system, that was based on extension agents at the provincial level (part of the *Inspection Provinciale de l'Agriculture, Pêche et Elevage* (IPAPEL) personnel) under the coordination of SNV, collapsed during the 90's because of decades of conflict and destruction, and was never rebuilt. This system was de facto replaced by NGOs, church organizations and projects based on external funding, hence not sustainable. Thus, the main characteristics of the new proposed agricultural extension and advisory system under the AF are as follows: (i) pluralism in the provision of services (public and private providers); (ii) accountability to clients; (iii) emphasis on demand and market-driven service provision; (iv) decentralized service delivery; (v) attention to specific issues such as gender, nutrition, climate change and youth employment; and (vi) sustainability and strengthening of the capacity of the Ministry of Agriculture at the provincial level to play its role in agricultural development.

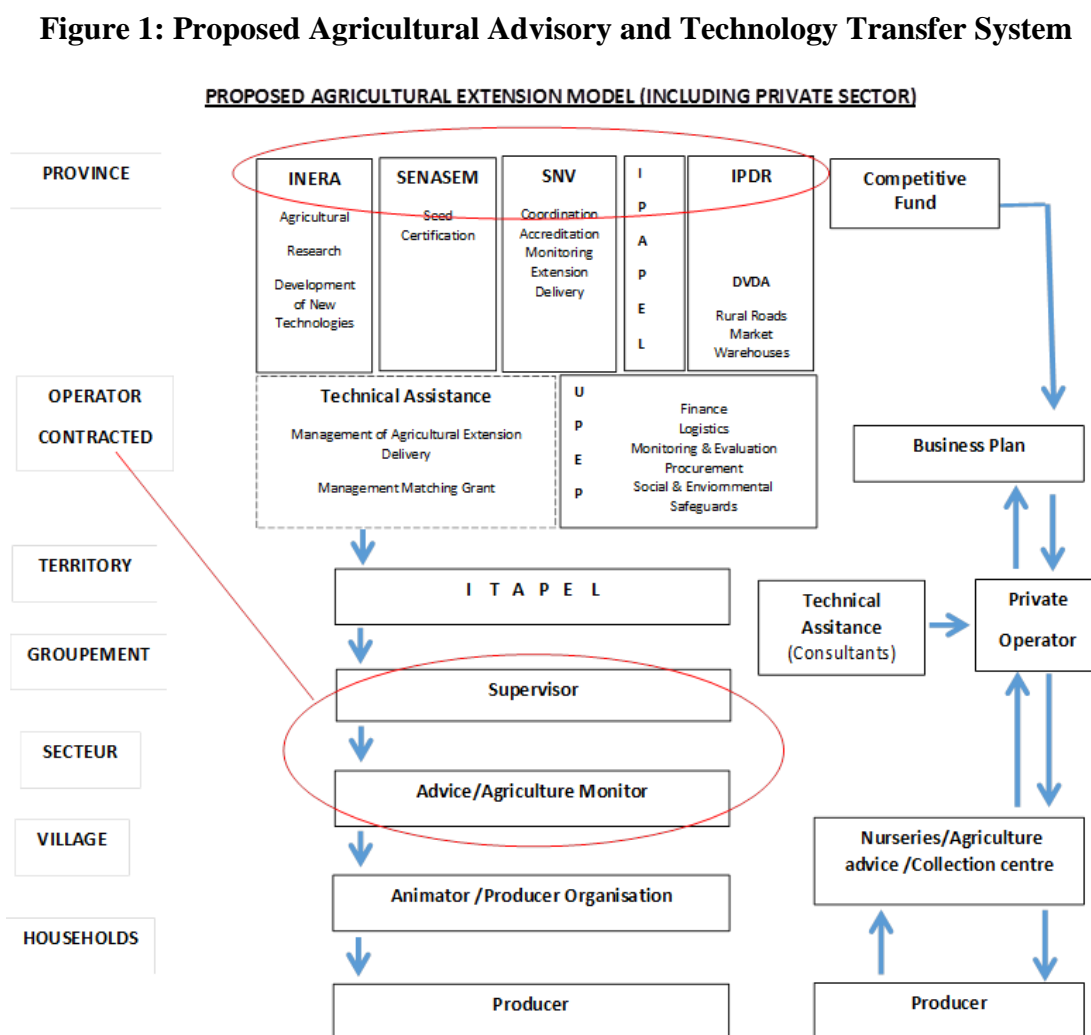
14. Drawing from lessons learned from the parent project, in order for the system to be sustainable, NGOs will have to provide the advisory and technology transfer services within an institutional capacity building framework aimed at building capacity of provincial authorities. In addition, a pluralist solution is proposed: (a) the agricultural extension part for resource constrained small scale farmers (traditional agriculture), without financial transfer; and (b) the advisory services part for commercial actors (large scale producers, SMEs, and agri-business enterprises with, out-grower schemes), supported by a competitive investment fund. In addition, a cost recovery/beneficiary contribution for commercial actors receiving advisory services will be put in place to reinforce sustainability of the system. Advisory services will include the promotion of climate smart agriculture techniques and sustainable agroforestry schemes. In addition, incentive mechanisms will be established and linked to the investments (subprojects) to reduce the potential impact on forests.

15. Competitive investments will be screened to assess their contribution to the REDD+ agenda. In addition, land use plans (such as the Sustainable Development plans at Provincial, Territory and Sector levels and simplified management plans at local level [financed under component 3]) will provide guidance to assess the impact of the proposed investments in terms of potential emissions and their integration into a sustainable land use plan designed at the local level in a participative manner.

16. The principal actors of the proposed system are: INERA, SENASEM who are responsible for supplying quality genetic materials, SNV mandated to accredit, coordinate and monitor, provincial inspectors of the Ministry of Agriculture and Rural development, provincial project implementation units, supervisors, and extension agents at territory, sector and local level organizations (NGOs, private sector, specialized national agencies). Provincial authorities will be responsible for the delivery of the advisory services and will be provided with technical assistance to support them in managing the system. The entire system is expected to deliver agricultural advisory and technology transfer to producer organizations via lead farmers or private sector actors engaged in specific commercial value chains. Parallel to the development of the public agricultural advisory and extension system the project will put in place a competitive fund destined to assisting private sector actors who submit quality business plans. These agribusiness firms will be engaged to render tailored agricultural advisory services to commercial actors actively engaged in targeted commercial value chains.

17. The proposed system is multi-faceted as it: (i) reinforces the public agricultural advisory and technology transfer system (delivered through IPAPPEL/IPDR staff and managed by SNV); (ii) seeks partnerships with other service providers of private advisory services (NGOs, specific programs, universities, private firms, etc.); and (iii) goes beyond the simple transfer of technologies towards facilitation services. This requires going beyond technical training to empower and equip producer organizations to be better organized to manage, store, process, save and market. The system should also be managed in collaboration with other actors like INERA, Office National du Café (ONC) and SENASEM, the producer groups, private sector in-light of their importance in the generation, transfer and utilization of developed along the entire value chain.

18. The figure below presents the proposed agricultural advisory and technology transfer system as a solution that responds to the needs of producers, private sector actors and agricultural SMEs. Based on public institutions whose capacities will be reinforced, this system is deemed to be sustainable in the longer run:



-The oval above lists the public services (INERA, SENASEM, ONC, SNV and IPDR) that are involved in the proposed agricultural advisory system. These institutions will benefit from capacity building support from the AF.

-The oval below indicates the areas of agricultural advisory system that can be subcontracted to NGOs or other specialized programs. The Government would sign a contract with a specific NGO which in turn will be in charge of subcontracting these different roles.

-IPAPPEL: Inspection Provinciale de l'Agriculture, Pêche et Elevage (Provincial Agricultural Inspection)

-IPDR: Inspection Provinciale Développement Rural (Provincial Rural Development Inspection)

- SENASA: Service National de Semences (National Seed Certification Service)
- INERA: Institut National d'Etudes et de Recherches Agricoles (National Agricultural Research Institute)
- SNV: Service National de Vulgarisation (National Extension Service)
- UPEP: Unité Provinciale d'Exécution du Projet (Provincial Project Implementation Unit)
- DVDA: Direction des Voies de Desserte Agricole (Department of rural roads)
- ITAPEL: Inspection Territoriale de l'Agriculture, Pêche et Elevage (Territorial Agricultural Inspection)
- ONC: Office National de Café

19. **Strengthening the seeds value chain.** Since 2011, the parent project has attempted to rebuild the seed production capacity, through contracting private seed multiplication enterprises across the three provinces of Sud Ubangi, North Ubangi and Mongala. With support from the parent project, the seed inspection and certification process was done by provincial seed inspectors of the SENASEM who are now operating in Gemena, Lisala and Gbadolite. The seed inspection and certification process is currently limited to the foundation seeds produced by INERA and the first generation seed produced by the seed multiplication enterprises (R1). The parent project has been providing subsidies to enable INERA, SENASEM and private seed enterprises to produce seeds. To ensure the sustainability of the seeds value chain the different actors in the chain need to continue to play their role: (i) INERA should be able to supply high quality germ plasm adapted to the needs of the region; (ii) SENASEM should be able to carry out field inspection visits and certify the seeds produced; (iii) the seed enterprises should specialize in the type of seeds they produce and become professionals in the field by purchasing specialized equipment, package and actively market their seeds; and (iv) the agricultural advisory and extension services system needs to improve its performance in terms of creating demand and increasing adoption of new technology, climate smart farm practices such as soil and water management techniques and by using a combination of Information and Communications Technology (ICT) based e-extension tools and radio to complement community based demonstration plots. The AF will continue to support the capacity development and strengthening of farmer organizations into the establishment of registered cooperatives. The AF will also continue to support INERA by strengthening the Boketa research station in Sud-Ubangi province and developing the Bongabo station for seedlings for perennial crops and the capacity of ONC to produce young coffee and cocoa seedlings (nurseries), and SENASEM in order to ensure continuity in the control and certification production of base seeds (geo-plasm), and the professionalization of the seed value chain.

20. The development of the seed value chain will require both supply and demand side interventions. Seed multiplication enterprises need to specialize in their field. The AF will support the most competent enterprises to improve the: (i) diversity of their seeds offer (cash crops and vegetables); (ii) quality of the seeds produced; (iii) seed production volumes; and (iv) production systems. The seed enterprises will receive specific technical assistance, equipment, training and business plan development support to enable them to become professionals in this field. Nurseries providing perennial crops and improved seeds for agroforestry and fruit trees will receive additional support to promote agroforestry schemes and reduce the use of slash and burn.

21. The village savings and credit initiatives started by the parent project known as the “*caisses villageoises autogérées*” or community managed village cash boxes which enabled communities to purchase seeds and other inputs will be strengthened. The community managed village cash boxes promote a savings culture, improve community access to financial services and are a fundamental first step in promoting commercial agriculture. The AF will create linkages between the networks of savings with financial and telecommunications partners so farmers can access mobile banking with telecommunication providers (Airtel, Vodacom, Orange) and financial services from commercial banks (Procredit and Afriland Bank) which can reinforce the seed and input markets in general. All

these service providers expressed their interest to explore the feasibility of such partnerships in the specific context and environment of the project area.

