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Investing in rural people

President's report

Proposed loan and Debt Sustainability
Framework grant

Democratic Republic of Congo

Inclusive and Resilient Rural Development
Programme

Project ID: 2000002386

Note to Executive Board representatives

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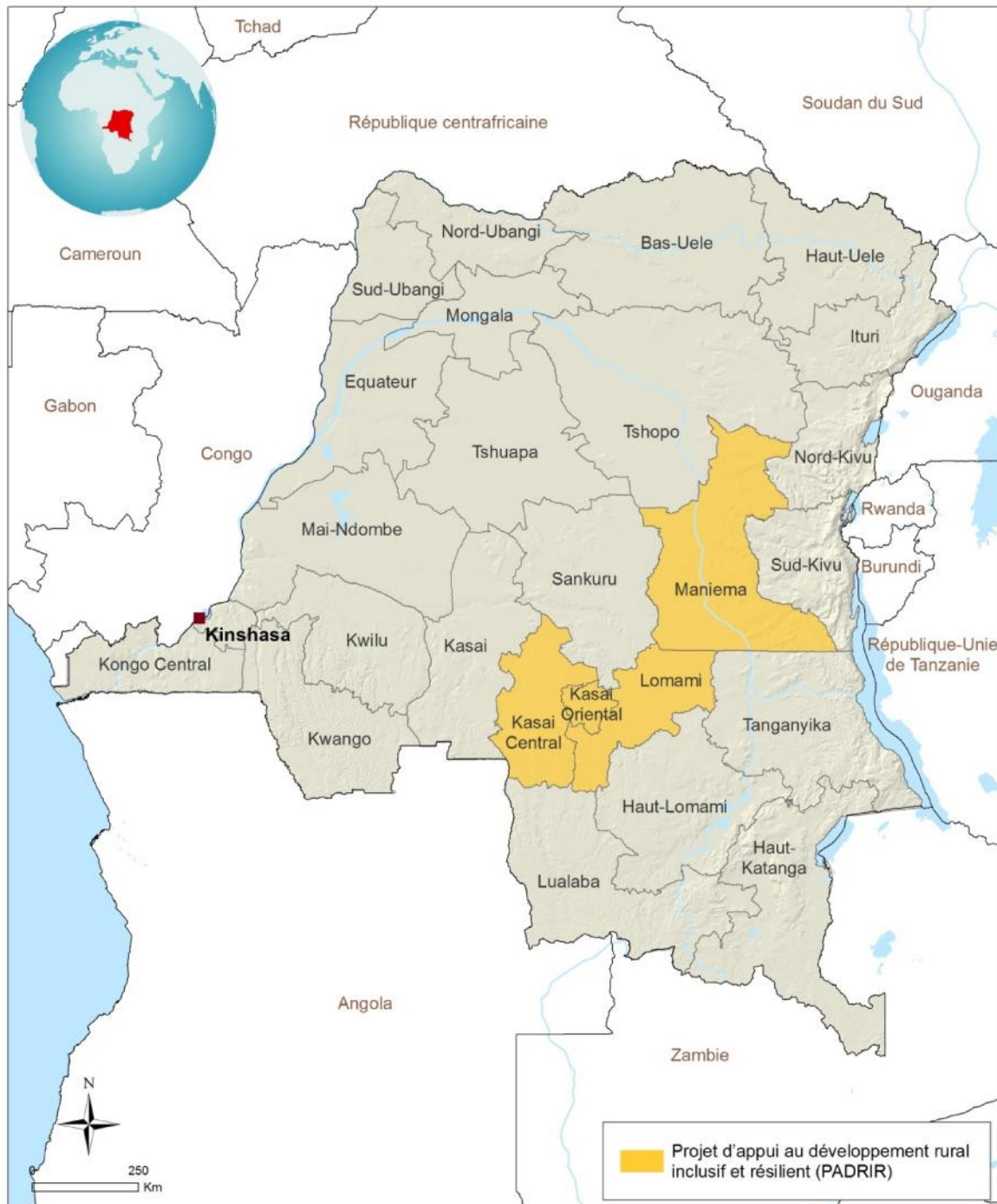
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Abbreviations and acronyms

AWP/B	annual workplan and budget
BADEA	Arab Bank for Economic Development in Africa
NPCU	national programme coordination unit
OFID	OPEC Fund for International Development
PADRIR	Inclusive and Resilient Rural Development Programme

Map of the programme area



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning delimitation of the frontiers or boundaries, or the authorities thereof.
 Map compiled on 24/10/2019