22. **Relaunch of export crops.** Another innovation of the AF is to support the rehabilitation of cash crop farming in addition to building on the positive results achieved in producing staple crops. The rehabilitation of the cash crop farming will follow different business models based on different market opportunities: (i) facilitating access to seeds and quality seedlings to small holder farmers and MSEs currently engaged in coffee/cocoa production; (ii) relaunching abandoned farmers in the event private investors stand ready to invest in them; (iii) supporting the Government's strategy to promote agribusiness and agro industries by identifying appropriate sites in Nord Ubangi and financing feasibility studies.

23. It was with this perspective that the Sud-Ubangi provincial authorities shared their vision (Coffee for All) as part of their coffee development strategy for the province. This vision has been well received by both MSEs and small scale coffee producers who see concrete opportunities in the coffee sector.

24. The coffee value chain has completely collapsed and is fragmented with no access to productive infrastructure (coffee washing stations, drying equipment, processing units and storage centers). The AF will finance preparation of a coffee development strategy for the provinces to support the private investors already actively investing in the rehabilitation of their coffee plantations. These initial activities include the establishment of nurseries for coffee seedlings, provision of specialized technical advisory services and the relaunching of National Coffee Board services (*Office National de Café*, [ONC]) in the provinces. The AF will examine the practical modalities of supporting the re-emergence of the coffee value chain at provincial level and the implementation of the provincial coffee development strategy with a specific emphasis on improving the governance of the value chain (licenses and taxes issues by the ONC). A value chain analysis for coffee and cocoa in the project zones was conducted and a draft report submitted in December 2016. The findings will assist in: (i) identifying high production zones; (ii) mapping the beneficiaries who are willing to invest in rehabilitating their crops; and (iii) evaluating the capacity development needs of the actions along the chain.

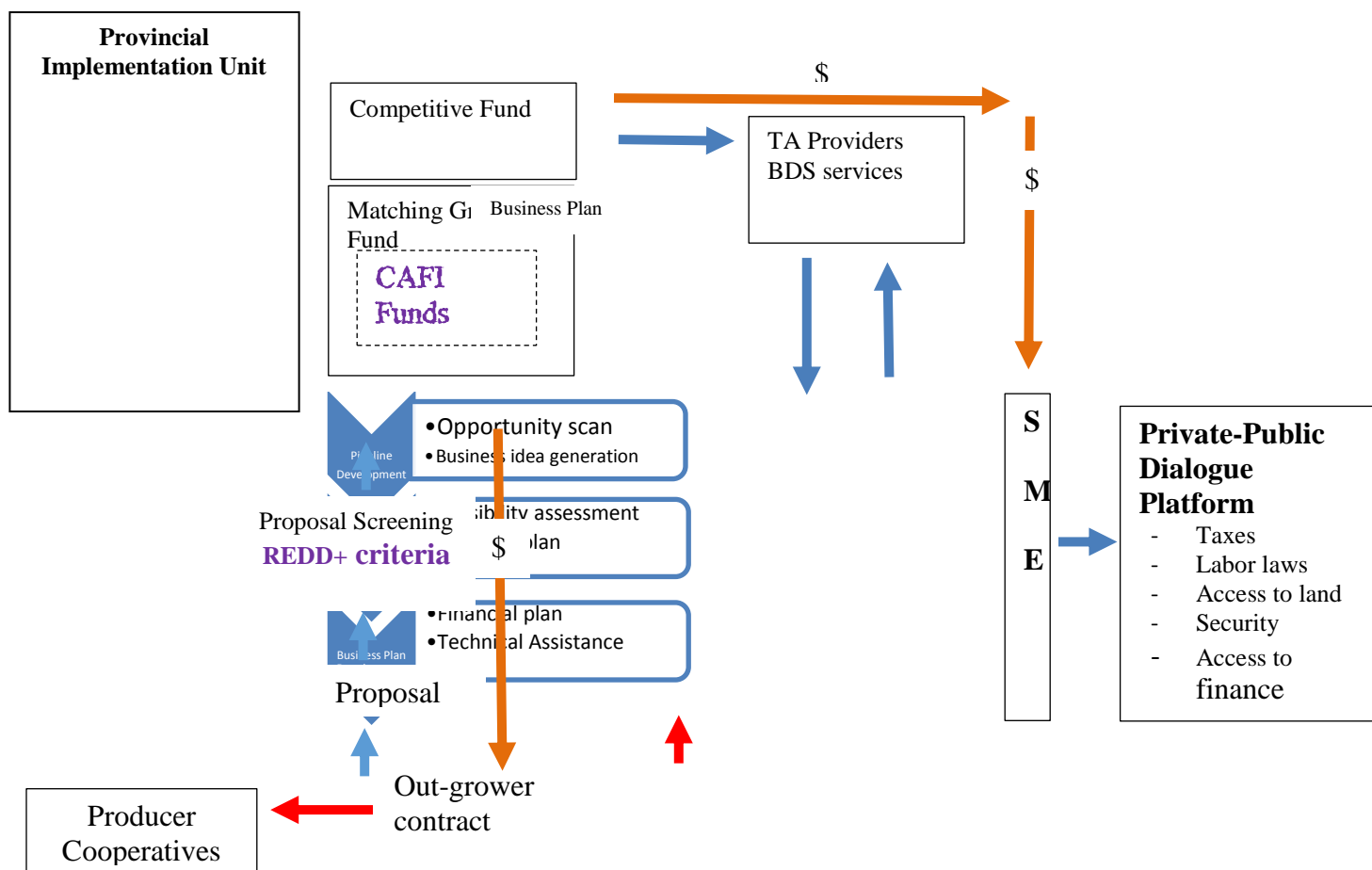
25. A similar approach for the rehabilitation of cocoa production is under consideration for Nord-Ubangi. The provincial authorities with support of the National Government are exploring a partnership with the Centre de Développement Agro-industriel (CDAI) in Gbadolite which has three different potential sites with different comparative advantages. The AF will support the Government's strategy by financing feasibility studies once ownership of the land, potential environmental and social impact considerations and other legal requirements for public-private partnership are clear. In respect of these conditions, technical support could be envisaged under the AF according to the decision tree developed under the Regional Great Lakes Integrated Agriculture Development Project (see annex 5).

SME Engagement and Public Private Dialogue (PPD) strategy

26. The AF will reach out to existing private sector agricultural SMEs operating under difficult conditions in the region. The AF will enable better access to: (i) agricultural advisory services; (ii) financial services; (iii) farm services; (iv) logistic services to rebuild supply chains between smallholder farmers and agribusiness firms in the area; and (v) dialogue platform for improving the

business climate. In order to achieve this, the AF has put in place a number of instruments: (i) a competitive fund that will facilitate agribusiness SME access to technical assistance (BDS⁸, etc.) and finances to establish out-grower schemes with cooperatives; (ii) a Public-Private Dialogue (PPD) strategy; and (iii) matching grants. The technical assistance will include market studies, value chain studies on perennial crops, BDS needs assessment and feasibility studies to support business plan development for the agribusiness SMEs. The project will strengthen the “Coffee for All strategy” dialogue platform where the Federation des Entreprises Congo (FEC), ONC and the provincial authorities are represented as its Private-Public Dialogue strategy. The PPD strategy will identify eco-system services needed to improve the business climate for agribusiness SMEs active in the province. Finally matching grants will be used to support producer cooperatives to forge linkages with the agribusiness SMEs. CAFI funding will be used to promote REDD+ compliance of micro-projects. The Figure below captures the agribusiness SME engagement process.

Figure 2: The Agribusiness SME Engagement Process



Sub-component 1.2 Improve animal production capacity for small ruminant and poultry (US\$10 million)

⁸ Business development services

27. The introduction of improved animal breeds of small stock (poultry and goats) under the parent project has been deemed a success, despite the losses that were incurred initially when the improved cocks and bucks imported from Uganda experienced difficulties in acclimating to the humid tropic equatorial forest environment. To successfully replicate this system under the AF and ensure sustainability of the outcomes, the focus will be on: (i) change transition/reception center of Boyambi into a hybrid livestock breeding reproduction center; (ii) improved access to veterinary drugs; (ii) access to high quality and affordable agro-veterinary services; (ii) inclusion of improved breeds of other types of small stock such as pigs; (iii) replication and adoption of the small stock domestic husbandry model recently introduced in the project zone; and (iv) an expanded demand-driven matching grant facility to support sub-projects.

Sub-component 1.3 Improve rice and vegetable production in Pool Malebo/Kinshasa (US\$2.5 million)

28. The interventions planned by the parent project in the Malebo/Pool/Kinshasa, could not be implemented because of various constraints (considerable reduction of the usable area of 6 000 ha to less than 500 ha, insecurity of land tenure of operators holding titles to the site, illegal occupation on part of the land due to urban expansion). The client opted to rehabilitate the Mikonga 1 road instead which resulted in improved market access for about a thousand farmers engaged in market gardening and rice cultivation facilitating the marketing of their product. Based on the findings of an irrigation development feasibility study for the Valley of the Linkana prepared under the parent project, the sub-component will now fund the rehabilitation of an irrigation system and drainage services. It is expected to increase production of rice, vegetables and horticulture.

Component 2. Improve market related infrastructure (US\$30 million)

29. This component aims to continue the rehabilitation of feeder roads and rehabilitation/construction of key local markets across the three provinces. The high cost of electricity and limited connectivity to markets make it impossible for goods processed in rural areas to be competitive in urban markets. Transport barriers, and other trade restrictions make agricultural imports such as seed, fertilizer, and pesticides unaffordable for smallholder farmers. A lack of storage facilities for perishable agricultural produce at farm gate in production basins and road checkpoints hinders access to output markets. The AF will focus on building capacity at local and provincial levels to ensure the continual maintenance of all the infrastructure investments.

Subcomponent 2.1: Improve the rural road network (US\$25 million). This sub-component will focus on: (i) ensuring that the rural roads maintenance strategy which was developed under the parent project is implemented. The main purpose of the strategy is to ensure that funding and technical strategy for maintenance of rural roads are identified and that adequate management and maintenance of rehabilitated feeder roads network are assured to ensure sustainability of the network. Thus, the AF will finance the maintenance of 2300 kilometers of rural roads previously rehabilitated (under the parent project) and will put in place a comprehensive mechanism for the planning and management of the feeder roads maintenance program. In addition, technical support will be provided to provincial authorities for the creation of a provincial unit, *Commission Provinciale Routière* (CPR), which will have a technical secretariat to ensure maintenance of the feeder road network. A co-financing protocol for road rehabilitation will be developed with the *Fond National d'Entretien Routier* (FONER) with the involvement of *Comité local d'Entretien Routier*

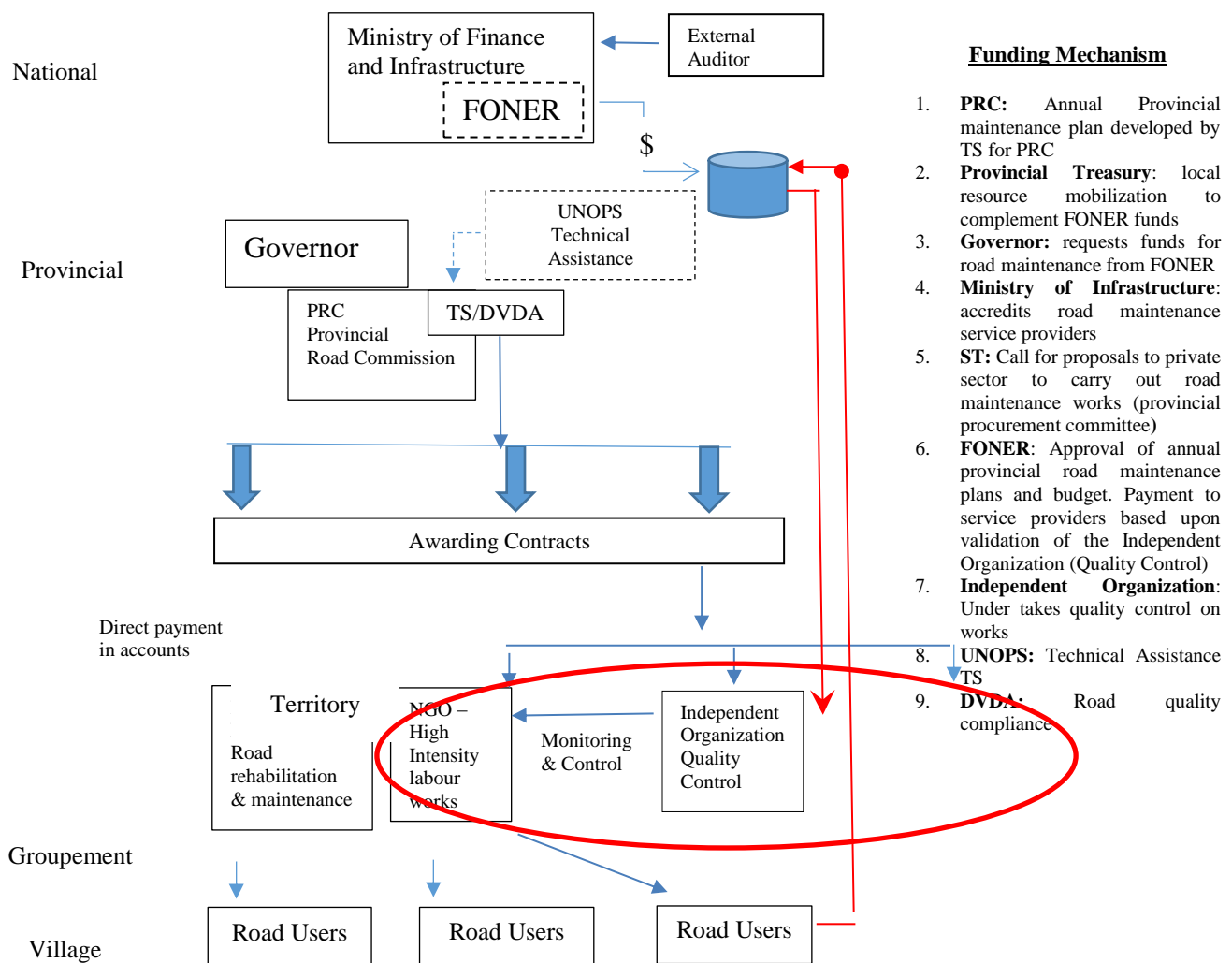
(CLER). Specifically the sub-component will fund: (i) capacity building and equipment for recruited staff; (ii) rehabilitation of 231 kilometers of feeder roads for which rehabilitation was interrupted during the implementation of the parent project due to lack of financial resources, and; (iii) rehabilitation of an additional 300 kilometers of new feeder roads in the two new AF territories of Libenge and Bongandanga.

30. The mechanism envisaged for the planning and management of feeder road maintenance seeks to ensure the availability of road maintenance services, institutional management and financial capacity to ensure continual maintenance in a sustainable way across the provinces. This is in line with the decentralization law that places the provincial authorities under the leadership of the Governor responsible for management and maintenance of the rural road network.

31. The system comprises the following institutions as illustrated in the figure below: (i) FONER which will provide road maintenance funds; (ii) CPR steered by a Technical Secretariat (TS); (iii) *Direction des Voies de Desserte Agricole* (DVDA) which will support the TS to undertake road inspection and quality assurance; (iv) road construction and maintenance service providers (private enterprises, NGOs and CLER); and audit and control organizations.

Figure 3: Road Planning, Maintenance and

financing mechanism



-The oval indicates collected road taxes flow in the provincial road maintenance funds and funds to finance the works done by enterprises and NGOs.

-TS: Technical Secretariat:

-PRC: Provincial Road Commission

-Independent Organization: Road works quality control

-Provincial Treasury: Tax collection and management to compliment FONER funding

-FONER: National Road Maintenance Fund

-Governor: Provincial Governor

-UNOPS: United Nations Operations & Procurement Services

-TS: Road inventory, data collection and management, elaboration of annual road maintenance program, progress monitoring and quality control.

-PRC: Approval of the Annual road maintenance program and budget and submit to Governor

-Independent Organization: Quality control of road works

-Provincial Treasury: Tax collection, reporting and management

-FONER: Approval of annual provincial road maintenance plan and allocation of funds. Fund management and Audit of funds

-Governor: Endorsement of annual provincial road maintenance plan & budget. Requests funding from FONER

-DVDA: Quality control assurance/compliance

Sub-component 2.2: Rehabilitation /construction of marketing infrastructure (US\$5 million)

32. Under this sub-component, the AF will mainly focus on improving the management of markets and storage facilities and developing a mechanism through which they can generate revenues to the communities who own them. Particular attention will be placed on the quality of the marketing and logistic services and their price. A unique support package centered on encouraging youth and women entrepreneurship will be provided to ensure the viability of these services. A new management model for the marketing infrastructure will be piloted across the entire project zone after the model has been adopted in a national workshop. A pricing model and community-private partnership arrangements will be developed to ensure their viability.

Component 3: Strengthening of Capacity building and Project Management (US\$11.79 million)

33. This component encompasses two sub-components: (i) strengthening the capacity of the Ministry of Agriculture and Ministry of Rural Development; and (ii) project management, and monitoring and evaluation.

Subcomponent 3.1 Capacity building for strengthening public services (US\$8.5 million)

34. The sub-component will support government efforts to: (i) re-engineer the national agriculture extension and technology transfer system so it is responsive and inclusive of all actors (non-governmental organizations, private sector and producer organizations, as advisory service providers); (ii) strengthen the planning, coordination, monitoring and evaluation capacity at national and decentralized levels for statistics and georeferenced data system; (iii) strengthen agricultural research and development for efficiency and effectiveness gains in their service delivery⁹; and (iv) introduce landscape management planning at local and provincial levels to support climate adaptation and community resilience. The AF will reinforce the implementation capacity of the national agricultural extension system at provincial level by establishing decentralized coordination

⁹ Indeed, the National Agricultural Extension System (Le Service National de Vulgarisation- SNV) was created in 1988 to harmonize the different structures that had been engaged in agricultural extension and to include them under the Ministry of Agriculture core business. In fact, the SNV ceased to be operational in 1997 when they no longer received Government and Donor funding. The gap created by the absence of a public agricultural extension system invited the participation of churches, community based organizations and NGOs who intervened and began to provide agricultural advisory services to rural communities in very fixed zones or in specific value chains, with limited results.

and management units which will: (i) ensure SNV presence at provincial level to regulate, accredit and monitor service delivery standards; (ii) establish an accreditation system to ensure efficiency and effectiveness in the delivery of quality services; and (iii) oversee the provision of agricultural extension to small holder farmers engaged in traditional agriculture and the provision of agricultural advisory services to private agribusiness enterprises.

35. The AF will support the planning and coordination systems of the Ministry of Agriculture through improved data collection and analysis of capacity of the Unit of the Research and Planning Department. It will also finance a study to identify how to enhance data collection and analysis capacity of the agricultural sector by the Ministry and provide technical assistance to conduct a needs assessment in the areas of agribusiness, agronomy, etc. In addition, it will support the operationalization of a geographical information system (that has been purchased and installed at the unit of the Research and Planning Department by the parent project) both at national and decentralized levels. The AF will target support to the agricultural research system through the strengthening of support for INERA Boketa for the sustainable production of germplasm and the genetic base seed and facilitate the creation of seed accredited certifiers network of agents across the provinces. INERA Boketa will train and accredit a minimum of 8 agents in each province in a bid to reduce costs of seed certification for seed growers. This will in turn reduce the costs of seeds. The AF will also reinforce the road and rural infrastructure maintenance system by creating provincial road commissions across the three provinces. Capacity building will be provided in the areas of (i) procurement; (ii) road and infrastructure quality and compliance certification; (iii) quality control & monitoring; and (iv) annual planning and budgeting for road maintenance. In addition, all actors engaged in rural road and infrastructure construction will be trained to meet minimum construction requirements by UNOPS. Finally, the AF will support the work on the reform of the national agricultural research and link it more closely with the CGIAR institutions by providing technical assistance to complement ongoing work with FAO technical assistance, as desired by the Minister of Scientific Research, who seeks to improve the effectiveness and efficiency of research at national level by encouraging private sector participation in both the definition and financing of the research agenda.

36. The AF aims to build the capacity of the Ministries of Agriculture and Rural Development in three key areas: (i) project, planning, coordination and monitoring capacity; (ii) reengineering its agricultural extension and technology transfer system; and (iii) revising its national agricultural research strategy; (iv) strengthen agricultural research and development relevance, efficiency and effectiveness by establishing a brokering; (v) support feasibility studies for the installation of integrated development centers (IDC); and (vi) introduce landscape management planning at local and provincial levels. Emphasis will be on strengthening the capacity of Ministries at provincial decentralized levels with targeted support.

37. Project planning, management, coordination and monitoring. The PARRSA AF is building on the capacity building achieved under the parent project. The Ministries provincial departments (IPAPEL) planning and management systems will be strengthened by adopting the PARRSA AF provincial implementation units (PPIU) management systems. Coordination tools and systems will be introduced to enable IPAPEL to coordinate actions with the Ministry of Rural Development, INERA, SNV and SENASEM. The CAFI funds would be leveraged to capacitate the CARG's planning, management and coordination capacity by supporting the production of sustainable local development plans. Monitoring capacity will be built in collaboration with the World Food Program (WFP) by the introduction of an M&E system that will monitor: (i) access to hybrid seed; (ii) crop

production and loss; (iii) market prices; (iv) quality and outreach of agriculture extension and technology transfer services. The system will monitor the food gap, volumes commercialized, change in farm practices and technology adoption.

38. The agricultural extension and technology transfer system will be re-engineered through a three pronged reform process: (i) analytical studies; (ii) an accreditation system; and (iii) introduction of ICT tools for efficiency and effectiveness of the system. Analyses will be carried out to understand agricultural extension and technology transfer needs, institutional capacity assessment to identify capacity development needs of SNV and IPAPEL agricultural inspectors and extension agents. An accreditation system will enable participation of the private sector where SNV will certify all agricultural extension and advisory service providers. ICT tools will be introduced to improve the quality, outreach, reduce cost and monitoring of agricultural advisory and extension services.