Financing summary

Initiating institution:	International Fund for Agricultural Development
Borrower/recipient:	Democratic Republic of Congo
Executing agency:	Ministry of Agriculture
Total programme cost:	US\$130.46 million
Amount of IFAD loan:	US\$26.64 million
Terms of IFAD loan:	Highly concessional: Exempt from interest with a fee of 1.54 per cent per annum and a maturity period of 40 years, including a grace period of 10 years, from the date of loan approval by the Executive Board. The loan principal will be repaid at a rate of 4.5 per cent of the total principal amount per annum from year 11 to year 30, and at a rate of 1 per cent of the total principal amount from year 31 to year 40.
Amount of IFAD Debt Sustainability Framework grant:	US\$9.86 million
Cofinanciers:	Arab Bank for Economic Development in Africa (BADEA) OPEC Fund for International Development (OFID)
Amount of cofinancing:	BADEA: US\$50.74 million OFID: US\$25.19 million
Terms of cofinancing:	Loans
Contribution of the borrower/recipient:	US\$14.69 million
Contribution of beneficiaries:	US\$3.34 million
Financing gap:	n/a
Amount of IFAD climate finance:	US\$13.77 million
Cooperating institution:	IFAD

Recommendation for approval

The Executive Board is invited to approve the recommendation contained in paragraph 51.

I. Context

A. National context and rationale for IFAD involvement

National context

1. With gross domestic product (GDP) per capita of US\$450 in 2017, the Democratic Republic of Congo is classified as a low-income country. A series of political crises and armed conflicts since independence have weakened the State. In rural areas more than 82 per cent of the population live below the poverty line; 76 per cent of rural households are food-insecure; 43 per cent of children under five suffer from chronic malnutrition; and 8 per cent are underweight and suffer from acute malnutrition.
2. With the gradual return of peace and the democratic process, the country is seeing renewed economic growth driven by the mining sector. GDP grew 73 per cent between 2010 and 2018, albeit erratically. Agricultural potential is considerable, with close to 110 million ha of non-forest arable land, only 10 per cent of which has been developed. Improving agricultural productivity, food and nutritional security, and value chain organization is at the top of the current administration's policy priorities. IFAD will contribute to moving forward on these avenues of action under the country strategic opportunities programme (COSOP) 2019-2024 and this programme.

Special aspects relating to IFAD's corporate mainstreaming priorities
3. In line with Eleventh Replenishment of IFAD's Resources (IFAD11) mainstreaming commitments, the programme has been classified as:
 - Climate-focused;
 - Nutrition-sensitive;
 - Youth-sensitive.
4. Gender and social inclusion. The country's gender inequality index is 0.663, ranking it 153rd out of 159 countries. Women bear the brunt of conflict and instability. The productivity gap between men and women is attributable to unequal access to production factors, education and financial services. The Inclusive and Resilient Rural Development Programme (PADRIR) targets 60 per cent of women through specific support to promote their empowerment.
5. With the expansion of agriculture and deforestation, the Pygmy people feel that they are under threat and their territory invaded. A sense of exclusion underlies tensions between communities that sometimes turn violent. An action plan to enable their active participation in the programme will be developed at start-up.
6. Youth. The country's population is young, with more than 68 per cent aged 25 or under, most of whom live in rural areas (over 60 per cent). Lack of job security and unemployment marginalize young people, generating major risks. Support to be provided at various points in the value chains will offer them opportunities for employment and for generating income.
7. Nutrition. Undernourishment is not simply a question of poverty. Children are undernourished in 26 per cent of households, even the wealthiest, because of limited access to a balanced diet, proper care and information. The Inclusive and Resilient Rural Development Programme calls for setting up nutrition education

centres, funding income-generating activities in the area of nutrition, developing market gardening and supporting value chains for foods with high nutritional value.

8. Climate change. The effects of climate change (such as extreme rainfall and flooding, and prolonged drought) are increasingly apparent. Smallholder producers are particularly vulnerable and PADRIR calls for carrying out mitigation and adaptation measures to strengthen their resilience to climate change.

Rationale for IFAD involvement

9. Despite mixed results, IFAD has acquired a certain amount of experience in supporting smallholder producers and poor rural people in the country. The five most recent projects were intended to support the reactivation of crop and livestock farming and fishing, improve access to basic health care and safe water, rehabilitate agricultural access roads, improve market access and build the capacities of actors.
10. The country strategy and programme evaluation covering the period 2003-2015 conducted by the Independent Office of Evaluation (IOE) showed a positive impact on rural poverty reduction despite the highly challenging country context. The rehabilitation of road infrastructure and social services had an immediate effect. However, overall impact was limited by recurring problems with project management, high operating costs due to inadequate road access and the size of intervention areas, and weaknesses in public services. IOE recommended consolidating gains and reintroducing the objective of improving access to social services.