39. The AF will support the Ministry of Agriculture to revise and update its national agricultural research strategy in collaboration with FAO. The objective is to produce an updated agricultural research strategy that the PARRSA AF will support to implement, especially in respect to the emergence of a sustainable hybrid seed market.

40. The transformation of the agricultural sector across the project zone will require the transfer of new technology, entrepreneurial skills and agricultural practices at an unprecedented scale. This will require coordinated actions amongst three key actors in the sector: (i) agricultural research centers; (ii) private sector companies; and (iii) agricultural training institutes and centers. The AF will strengthen agricultural research and development relevance, efficiency and effectiveness by establishing a brokering mechanism built upon a partnership between agriculture institutes at the local level, universities, research centers and the private sector. The mechanism will be based upon a capacity needs assessment of agribusiness and it will broker student internships, technology and tailored advisory services with the aim of bridging the capacity gaps required by the sector across the project zone.

41. The AF will support the initiatives to introduce innovations in the Ministry of Rural Development Program – DRC Village Modernization Support Program (PAMOVI) which aims to accelerate the process of rural development across the country. The Integrated Development Centers “IDC” methodology has been selected as a means of effectively fighting poverty and improving the quality of life in rural areas across the DRC 145 territories in a sustainable way. The establishment of the Integrated Development Centers will be the main pillar of the Village Modernization Support Program and the mechanism for realizing the “Revolution de la Modernité” the vision of the Head of State for rural transformation. The introduction of IDCs will be implemented in phases starting with feasibility studies and site selection. This study should clearly define site selection criteria, necessary pre-conditions, packages of services and operational model that will create farm and off farm jobs, stimulate rural livelihoods and promote integrated sustainable development in the rural areas of the Democratic Republic of the Congo. The AF will support the realization of three feasibility studies for the centers in the project zone.

42. In addition, the AF will promote landscape management approaches and land use management to prevent encroachment on primary forests and integrate REDD+ in local development plans. This will include support to local Land Use Coordination Committees (Comités Locaux de Développement – CLD), the development of Simplified Management Plans (or local development

plans), and large scale land use planning tools (such as the Sustainable Development Plans at Provincial and Sector levels). The various land use management plans will be based on a participatory methodology that will enable: (i) the appropriation of governance rules enacted by the community; and (ii) general zoning in order to identify points of particular interest and areas under pressure. In addition, existing local agricultural multi-stakeholder platforms, CARG (*Conseil Agricole Rural de Gestion*), created under the parent project, will be leveraged to support this in each province. In territories where the CARG has not been established, this will be done to ensure broader participation of all stakeholder groups in addressing the climate agenda.

43. These plans will be used mostly for decision-making purposes, helping the communities to plan their development and ensure the investment requests financed by PARRSA are aligned with their collective agreement on land use and would result in preventing deforestation. This exercise would have an influence on future investments. The plans would guide the preparation of investments but would not have any impact on the existing land use.

44. In addition, the Project will contribute to the cost of a review by the Ministry of Agriculture to ensure that representatives of the national and provincial governments attend planning sessions.

Subcomponent 3.2 Project Management, Monitoring, Evaluation and Communication (US\$3.29 million)

45. The objective of this subcomponent is to finance: (i) the operating costs of the PIU and of the different project executing agencies; (ii) the monitoring and evaluation of project activities; (iii) the communication of project activities to different audiences; and (iv) the hiring of staff (in addition to the existing staff), goods, consultant services, workshops, and training. Under this subcomponent, the project will ensure proper monitoring of environmental and social safeguards policies. The subcomponent will also finance the update of the baseline study and conduct a final impact assessment of project activities. It will also support capacity strengthening of the national and provincial administrations on REDD+ (all relevant government staff, including technical staff working in agriculture, environment, justice, internal affairs, and health). Finally, it will fund an independent assessment of the Project's REDD+ impact.

Implementation Arrangements

46. The AF implementation arrangements are based on the existing arrangements of the parent project. There are no significant changes. The only minor change in institutional arrangements – the establishment of 3 PPIUs at the provincial level - is intended to address the current decentralization process with the creation of the three new provinces.

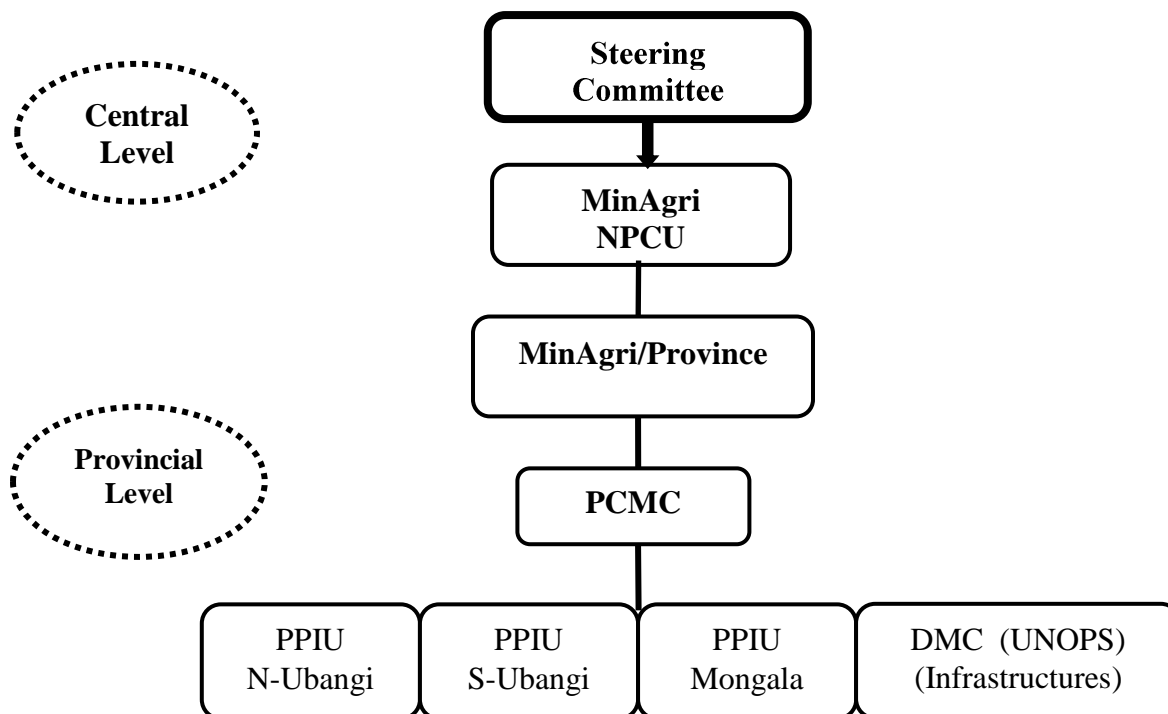
47. At central level, the Steering Committee and the National Project Coordination Unit (NPCU) will be maintained with same mandates as with the parent project. The Steering Committee will be co-chaired by the Permanent Secretaries of the Ministry of Agriculture and the Ministry of Rural Development and will oversee project implementation and approval of annual work programs and budget, and conduct period supervisions. The NPCU will remain under the Permanent Secretary of the Ministry of Agriculture and will be in charge of the day-today management of the project. It will report to the Ministry of Agriculture and IDA.

48. At decentralized level, the existing Decentralized Project Coordination Units (DPCU) that were established at the former District level will be replaced by a Provincial Project Implementation Unit (PPIU) in each of the three provinces. These PPIUs will have the same mandates as the DPCUs. Each province will now benefit from a Provincial Coordination and Monitoring Committee (PCMC) chaired by the provincial Ministry in charge of Agriculture with the major responsibility to monitor project progress within the province.

49. Implementing partners. For the infrastructure component a dedicated management contract (DMC) will be signed with UNOPS to conduct activities in each province. For component 1, dedicated implementing partners, such as NGOs, will be selected to provide support to the implementation of sub-projects (financed on a cost-sharing basis through the matching grants mechanisms) such as pluralistic and sustainable agricultural advisory and extension services as reflected in figure 1.

The overall project implementation arrangements are detailed in the chart below:

Figure 4: Institutional Arrangements chart



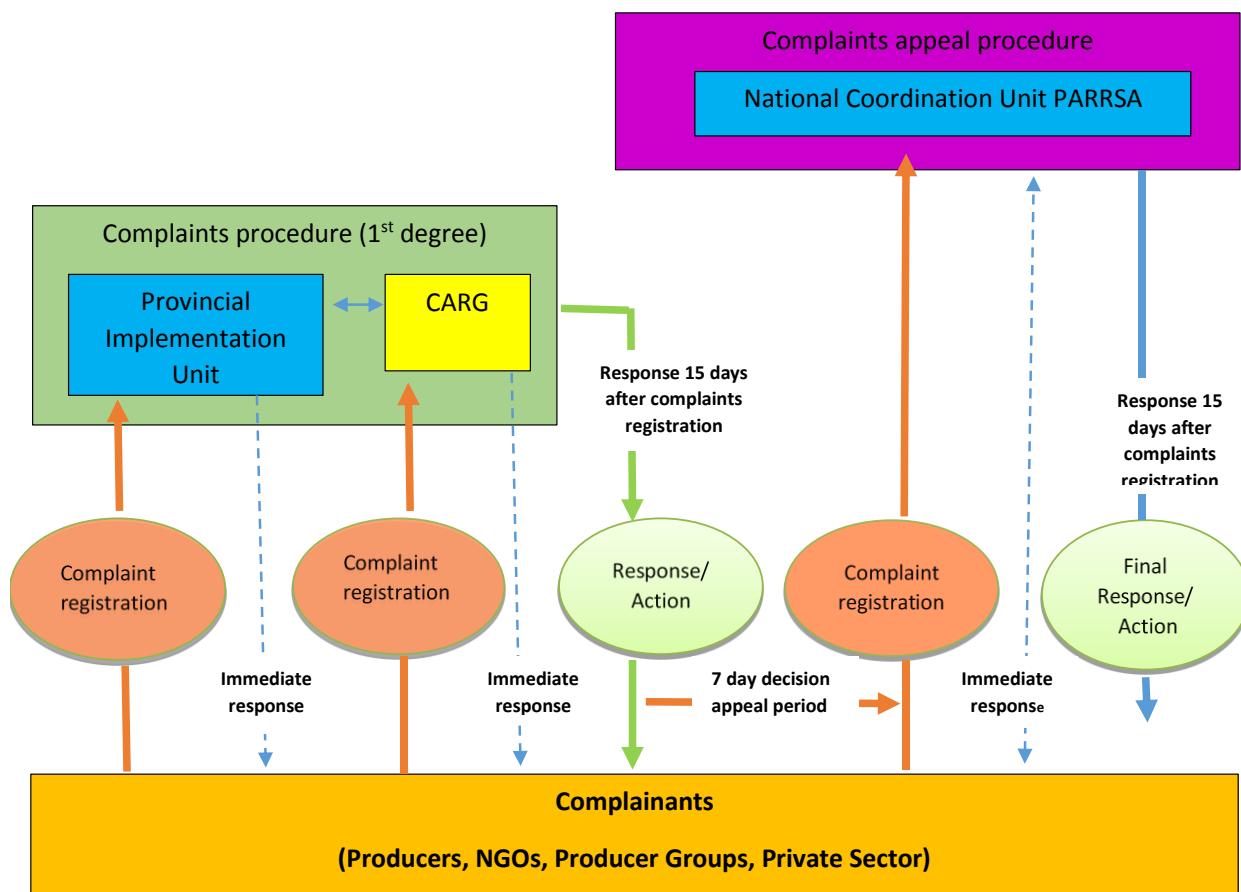
Citizens' engagement, safeguards monitoring and complaints procedure

50. The AF builds on the parent project's complaints monitoring mechanism to ensure that it remains an instrument for the projects citizens' engagement process that integrates consultations with key stakeholders all along the different phases of project implementation phases, from preparation to project end. Results will be shared with local communities, women groups, civil society, local and international NGOs, national and provincial authorities, national and international research institutes, bilateral donors and UN organizations. The parent project had contributed towards the installation and capacity building of CARG who are mandated to represent rural

communities at territory level allowing them to participate in shaping their local development agenda. This resulted in strong community ownership of the PARRSA project at local levels.