B. Lessons learned

11. The main lessons learned from implementing the country programme are as follows:
 - (i) In the context of this highly fragile country, what is needed are simple, realistic and flexible operations that can adapt quickly to any change in circumstances at the national, provincial and local levels;
 - (ii) Weaknesses in government institutions and governance issues have had an adverse impact on programme implementation and results, in particular as a result of serious deficiencies in financial management, planning and procurement;
 - (iii) Improvements in governance must be anchored in participation by rural people. Feedback from actors and beneficiaries must be taken into account systematically in selecting and monitoring activities and in selecting and evaluating service providers;
 - (iv) Establishing a strong local base and targeting operations are indispensable to limit the risk of excluding the most vulnerable populations and the risk of elite capture.

II. Programme description

A. Objectives, geographical area of intervention and target groups

12. The goal of PADRIR is, pursuant to the strategic objectives of the COSOP, to contribute to reducing rural poverty and improving incomes, food security, nutrition and resilience of beneficiaries. The development objective is to sustainably improve productivity and competitiveness of value chains for three groups of crops that contribute to food and nutrition security, and to income diversification in the programme areas. The programme has three components to achieve the stated objectives: (i) support for production, commercialization and value chain organization; (ii) development of climate-smart infrastructure; and (iii) coordination, monitoring and evaluation (M&E) and knowledge management.

13. Scope. The programme will reach some 15 per cent of the population in the targeted areas, or 2,464,000 people (410,667 households), thanks to investments in roads, social infrastructure, agricultural inputs and services. It will also contribute to: (i) improving economic conditions for 330,800 people (in terms of incomes, and food and nutritional diversity); (ii) boost productivity by 50 per cent for the major food crops targeted; and (iii) support entrepreneurship for 2,000 young people and 1,600 women. In accordance with IFAD's strategic objectives, it will enable: (i) an 80 per cent increase in production for these crops; (ii) training in post-harvest techniques for 56,800 people; and (iii) strengthened resilience and capacities for 45,440 producers.
14. Programme area. The programme will be implemented in four provinces selected in consultation with the Government: Maniema, currently host to the Integrated Agricultural Rehabilitation Programme in Maniema Province (PIRAM); Lomami; eastern Kasai; and central Kasai. All have experienced insecurity, owing in particular to the presence of several armed groups, which has led to population displacement and increased vulnerability among rural people. These areas also face disruptions to the agricultural season as a result of changing weather patterns, as well as losses caused by disease and pests.
15. Three groups of food crops are targeted: (i) cassava, rice and maize, to develop value chains; (ii) groundnut, cowpea and soy, to strengthen food and nutritional security; and (iii) market gardening, fish farming, poultry breeding, bee keeping and livestock raising, to diversify incomes.
16. To ensure the effective inclusion of women and young people, positive discrimination will be applied: at least 60 per cent of beneficiaries will be women and 35 per cent young people.

B. Components, outcomes and activities

17. PADRIR will comprise the following components: (i) support for production, commercialization and organization of climate-resilient value chains; (ii) development of climate-smart infrastructure; and (iii) programme management and coordination.
18. Component 1 has four subcomponents: (i) intensification of production and promotion of resilient cropping systems; (ii) improvements in post-harvest and marketing activities; (iii) technical capacity-building for farmers organizations and their apex organizations, public services and other actors; and (iv) support and incentives for private sector development and inclusive rural finance. The component will directly reach 56,800 households, or 330,800 people. It will structure 800 to 1,200 farmers organizations and organize them into farmers unions. It will also support 1,600 remunerative activities managed by women and 2,000 rural youth microenterprises.
19. Component 2 has three subcomponents: (i) rehabilitation of agricultural access infrastructure (1,530 km of roads and bridges); (ii) construction of market and renewable energy infrastructure (44 warehouses, farmers markets and processing sheds, 14 micro hydroelectric plants and solar panel kits); and (iii) rehabilitation and construction of environmentally friendly social infrastructure (180 water points, boreholes and drinking water supply systems, 68 healthcare centres and hospitals, 35 nutrition centres, and 70 primary and secondary schools).
20. Component 3 covers all results-based management activities (planning, administrative and fiduciary management, M&E, communication and capitalization) and coordination of operations.

C. Theory of change

21. The PADRIR design is based on the hypothesis of a wide-ranging and progressive rural transformation that sustainably improves living conditions for rural people

and contributes to economic development in the programme area. It is built upon an inclusive development model that promotes putting in place basic infrastructure to improve food and nutritional security, opens up the territory for market access, creates jobs and generates income for households, particularly the most vulnerable, women, youth and indigenous people, by developing market-oriented agricultural value chains offering potential, and building the capacities of actors and their organizations.

D. Alignment, ownership and partnerships

22. The PADRIR objectives are aligned with the national policies and strategies, and the COSOP 2019-2024 and the Strategic Framework 2016-2025. The programme is consistent with strategic objectives 1 (strengthen production capacity), 2 (market integration) and 3 (environmental viability and resilience). It will also contribute to achieving the Sustainable Development Goals (SDGs) of the United Nations, in particular SDG1 (no poverty) and SDG2 (zero hunger).
23. PADRIR is consistent with IFAD's policies on gender equality, targeting, rural finance, climate change, youth and private sector engagement.
24. PADRIR implementation will be based on an implementation support arrangement involving: (i) ongoing close institutional collaboration with public services to build an effective local base as a guarantee of sustainability and successful interventions, and with government technical services, particularly at the provincial level; (ii) strategic partnerships with other donors and other programmes; and (iii) performance-based agreements with technical service providers and nongovernmental organizations. At the provincial level, collaboration will be undertaken with the provincial inspection services of technical ministries and local authorities: provincial governors, territorial administrators, sector chiefs and traditional leaders.
25. Based on clear performance agreements, the programme will employ qualified expert operators, either individuals or organizations, for feasibility studies, proximity facilitation, training and assistance in project management. Expert service providers will be employed to ensure effective implementation and leverage their expertise, networks and skills, in order to achieve quality results and enhance efficiency.

E. Costs, benefits and financing

Programme costs

26. The total cost of the programme is US\$130.5 million (CDF 215,257 billion) over seven years. Base cost is estimated at US\$117.7 million (CDF 194,189 billion), or 90 per cent of total cost. Physical and financial contingencies are an estimated 10 per cent of total cost. Recurring costs represent 9 per cent of total cost.
27. Components 1, support for production, commercialization and organization of climate-resilient value chains, and 2, development of climate-smart infrastructure, have been taken into account in part in climate finance calculations. According to the methodologies employed by the multilateral development banks to monitor climate finance (adaptation to climate change and mitigation of its effects), the total amount of IFAD climate finance for this project is estimated at US\$13,767,950 million, or 38 per cent of its total investment.

Table 1
Programme costs by component and subcomponent and financier
 (Thousands of United States dollars)

Component / subcomponent	Government		Beneficiaries		IFAD		BADEA		OFID		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1. Support for production, commercialization and value chain organization												
1.1 Intensification of production and promotion of resilient cropping systems	-	-	367	4,7	7 476	95,3	-	-	-	-	7 843	6
1.2 Improvements in post-harvest activities and product marketing	-	-	39	1	3 820	99	-	-	-	-	3 858	3
1.3 Technical capacity-building for farmers organizations and public services	-	-	-	-	7 941	100	-	-	-	-	7 941	6,1
Subtotal	-	-	405	2,1	19 236	97,9	-	-	-	-	19 642	15,1
2. Development of climate-resilient rural infrastructure												
2.1 Climate-resilient access infrastructure	9 319	15,9	-	-	3 213	5,5	26 822	45,9	19 119	32,7	58 473	44,8
2.2 Climate-resilient market infrastructure	484	11,4	643	15,2	395	9,4	2 193	51,9	513	12,1	4 227	3,2
2.3 Environmentally friendly and climate-resilient social infrastructure	3 036	11,2	2 292	8,5	2 967	11	16 130	59,6	2 625	9,7	27 051	20,7
2.4 Renewable energy infrastructure	-	-	-	-	695	11,3	5 357	87,4	78	1,3	6 130	4,7
Subtotal	12 839	13,4	2 935	3,1	7 270	7,6	50 502	52,7	22 335	23,3	95 882	73,5
3. Coordination, M&E and knowledge management												
3.1 Coordination and management	1 815	15,5	-	-	7 695	65,9	155	1,3	2 016	17,3	11 682	9
3.2 M&E, knowledge management and communication	41	1,5	-	-	1 708	63,9	82	3,1	843	31,5	2 674	2
3.3 Management capacity-building	-	-	-	-	581	100	-	-	-	-	581	0,4
Subtotal	1 855	12,4	-	-	9 985	66,8	237	1,6	2 859	19,1	14 936	11,4
Total	14 694	11,3	3 341	2,6	36 491	28	50 739	38,9	25 194	19,3	130 459	100

Table 2
Programme cost by expenditure category and financier
 (Thousands of United States dollars)

Category of expenditure	Government		Beneficiaries		IFAD		BADEA		OFID		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1. Investment expenses												
1.1 Works	11 396	14.8	2 963	3.8	5 929	7.7	38 064	49.4	1 8719	24.3	77 070	59.1
1.2 Vehicles	345	23.1	-	-	631	42.2	155	10.4	362	24.3	1 493	1.1
1.3 Equipment and materials	380	2.1	272	1.5	6 765	37.1	9 341	51.2	1 480	8.1	1 8239	14
1.4 Nondurable goods	-	-	106	2.6	3 927	97.4	-	-	-	-	4 033	3.1
1.5 Services	33	0.5	-	-	5 772	89.1	265	4.1	405	6.3	6 475	5
1.6 Consulting	540	6.4	-	-	4 836	57.3	1 847	21.9	1 214	14.4	8 437	6.5
1.7 Training	530	19.5	-	-	607	22.4	985	36.3	592	21.8	2 715	2.1
Total investment expenses	13 224	11.2	3 341	2.8	28 466	24	50 658	42.8	22 772	19.2	11 8461	90.8
2. Recurring expenses												
2.1 Operating expenses	1 470	39	-	-	1 391	36.9	82	2.2	823	21.9	3 766	2.9
2.2 Salaries and benefits	-	-	-	-	6 634	80.6	-	-	1 599	19.4	8 232	6.3
Total recurring expenses	1 470	12.3	-	-	8 025	66.9	82	0.7	2 422	20.2	11 998	9.2
Total	14 694	11.3	3 341	2.5	36 491	28	50 739	38.9	25 194	19.3	130 459	100