51. As the project benefits from additional support from FONAREDD to reinforce the CARG in their role in local development planning, coordination and monitoring, it will facilitate the use of CARG as part of the response to the complaints in tandem with the ICT solution.

Figure 5. Complaints Procedures



Annex 3: Safeguards Action Plan

1. The Project proposes to implement the following measures under the Additional Financing to ensure compliance with the World Bank's Safeguard Policies.

2. **Measures to ensure timely payment of compensation to PAPs.** The AF adopts the following measures:

- a. Require 70 to 90 percent of estimated resettlement compensations be placed in the escrow account well in advance of civil works commencement.
- b. 100 percent compensation to PAPs will be paid prior to commencement of any civil works. This will be a disbursement condition for the subcomponent activity.

3. **Measures for full IPP implementation to be supported by the AF**

- a. Renewal of contract with SNV NGO by March 2017
- b. Regular assessment of the work carried out under the IPP, every three months by PIU.
- c. Supporting security of tenure for the IPs, including support for proper documentation of land donated to IP communities, e.g. documentation of minutes of agreements reached between the village chiefs and the community and conveyed to the provincial government.
- d. Focusing attention to the completion of the implementation of the IPP actions, which are rated less than 70 percent of completion; e.g. (Capacity building, technical assistance in constructing houses and sanitary, health and education grants etc.), as stated in the IPP completion report from the parent project.

4. **Additional Actions**

- a. The PIU will include a budget line item for the Environment and Social screening, monitoring and evaluation costs and project funds would be earmarked for these activities. This will ensure resources are available for use by the safeguard specialists.
- b. There will be one social and one environment safeguards specialist based in one of the Provinces (Gemena) who will coordinate safeguards activities in all three Provinces. In addition, one regional / international safeguards staff will be hired the first year of implementation to train the specialists in Kinshasa and in Gemena.
- c. Safeguards specialists will prepare monthly reports on safeguards performance and transmit to the PIU. These reports will be compiled and issued on a semester basis and disseminated to all stakeholders including the World Bank.
- d. Use of new ICT technologies and communities on the ground to monitor and report on safeguards implementation.

Annex 4: Economic and Financial Analysis

1. The proposed AF will provide direct socio-economic benefits to more than 155,000 agricultural households, and other actors involved in the agriculture sector, thereby contributing to DRC' national socio-economic welfare. The project's development benefits correspond to the three project components: (i) higher agricultural and animal production; (ii) improved agricultural marketing infrastructure; and (iii) stronger capacity within the Ministry of Agriculture and the Ministry of Rural Development to provide services. We estimate costs, benefits, and rates of return for the first two components using a representative set of crops and investments, recognizing that producer organizations will take the lead in deciding which crops and processing technologies they would like to invest in with the help of matching grants and technical support from the Additional Financing.

2. The first benefit, increased production, is expected to stem from investments such as seed multiplication, extension, and rural credit infrastructure. In the economic model, these benefits are represented as higher yields. In line with experience from the parent project and consistent with the objectives in the project Results Framework, we estimate yield increases for targeted crops as follows:

Table 1 Estimated crop yields with and without Additional Finance interventions

Crop	Baseline yields without project intervention(tons/ha)	Yield changes achieved with parent project (tons / ha)	Yield with project intervention (tons / ha)
Maize	0.8	1.6	2
Cassava	7	19	25
Coffee (green)	0.0	0.2	0.45

3. An illustrative US\$8 million investment to improve yields for 100,000 maize farmers with a 20-year project lifespan results in a private net present value (NPV) of US\$188 per household. The internal rate of return (IRR) for this investment is 32 percent. It should be noted that under the PARRSA project, some farmers as much as quadrupled their area under production, an outcome that we do not model but that would make the attributable production increases even greater. In addition to crop yields, the project will increase production of small ruminants through a vaccination campaign to reduce mortality rates. The project is expected to reduce the mortality rate for chicken from 80 percent to 5 percent.

4. The second set of benefits will take the form of higher farm-gate prices and value addition that result from improved agricultural marketing and infrastructure. Costs associated with this component will include road improvements, small ports, and processing equipment. Under the parent project, improved roads reduced the transport costs for agricultural and other goods by around 30 percent, depending on the mode of transport¹⁰. Under imperfect competition, these gains could be captured by traders, in which case the benefits are less widely distributed and would have lower marginal social impact. However, PARRSA found that bicycle and motor vehicle traffic frequently doubled on road segments that had been improved, which should increase competitive behavior. We

¹⁰Kamadilu & Kazd, April 2015. Rapports d'étude d'impacts socioéconomiques du PARRSA/UNOPS dans les districts du Sud-Ubangi et Mongala.

model transport and marketing investments as increases in the producer prices for agricultural commodities supported under the AF. In fact, transport investments are a public good benefitting all farmers and producers of any traded good, not only farmers who are receiving other forms of support from the project. The model therefore represents a lower bound on the value of these transport investments.

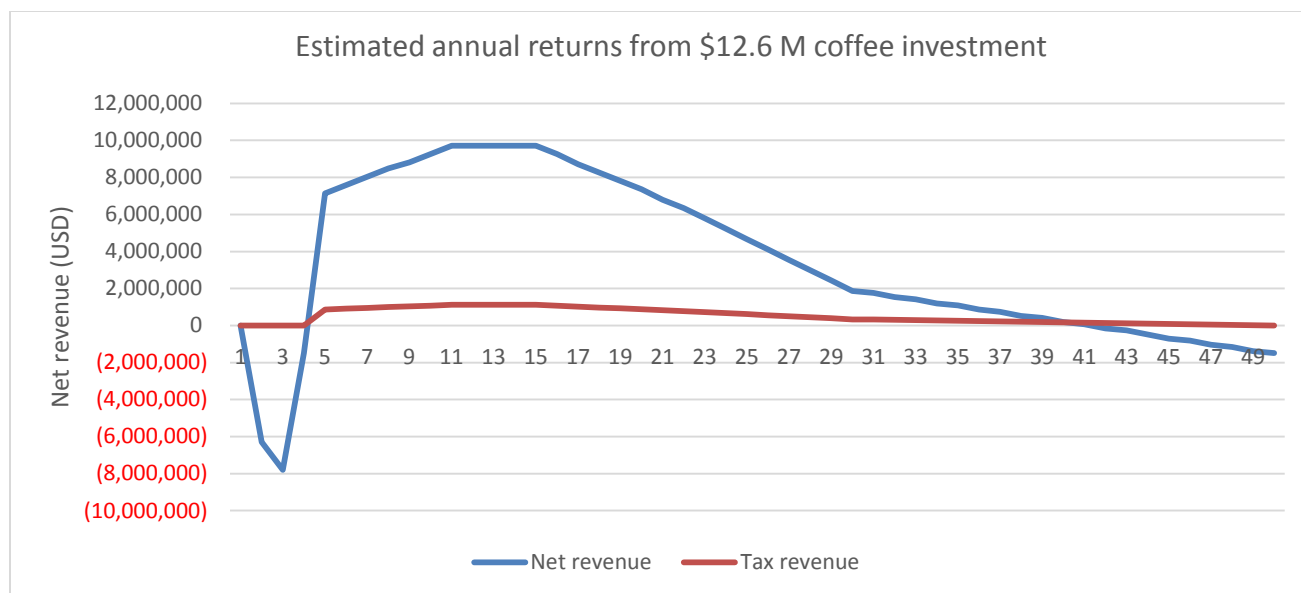
5. Results of several economic models estimating the combined benefit streams from components 1 and 2 for different commodities show rates of return in the range of 18 to 39 percent. Road investments worth US\$13 million to improve road infrastructure for 100,000 maize farmers supported under the project, on top of the investments to improve yields, would generate an economic rate of return equal to 32 percent. In the case of poultry production, lower mortality rates from vaccination coupled with 20 percent higher selling prices due to improved marketing infrastructure would yield an IRR of 18 percent over three years and a NPV per household of US\$3.28. To estimate the returns from investing in processing infrastructure, we model cassava processing to produce flour. We assume a 10-year equipment lifetime and a 60 percent price increase for processed cassava¹¹. The returns from cassava processing are high, but adoption is assumed to be relatively low due to higher skill requirements and input needs (water, energy). The overall returns are sensitive to processing costs, including labor availability. A summary of these three representative models for components 1 and 2 is provided in the table below.

Table 2. Commodity-specific model results demonstrating the combined returns from investments in yield improvements, value addition, and marketing infrastructure.

Investment Model	Description	Lifespan of investment	IRR
Maize	Yield increases and higher prices from improved marketing infrastructure	20 years	32%
Cassava	Yield increases and processing infrastructure	10 years	39%
Poultry	Reduced mortality from vaccination and lower transport costs	3 years	18%
Coffee	Rehabilitation of un-producing plantations	20 years (+)	38%

6. In the case of coffee, rehabilitating un-productive plantations would generate an economic rate of return of approximately 38 percent. We estimate that an investment of US\$12.6 million would generate revenues worth US\$64 million in net present value, US\$6 million of which would accrue to the state in taxes. Figure 1 shows estimated annual returns over 50 years, the maximum lifespan of a new tree. Coffee yields peak between 10-15 years of age and then start to decline, such that by the time the trees are 40 years old it is no longer profitable to invest the labor and other inputs to maintain them. Tax revenues rise with yields and production, then decline to zero when farmers abandon the trees.

¹¹ SNV 2011, “La Chaîne de Valeur du Manioc en RDC.”



7. The project's estimated economic returns are vulnerable to exchange rate fluctuations and delays in the project implementation. Foreign exchange reserves in DRC are declining, and the Congolese franc has depreciated by 30 percent in the first half of November 2016, as a result. This exchange rate instability could affect the value of future returns relative to the upfront cost of investment. In addition, we find that a 2-year implementation delay would reduce the project IRR from 32 to 21 percent for the Maize model and from 38 to 24 percent for the Cassava model.