Table 3
Programme cost by component and subcomponent and year (PY)
 (Thousands of United States dollars)

Component and subcomponent	PY 1	PY 2	PY 3	PY 4	PY 5	PY 6	PY 7	Total
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
1. Support for production, commercialization and value chain organization								
1.1 Intensification of production and promotion of resilient cropping systems	-	3 130	2 034	1 237	778	625	38	7 843
1.2 Improvements in post-harvest activities and product marketing	489	1 540	972	208	212	216	221	3 858
1.3 Technical capacity-building for FOs, MOs and public services	1 890	1 861	1 411	1 070	1 091	618	-	7 941
Subtotal	2 380	6 531	4 417	2 515	2 082	1 460	259	19 642
2. Development of climate-resilient rural infrastructure								
2.1 Climate-resilient access infrastructure	992	38 584	5 181	4 226	4 232	4 039	1 219	58 473
2.2 Climate-resilient market infrastructure	-	619	864	1 357	1 263	124	-	4 227
2.3 Environmentally friendly and climate-resilient social infrastructure	2 495	7 047	7 188	6 475	1 904	1 942	-	27 051
2.4 Renewable energy infrastructure	849	1036	1 145	1 128	1 034	938	-	6 130
Subtotal	4 337	47 286	14 379	13 186	8 433	7 042	1 219	95 882
3. Coordination, M&E and knowledge management								
3.1 Coordination and management	2 851	1 368	1 391	1 680	1 439	1 464	1 489	11 682
3.2 M&E, knowledge management and communication	411	346	353	408	367	368	420	2 674
3.3 Management capacity-building	110	112	114	59	61	62	63	581
Subtotal	3 372	1 826	1 858	2 147	1 867	1 894	1 972	14 936
Total	10 089	55 643	20 654	17 848	12 382	10 396	3 449	130 459

Financing and cofinancing strategy and plan

28. The financing plan is as follows: (i) IFAD, for a total amount of US\$36.5 million (28 per cent of total cost), of which US\$26.64 million (73 per cent) in the form of a loan and US\$9.86 million (27 per cent) in the form of a grant; (ii) a loan from BADEA in the amount of US\$50.7 million (38.9 per cent); and (iii) a loan from OFID in the amount of US\$25.2 million (19.3 per cent). The programme beneficiaries will contribute a total amount of at least US\$3.3 million equivalent (2.5 per cent) in the form of contributions in kind in work and activities. The

Government will contribute US\$14.7 million equivalent (11.3 per cent) in the form of exemptions from taxes and tariffs, and other contributions.

Disbursement

29. The main disbursement categories will be works, equipment and materials, and services. Approximately 22 per cent of IFAD financing will be used for recurring expenses. The IFAD funds will be paid into a designated account managed by the national programme coordination unit (NPCU), and operating accounts will be opened in local currency for use by provincial units to enable them to manage the advances provided by the NPCU. The banking arrangements for financing from other donors (BADEA and OFID) will follow their respective procedures, to ensure clear traceability of expenditures. There is a risk that bottlenecks in disbursements may arise if the supporting documentation for advances is delayed.

Summary of benefits and economic analysis

30. The economic internal rate of return is estimated at 20.6 per cent, or well above the opportunity cost of capital (9 per cent), with a positive net present value of close to CDF 72 billion (US\$46.9 million). This is a very positive result considering that some benefits, as they are difficult to quantify, have not been taken into account – particularly in terms of improving living conditions for households and their food and nutritional security, the effects of capacity-building on other non-programme economic activities and benefits resulting from investments in rural social infrastructure. The sensitivity analysis indicates that the results obtained are robust to variations in costs and benefits.

Exit strategy and sustainability

31. The PIRAM gains will be consolidated in Maniema, then capitalized and scaled up in the neighbouring provinces. Sustainability is ensured by capacity-building of actors in providing services adapted to the needs of target groups in the value chains. The capacity-building in technical skills and management for permanent public actors, either individuals or institutions, will contribute to ensuring the sustainability of the supply of services and the maintenance and proper management of infrastructure and roads.

III. Risks

A. Risks and mitigation measures

32. The main risks to the implementation of PADRIR relate to: political instability, poor governance, high recurring programme expenses, and social and political conflicts that could disrupt economic and social life in the country and slow down public and private investments. Project management issues have been detrimental to the results of IFAD's country programme in the past. Risks in connection with environmental degradation and the effects of climate change are also significant.

Table 4
Risks and mitigation measures

<i>Risks</i>	<i>Risk rating</i>	<i>Mitigation measures</i>
Political instability Lack of security in targeted provinces	High	Participation with other donors in policy dialogue. Geographic targeting and investments in consultation with United Nations police and security personnel in the country.
Obstacles to inclusive growth	Moderate	Continued reforms with International Monetary Fund (IMF) support to consolidate macroeconomic stability and achieve inclusive growth. Contribution by IFAD to policy dialogue.
Allocation to agricultural and rural development of 3 per cent of the national budget	Moderate	Policy dialogue. Flexibility in interventions. Counterpart contributions based on tax exemptions and contributions in kind by the Government to avoid cash flow shortages.
Difficulties with recruiting and retaining qualified personnel	High	Personnel recruited on a competitive basis or through an independent international head hunter; performance-based contracts; periodic training for fiduciary personnel; occasional expert technical assistance.
Cofinancing fails to materialize or is delayed; delays in entry into effect and start-up; poor governance and financial management leading to ineligible expenditures or suspension; multiple requirements by donors; complex banking procedures	High	Centralization of the function NPCU; technical assistance to set up a sound financial management framework and to recruit and train qualified, experienced financial personnel with annual performance assessments; harmonization of financial reporting standards among the different donors; finalization of a project implementation manual prior to start-up; quarterly presentation of multi-donor financial statements; agreements with government agencies and contracts with service providers based on performance; close monitoring of contracts by IFAD; strengthened auditing arrangements; internal auditing subcontracted to a qualified service provider; biannual supervision.
Procurement: noncompliance with procurement procedures in an environment dominated by corruption, potentially leading to ineligible expenditures	Moderate	Recruitment of a procurement officer by an international firm and according to terms of reference validated by IFAD. Monitoring and training by the procurement officer of the West and Central Africa Division.
Environmental or social impact	Moderate	Application of the "do no harm" rule in addressing social and environmental risks. Specific actions to reduce vulnerability to erosion and flooding, and promote access to sustainable clean energy, climate-smart and sustainable infrastructure.
The project could have a certain degree of social impact	Low	Application of the "do no harm" rule, inclusive approach involving vulnerable groups, transparency.
Overall	Moderate	

B. Environment and social category

33. PADRIR is classified as a category B operation as it is not expected to have any adverse environmental and social impact. Agroforestry and ecosystems rehabilitation actions will promote sustainable natural management practices that are more resilient to climate change.
34. No involuntary resettlements are planned. The project is intended to encourage better integration of young people, women and indigenous people along the entire value chain. In accordance with the classification of projects in category B and national and international regulations, territorial development will take place on an area of less than 100 ha per community.
35. Approximately 1,300 km of rural roads will be rehabilitated, 230 km funded by IFAD and the remainder by OFID and BADEA. The length of the stretches of road built with IFAD funding will be less than 10 km per site. All roads longer than 10 km will be funded by OFID and BADEA. These organizations, given their competencies and extensive relevant experience, will provide supervision and apply safeguard measures on roads with a length greater than 10 km. The safeguard measures of the Arab Fund for Economic and Social Development will be applied to the roads funded by BADEA and OFID.

36. An environmental and social management framework and plan have been developed: mitigation measures proposed comprise a budget of US\$1,165,000. PADRIR does not call for category A activities. Any change that may arise in the course of implementation that could involve a reclassification will be submitted to the Evaluation Committee for review and to the Executive Board for approval.

C. Climate risk classification

37. PADRIR is classified as a moderate climate risk. Climate change and variable climate conditions can be expected to exacerbate social and environmental vulnerability, political instability, food insecurity and already high poverty rates.
38. Agroforestry technologies and practices and sustainable management practices for soil, water and biodiversity should mitigate some of the effects of climate change. These activities should therefore prevent greenhouse gas emissions, with a mitigation potential of -914 339 t CO₂-equivalent over 20 years, according to the EX-Ante Carbon-balance Tool analysis.

D. Debt sustainability

39. According to the IMF /World Bank 2019 debt sustainability analysis, risk associated with the Democratic Republic of Congo's debt is moderate, despite a low debt to GDP ratio. External debt represents 13.7 per cent of GDP and has fallen since the debt sustainability analysis done in 2015, while domestic debt has risen from 3 per cent in 2014 to 6.5 per cent in 2018.