8. The third set of benefits, related to stronger government capacity, is the most difficult to quantify. The project will invest US\$10 million in information management and basic research to improve the overall efficacy of public agricultural investments. The third component is expected to generate important externalities which have not been quantified, for example the benefits to be gained from implementing the Ministry of Agriculture's restructuring program.

9. Public sector financing is justified given the importance of agricultural production to the country's overall growth and employment, foreign exchange revenues, and poverty reduction. A share of the additional household farm revenues will be used to ameliorate the food security status of these households, and the other share will generate monetary revenues for them to meet their minimal recurrent cash needs and investment requirements. To date, farmers and other actors in agricultural value chains have insufficient access to finance to increase their production. High transport and transactions costs, combined with limited information, have all but prevented private investment in agriculture. The MinAgri restructuring and other government capacity building efforts will increase access to research, extension, and services for the benefit of producers and, ultimately, food consumers.

10. The World Bank's value added is high given the extensive knowledge and expertise generated under PARRSA's activities to date. As an additional financing, the investment builds on previous implementation experience, local World Bank staff expertise, ongoing government dialogue, and global best practices.

Annex 5: Procurement

1. *Applicable guidelines.* Procurement for the proposed project would be carried out in accordance with the World Bank guidelines including: (i) Procurement of Goods, Works and Non-Consulting Services under IBRD Loans and IDA Credits dated January 2011 and revised July 2014; (ii) Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers dated January 2011 and revised July 2014; (iii) Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants (October 15, 2006 and revised in January 2011); and (iv) the provisions stipulated in the Financing Agreement. The various items under different expenditure categories are described in general below. For each contract to be financed by the Additional Credit (IDA) and Grant (CAFI), the different procurement methods or consultant selection methods, the need for pre-qualification, estimated costs, prior review requirements and time frame are agreed between the Recipient and the Bank in the Procurement Plan. The procurement plan would be updated at least annually or as required to reflect the actual project implementation needs and improvements in institutional capacity.

2. *Reference to the National Procurement Regulatory Framework.* For all contracts awarded through National Competitive Bidding (NCB) method, the 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 NCB procedures currently in force in the DRC deviate slightly from the World Bank Procurement Guidelines 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 assure economy, efficiency, transparency, and broad consistency with the provisions included in Section I and paragraphs 3.3 and 3.4 of the Bank Procurement Guidelines (refer to the paragraph below).

3. *Requirements for National Competitive Bidding.* The procedures to be followed for National Competitive Bidding shall be those set forth in the Recipient's Procurement Code of April 27, 2010, as revised from time to time in a manner deemed acceptable to the Association, subject, however, to the modifications described in the following paragraphs required for compliance with the Procurement Guidelines:

- 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 should 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) *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*) website;
- 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;
- 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 (15) percent or more must be done through an amendment to the signed contract instead of signing a new contract.

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 and revised July 2014; and

"Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated January 2011 and revised July 2014. For this purpose, the National Coordination Unit of Agriculture Rehabilitation and Recovery Support Project will prepare and submit to the 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\$200,000.00 and above will be published in "Dg Market", on the Bank's external website, and in the national press, 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. *Civil works*: Civil works procured under this project will include mainly: Establishment of processing centers for food products processing; Rehabilitation of village plantations; Strengthening producers organization capacity in infrastructure and storage; Rehabilitation and maintenance of rural roads networks to facilitate access and transport of agriculture inputs and products; Supply of electricity and water to common service platforms; physical infrastructures (fencing, earthworks road construction, river protection, construction of administrative building) under Component 2 and rehabilitation of infrastructures to facilitate trade. Depending on the size of the contracts, procurement will be done either under ICB using Bank procurement rules that include the related SBD or under NCB using National Standard Bidding Documents agreed with or satisfactory to the Bank. Small value works may be procured under shopping procedures. Direct contracting may be used where necessary if agreed in the procurement plan in accordance with the provisions of paragraph 3.7 to 3.8 of the Procurement Guidelines. The prequalification processes for all contracts for works to be procured using ICB are subject to prior review by the Bank.

6. *Procurement of goods, works and non-consultancy services*. Goods procured under this project will include mainly: Acquisition technology equipment (Computer, scanner, server, printer, and copier) vehicles; and Quality control equipment of agricultural products. Depending on the size of the contracts, procurement will be done either under ICB using Bank procurement rules that include the related SBD or under NCB using National Standard Bidding Documents agreed with or satisfactory to the Bank. Small value goods may be procured under shopping procedures. Direct contracting may be used where necessary if agreed in the procurement plan in accordance with the provisions of paragraph 3.7 to 3.8 of the Procurement Guidelines.

7. Procurements of goods as vehicles, motorcycles could use the agency of the United Nations¹² (UNOPS) in accordance with the provisions of paragraphs 3.10 of the Procurement Guidelines.

8. *CDD approach for implementation of activities financed under matching grants*: Goods, works and services to be procured under the matching grant mechanism will be carried out in accordance to the procedures laid out in the project implementation manual that is found acceptable by the Bank before effectiveness.

9. *Selection and employment of Consultants*. Consultancy services required for the project would cover advisory services, consultancies and technical assistance and studies. The selection

¹² An agency of the United Nations refers to the United Nations departments, specialized agencies and their regional offices (e.g., the PanAmerican Health Organization - PAHO), funds and programmes. The Borrower shall submit to the Bank for its no objection a full justification and the draft form of agreement with the UN agency.

method for consultant services will be Quality and Cost Based Selection (QCBS) method 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 under a Fixed Budget (FB); and Least-Cost Selection (LCS).

- 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 will not be excluded from consideration.
- Single Source Selection (SSS) may be employed with prior approval of the Bank and will be in accordance with paragraphs 3.8 to 3.11 of the Consultant Guidelines.
- All services of Individual Consultants (IC) will be procured under contracts in accordance with the provisions of paragraphs 5.1 to 5.6 of the Guidelines.

10. *Operating Costs* shall consist of operations and maintenance costs for vehicles, office supplies, communication charges, equipment, utility charges, travel expenses, per diem and travels costs, training costs, workshops and seminar and associated costs, among others. Operating costs will not include salaries of civil servants.

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

Implementation arrangements for procurement and capacity assessment

12. *Guiding principles of the implementation of the procurement.* The Project Coordination Unit (PCU) existing within the Ministry of Agriculture for the PARRSA project will have fiduciary responsibilities (financial management and procurement) in implementing this project.

13. In fact, PARRSA PCU has performed satisfactorily in the ongoing parent project (P092724). The following major strengths were identified: (i) project manual of procedures as well as project software are in place and functioning well, procurement staff have been trained in the use of these tools, (ii) staff has been trained in the use World Bank procurement procedures. The implementation of the activities to be financed by this AF will include two new territories (Libenge and Bongandanga). It is planned that these new territories will be respectively managed by the existing project implementing units based in the provinces Sud Ubangi and Mongala. According to the workload generated by these new territories a procurement expert will be recruited on temporally basis to provide procurement support.

Assessments of the risks and the related mitigation measures

14. The procurement on this project is likely to involve the following risks:

- The administrative system as it operates in practice creates opportunities for informal interference in the procurement process by senior officials – creating opportunities for waste, mismanagement, corruption, collusion and fraud;
- Government officials likely to be involved in project procurement through tender committees and the national control system ensuring that the rules are respected and able to handle complaints from bidders may not be familiar with procurement procedures according to World Bank guidelines and rules;
- Control and regulation mechanism according to the provisions of the Country procurement law and its application procedures could delay the procurement process if mandatory reviews are required.

15. The overall unmitigated risk for procurement is Substantial. Proposed corrective measures which have been agreed to mitigate the risk are summarized in the following table.

Table 5: Action plan corrective measures

Ref.	Tasks	Responsibility	Due date
1	Organize a launch workshop involving all stakeholders, including the civil society.	PARRSA PCU	3 months after effectiveness
2	Provide procurement training to the staff involved in the procurement activities.	World Bank	On regular basis
3	Identify the cause of procurement delays at national level and propose appropriate solutions (global)	PARRSA PCU	By the end of (30 November 2017)
4	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.	PARRSA PCU	Permanently
5	According to the workload a procurement expert will be recruited on temporally basis to support the procurement units based in the provinces Sud Ubangi and Mongala.	PARRSA PCU	As needed

The prevailing risk can be improved to “**moderate**” provided that the corrective measures are implemented.

Frequency of Procurement Supervision

16. In addition to the prior procurement review carried out by the Bank, the procurement specialist recommends at least three missions for the first year and two missions per year for the following years to provide support to the implementation of procurement activities. This support will include not only the organization and functioning of the procurement unit but also the implementation of procurement activities listed in the procurement plan. One post review of procurement activities will be also carried out every year. As agreed with the government, contracts will be published on the web. Annual compliance verification monitoring will also be carried out by an independent consultant and would aim to:

- (a) verify that the procurement and contracting procedures and processes followed for the project were in accordance with the Financing Agreement;
- (b) verify technical compliance, physical completion and price competitiveness of each contract in the selected representative sample;
- (c) review and comment on contract administration and management issues as dealt with by the implementation entity;
- (d) review capacity of the implementation entity in handling procurement efficiently; and
- (e) Identify improvements in the procurement process in the light of any identified deficiencies.

17. *Contract Management and Expenditure Reports.* As part of the Procurement Management Reports (PMR), the PARRSA PCU will submit contract management and expenditure information in quarterly reports to the World Bank for the project. The PMR will consist of information on procurement of goods, works and consultants' services and compliance with agreed procurement methods. The report will compare procurement's performance against the plan agreed at negotiations and as appropriately updated at the end of each quarter. The report will also provide any information on complaints by bidders, unsatisfactory performance by contractors and any information on contractual disputes if any. These contract management reports will 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.

Procurement Plan

18. The borrower should prepare a Procurement Plan for the first 18 months of the project implementation which provides the basis for the procurement methods. This plan will be agreed between the borrower and the Bank during negotiation. It will also be available in the project's database and in Bank's external website. The Procurement Plan will be updated in agreement with the Project Team annually or as required to reflect the actual project implementation needs.

Table 1: Thresholds for Procurement Methods and Prior Review¹³ (See Table of Clearance Thresholds based on risk assessment)

List of main Contract Packages to be Procured Following ICB and Direct Contracting for Goods and No-consultants Services

1	ICB and Direct Contracting for Goods and No-consultants Services	3	4	5	6	7
Ref. No.	Contract (Description)	Estimated cost 000 US \$	Procurement Method	Pre-qualification	Review by Bank (Prior or Post)	Expected Bid-Opening Date
	N/A					

List of main Consulting Assignments with Short-list of International firms

Description of Assignment	Estimated cost 000 US\$	Selection Method	Review by Bank (Prior or Post)	Expected Bid-Opening Date	Comments
MOD Contract for Rural Roads Rehabilitation and commercial infrastructures	24 000	SSS / UNOPS	Prior	N/A	
Recruitment of advisory services subcontractors	8500	SSS / CDI, HPP, SNV	Prior	NA	3 contracts
Consultant for baseline study Update	2000	QCBS	Prior	Nov-17	
Contract with INERA/Boketa for basic seeds production	500	SSS / INERA	Prior	N/A	
Contract with SENASEM for Seeds control et certification	500	SSS/SENASEM	Prior	N/A	
Contract with ONC for coffee culture relaunch	200	SSS/ONC	Prior	N/A	
Consultant services for training of small farmers and small equipment	300	SSS/ITTA	Prior	N/A	
Consultant for the biometric	1 200	QCBS	Prior	Oct-17	

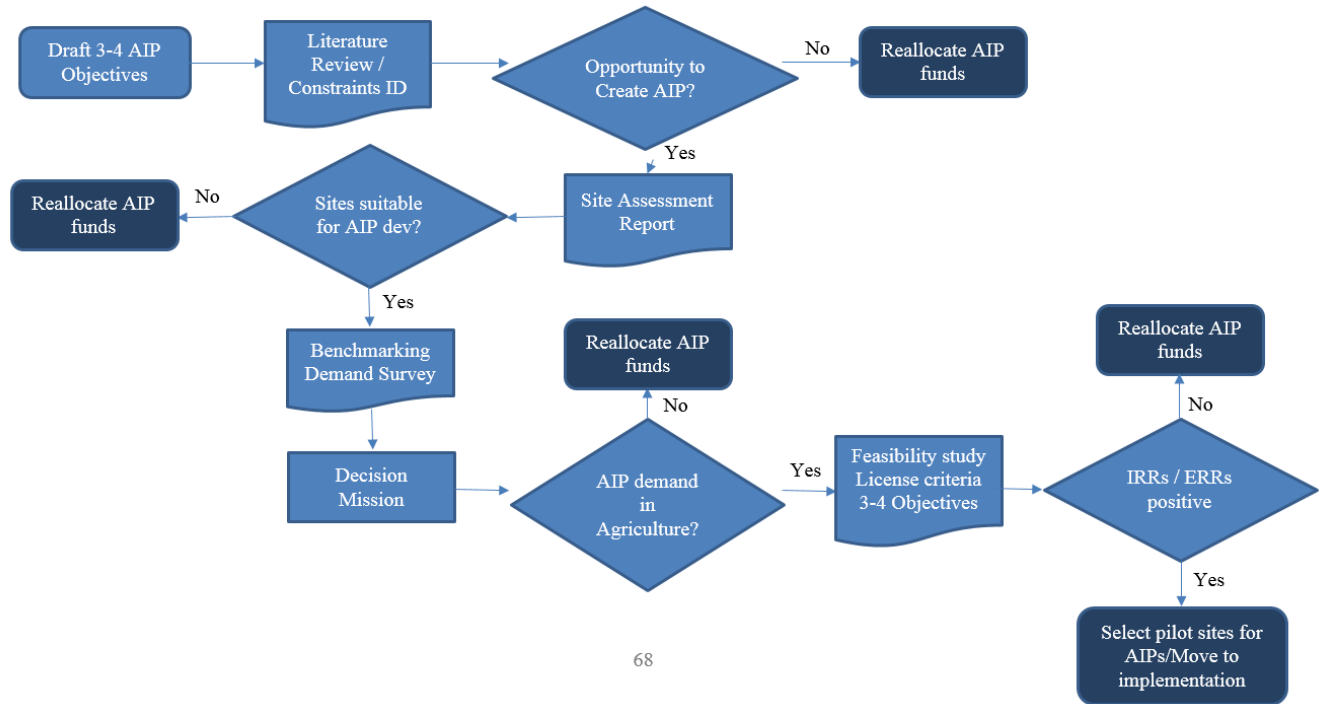
¹³ ICB: international competitive bidding; NCB: national competitive bidding; CQ: Consultants qualification; SSS: Single source selection; IC: individual consultant.

census of the personnel for the Ministries of Agriculture and Rural Development					
Consultant recruitment for feasibility studies for an agro industrial park in Nord Ubangi	350	QCBS	Prior	Feb-18	
Consultant recruitment for program cocoa and palm oil	250	QBS	Prior	Feb-18	
Consultant Services in support for marketing of products	300	SSS/FAO	Prior	N/A	

NB: All ToRs and justifications of SSS/Direct contracting regardless of the value of the contract are subject to prior review

Annex 6: Decision Tree for Design of Agro-industrial Parks Developed under the Regional Great Lakes Integrated Agriculture Development Project (P143307)

Flowchart – Decision Tree for Agro-industrial Parks



Annex 7: Assessment of the Net Carbon Balance with Ex-Act

1. Following analysis aims to assess the net carbon balance of the project and provide an understanding which project activities have the largest mitigation and carbon sequestration potential.
2. In its 2012 Environment Strategy, the World Bank has adopted a corporate mandate to conduct greenhouse gas (GHG) emissions accounting for investment lending. The quantification of GHG emission is an important step in managing and ultimately reducing emission, and is becoming a common practice for many international financial institutions. The World Bank has adopted the Ex-Ante Carbon-balance Tool (EX-ACT), developed by FAO in 2010,¹⁴ to assess a project's net carbon-balance, i.e. the net balance of tons of CO₂ equivalent (tCO₂-eq) GHGs that were emitted or carbon sequestered as a result of project implementation compared to a “without project” scenario.

Data inputs and analysis with EX-ACT

3. **Basic assumptions.** The project areas are in a tropical moist climate regime with High Activity Soil types (HAC). The project implementation period is 5 years with a capitalization period of 15 years. Dynamics of evolution are assumed to be linear. Default “Tier 1” coefficients are used. It is assumed that the without project scenario is the same as currently observed.
4. **Relevant activities.** The project proposes a comprehensive list of activities of which several – in particular in component 1 and 2 - can be accounted for with the tool EX-ACT. Details are provided in Table 1:
 - Component 1 proposes several activities that can decrease GHG emission and enhance carbon sequestration. It aims to increase agricultural productivity and production, introduce improved agricultural management practices for food crops, animal production and also commercial agroforestry products (such as coffee, cocoa, oil palms). The component aims to introduce climate-smart agriculture practices, in particular soil management techniques and introducing perennials, strengthen farmers' capacities to implement climate-smart agriculture practices, increase access so inputs – in particular improved seed - strengthening farmers organization to facilitate commercialization, introduce adjusted mechanization. To enhance livestock production, the project introduces improved animal breeds for goats or poultry or improved access to veterinary services. Irrigation system will be rehabilitated and improved rice management practices introduced.
 - Component 2 aims at constructing and rehabilitating road and market infrastructure. About 2,122km of new roads have been should be constructed and 1,069 km rehabilitated.
5. **Adoption rate.** The AF targets 155,000 beneficiaries. A recent Impact Evaluation of PARRSA found that between 60-80 percent of beneficiaries participated in extension services that supported the adoption of improved agricultural practices and improved seeds and ca. 30 percent were using improved seeds also two years after the project. A household planted on average 1.33ha. We thus assume that 73,889 beneficiaries (98,272 hectare) receive extension services and 36,360 households were applying improved agricultural practices on 36,360 hectare land.

¹⁴ <http://www.fao.org/tc/exact/ex-act-home/en/>

6. Land use change. Despite improvements in productivity, the project expects that agricultural area will be increased between 0.25-1 ha per person. It is assumed that additional, 10,200 hectare enter production which were previously tropical savannah, and will fall under improved agronomic practices. This assumption is strengthened by the integration of REDD+ activities and the development of land use planning instruments, which will orient the agriculture expansion toward degraded landscapes and savannah instead of forest.

Table 1. Proposed project activities and incremental change for without and with project scenario

Activities	Current/Without project	Change with project scenario
Component 1:		
Introducing improved seeds and extension services.	98,272 ha under traditional agriculture practices	36,360 ha under improved agronomic practices
Introducing perennial crops on previously degraded land	100 ha abandoned, degraded land	100 ha perennials (coffee and cocoa)
Expansion of agricultural land per person	Currently: 10,200 ha tropical savannah Without project: conversion to agricultural land, under traditional practices	10,200 ha agricultural land, converted from tropical savannah, under improved practices.
Introducing improved animal health services for small ruminants (goats)	65,000 households, own ca. 5 goats under traditional management, 325,000 goats. Without project: 50 percent mortality rate: 162,500 goats in year 5	Mortality decreased, 124,000 goats could survive, resulting in 286,500 goats in year 5
Rice irrigation infrastructure rehabilitated and management improved	125 hectare irrigated rice, traditional management, one season.	125 ha rehabilitated gravity irrigation system, improved management (wetting/drying, 2 seasons)
Component 2:		
New roads construction	0	2,122 km
Road maintenance	0	1,069 km

Results

7. Results. It is expected that the project constitutes a net carbon sink of 119,853 tCO₂e. The sink is largely generated through the introduction of improved agronomic management and improved seeds on agricultural land – also on land that was cleared for agricultural purposes. The second largest sink is the establishment of coffee and cocoa plantations on degraded land, followed by improved irrigated rice management. The largest sources are the increases in goat herds as well as the conversion from tropical savannah to agricultural land. Activities related to increasing agro-processing or transportation to markets, can also constitute a carbon source but are not included in the analysis due to lack of information.

Table 2: Results in tCO₂e; for without and with project scenario, for a period of 20 years, and per year.

Components of the project	Gross fluxes		Balance	Result per year		
	Without	With		Without	With	Balance
	All GHG in tCO ₂ eq					
Forestry land:						
Deforestation: tropical savannah to quality agricultural land	2,778,259	2,783,641	5,382	138,913	139,182	269
Agroforestry: conversion from degraded land to coffee and cocoa	0	-14,559	-14,559	0	-728	-728
Agroforestry: coffee and cocoa biomass growth	0	-17,432	-17,432	0	-872	-872
Agriculture:						
Agricultural land under improved agronomic practices	0	-717,024	-717,024	0	-35,851	-35,851
Improved rice management	12,188	6,396	-5,791	609	320	-290
Grassland & Livestock:						
Reducing goat mortality	1,059,047	1,687,596	628,549	52,952	84,380	31,427
Inputs and investment						
New roads and irrigation systems		1,022	1,022		51	51
Total	3,849,494	3,729,641	-119,853	192,475	186,482	-5,993
Per hectare	32	31	-1			
Per hectare per year	1.6	1.6	-0.1	1.6	1.6	-0.1