IV. Implementation

A. Organizational framework

Programme management and coordination

40. The Ministry of Agriculture will have technical oversight of PADRIR. Coordination and management will be provided by the NPCU, having administrative and financial autonomy, located in Kinshasa. The unit will have two provincial programme coordination units (PPCUs) located in Kindu and Mbuji Mayi. Branches of these PPCUs will be set up in or near the production areas.
41. The national steering committee, chaired by the Secretary-General of the Ministry of Agriculture, will have representatives of the key technical ministries and provincial agriculture ministries, and representatives of farmers organizations and the private sector. The committee will meet at least twice a year to approve the programme's annual workplans and budgets (AWP/Bs) and will be supported by the inter-ministerial technical monitoring committee for IFAD projects. A platform for consultation and coordination of activities by the programme's implementation partners will be set up. A provincial monitoring and coordination committee chaired by the provincial agriculture minister will also be established.¹

Financial management, procurement and governance

42. The proposed financial management system has been evaluated to verify compliance with IFAD requirements. The risk in this area is deemed high. Financial management will be centralized with the NPCU. The programme will employ technical assistance services to recruit and train sufficiently qualified and experienced personnel. The charts of accounts and financial reporting standards of the different donors will be harmonized to the extent possible. Separate bank accounts will be opened at the central and provincial levels and integrated multi-donor accounting management software will be used. The procedures manual will be ready for adoption at start-up. Strengthened audit measures will be adopted, including internal auditing services subcontracted to a qualified service provider. The non objection of IFAD will be required for contracts and/or

¹ This committee will have a consultative role regarding operating strategies and AWP/Bs of PPCUs. The provincial administration of the Ministry will conduct periodic monitoring missions.

agreements with service providers and/or government agencies. Such contracts and agreements will be performance-based and will contain provisions on auditing and IFAD's anti-corruption rules. The NPCU will submit quarterly interim financial reports. International accounting and auditing standards will be followed.

B. Planning, monitoring and evaluation, learning, knowledge management and communication

43. PADRIR will opt for strong actions from start-up. M&E will serve the following purposes: (i) meet the relevant performance needs of the programme; (ii) contribute to improving sector monitoring by the oversight ministry; and (iii) promote transparency and citizen engagement through inclusive monitoring that enables the beneficiaries to evaluate implementation performance.
44. The personnel assigned to M&E for the programme and the oversight ministry will receive training and certification starting in year one under IFAD's Programme in Rural M&E (PRiME).

Innovation and scaling up

45. Taking into account the agro-ecological conditions prevailing in each province, PADRIR will scale up the relevant good practices under PIRAM and the Kinshasa Food Supply Centre Support Programme, and the gains and lessons learned under the Agricultural Revival Programme in Equateur Province and the Agricultural Rehabilitation Programme in Orientale Province, in connection with: (i) organizing the rice, cassava, maize and market gardening value chains; (ii) road rehabilitation and maintenance; (iii) involving seed growers in organizing the seed subsector, which enabled PIRAM to improve yields and production for rice, maize and cassava; (iv) commercial partnerships with agro-industries and other enterprises (such as miners) that can provide collateral for loans from financial institutions; (v) public-private partnerships in seed production and commercialization; and (vi) development of lowland areas.

C. Implementation plans

Implementation readiness and start-up plans

46. The start-up plan includes: (i) setting up the NPCU and PPCU teams, selected on a competitive basis through an international head hunting firm; (ii) conducting in-depth baseline studies in each province targeted, including thematic studies (market studies, road studies, education and healthcare infrastructure studies, and groundwater assessment studies); (iii) identifying roads and crossings in production areas; (iv) obtaining approval by local authorities and the steering committee of the selection of production areas and roads to be rehabilitated; (v) preparing the AWP/B and 18-month procurement plan; (vi) updating the administrative and financial manual and the M&E manual; and (vii) preparing technical specifications for the procurement of logistical resources needed for programme start-up.

Supervision, midterm review and completion plans

47. PADRIR will be supervised directly by IFAD through the country office in Kinshasa with the participation of national counterparts, by means of two missions per year and occasional support missions on a case-by-case basis. A midterm review will take place during the second half of year three to assess progress made on works to improve access (component 2) and preparatory work for component 1. The mission conducting the review will provide an opinion on transitioning to a fully operative phase 2 in year four.²

² This decision will be based on: (i) the achievement of the objectives set for improved road access; and (ii) the results of preparatory activities for component 1. The midterm review will also provide an opinion on the validation of production areas and sub-areas and the value chains to be developed under phase 2.

V. Legal instruments and authority

48. A programme financing agreement between the Democratic Republic of Congo and IFAD will constitute the legal instrument for extending the proposed financing to the borrower/recipient. A copy of the negotiated financing agreement will be tabled at the session.
49. The Democratic Republic of Congo is empowered under its laws to receive financing from IFAD.
50. I am satisfied that the proposed financing will comply with the Agreement Establishing IFAD and the Policies and Criteria for IFAD Financing.