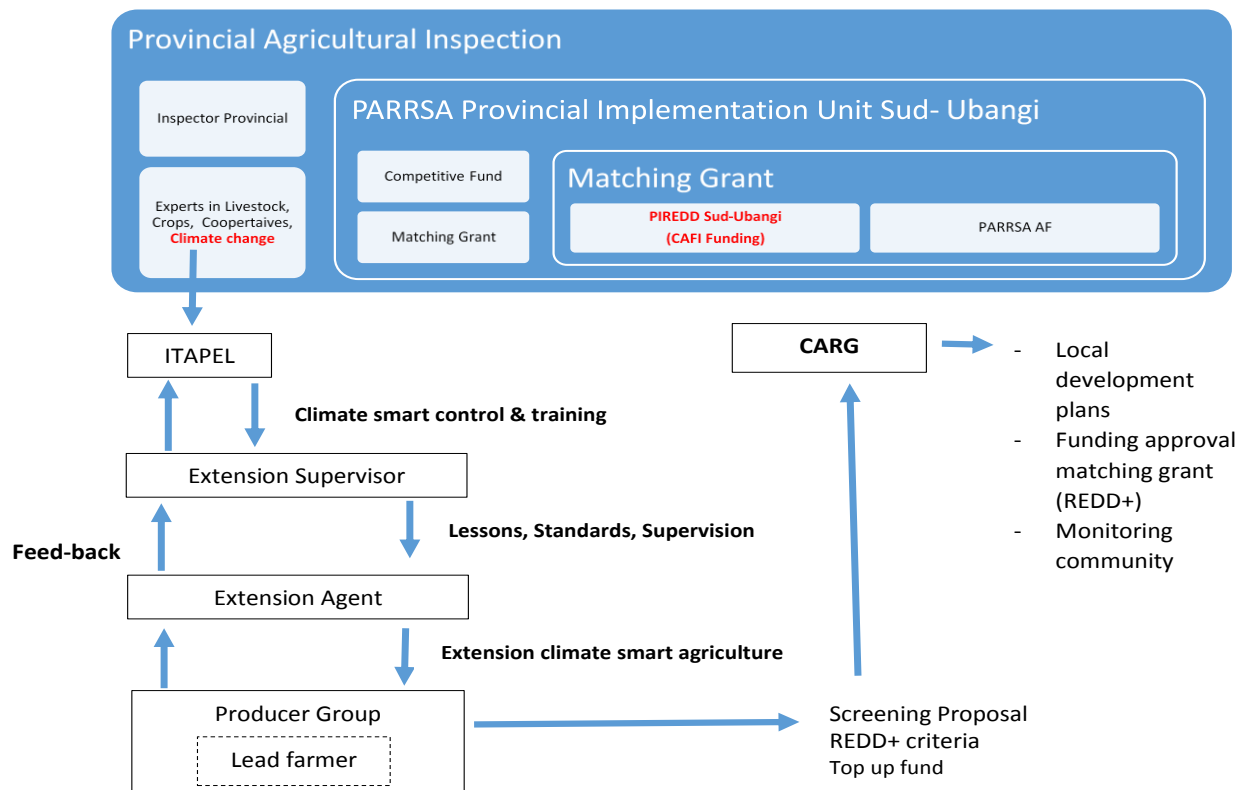
Annex 8: Integrated Redd+ Project – Sud-Ubangi (FONAREDD Financed)

1. The Integrated REDD+ Programme for the South Ubangi Province (PIREDD Sud Ubangi) is a program approved by the National REDD+ Fund (FONAREDD) and financed by the Congo Forest Initiative (CAFI). PIREDD Sud Ubangi aims to promote sustainable landscape management to limit and reduce the greenhouse gas emissions linked to forest degradation and deforestation caused by shifting agriculture.
2. The FONAREDD co-financing will influence Sud-Ubangi province rural development on the following levels:
 - Strategic level – It will support land use planning and participatory land management at the level of villages, territories, and provinces by creating SMPs (for certain geographical areas) and Local Sustainable Development Plans (for specific sectors), which will promote sound land development practices after Project completion;
 - Technical level – It will provide additional financing to PARRSA to improve the management of projects with positive impacts on forest management (creating restricted areas, agroforestry, perennial crops as an alternative to slash and burn agriculture, etc.);
 - Operational level – It will incorporate an evaluation of requests for REDD+ grants and extension services into PARRSA procedures to ensure that projects financed by PARRSA contribute to the land governance systems established by Local Development Committees, management plans, and Sustainable Development Plans;
 - Governance level – It will strengthen the CARGs and CARTs and provide administrations and representatives of Local Development Committees with the resources needed to supervise land development. Support for forming and strengthening Local Development Committees for specific chiefdoms and consultation frameworks will facilitate implementation of the guidelines of the Ministry of Rural Development relative to environmental structuring as well as those of the Agricultural Bill.
3. The FONAREDD funds will complement the PARRSA Additional Financing to achieve the following objectives:
 - Reinforce sustainable landscape management at local levels to encourage land use planning and local land use governance in order to reduce forest degradation, build climate resilience and adaptation capacity.
 - Promote agricultural projects that have minimal impact on the forest (agroforestry, perennial crops, improved agricultural farm practices, soil and water management, rehabilitation of savannah soils) by mainstreaming REDD+ compliance criteria in the selection of sub-project financed by the matching grants window of the PARRSA AF.
 - Build capacity of actors to integrate REDD+ in local development plans and land use planning tools.
4. The PIREDD supports the following activities:
 - establishment and capacity building of CARG^[1] and other tools of landscape management across territories,
 - the production of sustainable local development plans at village or community level in order to steer the agriculture development in the savannah areas and preserve the forests,

^[1] Conseils Agricoles Ruraux de Gestion

- training and advisory services on sustainable and climate smart agriculture practices, to be delivered to project beneficiaries,
- the co-financing of community projects that seek to reduce the impact on forest, such as the restauration of degraded savannah land (using nitrogen fixing plants, mixed cropping and soil rehabilitation techniques), the promotion of land rotation farm practice, or any activity reducing the agriculture expansion (perennial crops, agroforestry and the diversification of agricultural activities (livestock)).

5. The Figure below captures how the CAFE financed PIREDD fund would be embedded in the PARRSA AF to finance: (i) climate smart expertise at provincial level; (ii) CARG operations; (iii) local development plan elaboration; and (iv) matching grant top up funds for sustainable community agricultural projects.



Annex 9: Detailed Description of the Activities Financed by FONAREDD Funding

1. PIREDD Sud Ubangi will focus on three pillars to complement the AF and promote REDD+ activities. It will be fully integrated into PARRSA and will support its two components, as detailed below:

Component 1: Improve agricultural and animal production

Sub-component 1.1: Improving production by providing seed, plant material, and agricultural extension services.¹⁵ This sub-component will support: (i) promoting sustainable agriculture and extension services; (ii) introducing perennial cash crops through a wide range of options; (iii) scaling up and consolidating a value chain system for seed; and (iv) a disbursement facility for matching grants for critical actors. FONAREDD will support extension services and the creation of two grant schemes: (i) matching grants for qualified specialized producers for the production of improved commercial seed; and (ii) competitive funding for sponsors of projects dedicated to low-impact agriculture, perennial crops, and agroforestry.

2. For the extension services, PIREDD financing will complement the existing mechanism and build on the PARRSA Project by promoting perennial crops, forest farming, orchards, and agroforestry (by supporting Congolese NGOs working in development).

3. Under the matching grants and the Competitive Fund, FONAREDD financing will supplement existing budgets to support investment projects aimed at demarcating areas for orchards, agroforestry, or perennial crops, with the following objectives:

- Expanding agriculture and livestock in savannas to increase fallow rotations and concentrate slash-and-burn agriculture in these areas; and to reduce pressure on gallery forests and suburban areas. This may require creating restricted regeneration areas;
- Improving cultivation techniques in forests and savannas by: (i) introducing, reproducing, and distributing improved seed on a large scale; and (ii) offering training in SMPs for improved crop rotation practices and non-timber forest products;
- Introducing perennial crops in forests and enhancing their value chain (coffee, cocoa, palm, and rubber).

4. Lastly, the financing will enable PARRSA to create a REDD+ evaluation grid for assessing requests for extension services and matching grants as well as applications to the Competitive Fund. This grid will make it possible to identify investments that will promote land management tools (SDPs and LDCs) and mitigate the impact of development on forests (development of savannas, agroforestry, forest farming, etc.).

¹⁵ Temporary title pending finalization of additional financing.

Component 3: Strengthening of Capacity Building and Project Management

Sub-component 3.1: Capacity building for public services¹⁶

5. This sub-component will support government efforts to: (i) make extension services offered by the national government more inclusive and better able to meet expectations (with support from NGOs, sector and private producer organizations, and extension services providers); (ii) improve planning, coordination, and monitoring and evaluation at the national and provincial levels (statistical data, georeferenced data system); and (iii) strengthen agricultural research and development with respect to efficacy and efficiency in service delivery.

FONAREDD support will:

- Provide land management support to communities by setting up Local Development Committees, Local management plans (with zoning whenever possible), and Local Development Plans at the sectoral, territorial, and provincial levels, and create and operationalize Agricultural and Rural Management Councils (CARGs);
- Strengthen the capacities of the national and provincial administrations on REDD+, parent institutions, the independent assessment of the Project's REDD+ impact, and contribute to PARRSA management costs. Capacity building for government services will include training for relevant government staff (technical staff working in agriculture, the environment, justice, internal affairs, and health) on the multi-sector aspects of REDD+.

Through this sub-component, PIREDD Sud Ubangi will focus on two highly visible activities:

Activity 3.1a: Improving sustainable land management and planning by creating management plans to minimize impacts on forests.

6. This activity will strengthen local communities' land management capacities by: (i) creating or strengthening Local Development Committees (LDC) at the community level; (ii) preparing Sustainable Development Plans (SDP) for the province, its four territories, and its 17 sectors¹⁷ (starting with the territories); (iii) creating management plans for priority LDCs while drawing lessons from PIREDD Mai-Ndombe; and iv) implementing plans in conjunction with other Project components (particularly matching grants).

7. FONAREDD financing will support the preparation of all SDPs (22) and management plans (100). The Project will work with the government to draw up a provincial decree granting official status to these land management tools

Activity 3.1b: Strengthening the capacities of central and decentralized administrations and knowledge management

8. This activity focuses on training senior staff at the relevant ministries (those overseeing agriculture, the environment, rural development, and land tenure), particularly at the provincial level. It will ensure that: (i) government services participate in planning and zoning; and (ii) planning and zoning contribute to the operationalization of the new Agricultural Bill.

¹⁶ Temporary title pending finalization of additional financing.

¹⁷ Budjula: 5 sectors; Gemena: 4 sectors; Kungu: 5 sectors; Libenge: 3 sectors.

Budget

Total Amount (USD)	4,000,000			
		Année 1	Année 2	Année 3
Recipient Executed	3,640,000	1,432,800	1,092,000	1,115,200
<i>Sub-component 1.1</i>				
Matching grants for agroforestry, perenial crops and fruit trees	900,000	360,000	270,000	270,000
Support for nurseries (for agro-forestry)	350,000	140,000	105,000	105,000
capacity building and governance for Producers' organizations	300,000	120,000	90,000	90,000
Support for Extended services and advisory services	300,000	120,000	90,000	90,000
<i>Sub-component 3.1</i>				
<i>Activity 3.1a</i>				
Establishing 100 Local Management Plans	900,000	360,000	270,000	270,000
Local Management Plans validation and enforcement	250,000	100,000	75,000	75,000
Support to establish and operate the CARGs	300,000	120,000	90,000	90,000
<i>Activity 3.1b</i>				
Capacity building of Provincial local government on REDD+	100,000	40,000	30,000	30,000
Independent assessment of REDD+ Impact	58,000	-	17,400	40,600
Support for management costs	182,000	72,800	54,600	54,600
Bank Executed	360,000	253,200	53,400	53,400
<i>Indirect cost</i>				
Fees	182,000	182,000	-	-
Trust Fund Administration	22,500	9,000	6,750	6,750
<i>Direct costs</i>				
Supervision with additional focus on fiduciary management	155,500	62,200	46,650	46,650