VI. Recommendation

51. I recommend that the Executive Board approve the proposed financing in terms of the following resolution:

RESOLVED: that the Fund shall provide a loan on highly concessional terms to the Democratic Republic of Congo in an amount of twenty-six million six hundred and forty thousand United States dollars (US\$26,640,000) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

RESOLVED FURTHER: that the Fund shall provide a grant under the Debt Sustainability Framework to the Democratic Republic of Congo in an amount of nine million eight hundred and sixty thousand United States dollars (US\$9,860,000) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

Gilbert F. Houngbo
President

Accord de financement négocié

Le document sera distribué en séance.

Cadre logique

Chaîne Logique	Indicateurs				Moyens de vérification			Hypothèses
	Nom	Situation de référence	Mi-parcours	Cible Finale	Source	Fréquence	Responsabilité	
Portée Nombre des bénéficiaires indirects du programme dans les provinces du Maniema, Tanganyika, Lomami, Kasai Oriental et Kasai Central	1 Nombre de personnes bénéficiant de services promus ou appuyés par le projet				Enquêtes de référence		Equipe UGP	La taille moyenne des ménages dans les zones du projet est fixée à 6 membres par ménage. Pour les 2000 jeunes bénéficiaires, la taille du ménage est considérée 1.
	Nombre total de personnes bénéficiant de services		1230000	2464000				
	Homme - Pourcentage (%)			40				
	Femme - Pourcentage (%)			60				
	Jeunes - Pourcentage (%)			35				
	1. a Nombre correspondant de ménages touchés					2		
	Ménages dirigés par une femme - Nombre			103083				
	Ménages - Nombre		206166	412333				
	1. b Estimation correspondante du nombre total des membres des ménages							
Membres des ménages - nombre de personnes		1230000	2464000					
Objectif du projet Contribuer à la réduction de la pauvreté rurale et à l'amélioration de la sécurité alimentaires et nutritionnelles et de la résilience climatique	Nombre d'hommes et de femmes ayant amélioré la situation économique en termes de revenus (20%), de la diversité alimentaire (d une phase) et de la nutrition							Instabilité de la situation politique et économique - Soutien continu du gouvernement au projet
	Membres des ménages - nombre de personnes		150000	330800				
	Pourcentage d'hommes et de femmes dont la résilience s'est renforcée							
	Homme - Pourcentage (%)			40				
	Femme - Pourcentage (%)			60				
Objectif de développement Améliorer durablement les conditions et infrastructures de base permettant d'accroître la productivité et la compétitivité des chaînes de valeur autour de 3 groupes de spéculations agricoles	Nombre de bénéficiaires ayant amélioré leur productivité de 50% relative aux chaînes de valeur identifiées							
	Bénéficiaires - Nombre	0	19880	56800				
	Rapport prix produits locaux/prix produits importés							
	Ratio produits locaux et importés - Ratio (%)	1.1	1	0.9				
	1.2.8 Femmes déclarant une amélioration qualitative de leur régime alimentaire							
Pourcentage - Pourcentage (%)		20	50					

Effet direct L'intensification de la production et la promotion des systèmes de cultures résilientes sont atteintes	1.2.4 Ménages faisant état d'une augmentation de la production							Chocs climatiques, phytosanitaires et nuisibles détruisant les cultures
	Ménages dirigés par une femme - Nombre		4970	14200				
	Ménages autres que ceux ayant une femme pour chef - Nombre		14910	42600				
	Ménages - Nombre		19880	56800				
	3.2.2 Ménages déclarant l'adoption de pratiques et technologies durables et résilientes au changement climatique							
	Ménages dirigés par une femme - Nombre		4970	14200				
	Ménages autres que ceux ayant une femme pour chef - Nombre		14910	42600				
			19880	56800				
Produit Accès durable aux semences sélectionnées, aux intrants, équipements et matériels agricoles adaptés	1.1.3 Producteurs ruraux ayant accès aux facteurs de production et/ou aux paquets technologiques				Rapports d'activité	Annuel	UGB et son unité provinciale	Disponibilité des entreprises qualifiées. Mobilisation des bénéficiaires
	Femme - nombre		11172	31920				
	Homme - nombre		7448	21280				
	Jeunes - nombre		6517	18620				
	Personnes autres que les jeunes - nombre		12103	34580				
	Personnes autochtones - nombre		931	2660				
	Personnes non autochtones - nombre		17689	50540				
	Producteurs ruraux - Nombre		18620	53200				
	Nombre de producteurs ayant accès durable aux semences							
	Total des producteurs ruraux - Nombre		18620	53200				
	Nombre de filières semencières opérationnelles							
Filières semencières - Nombre		9	9					
Produit Promotion des techniques culturales respectueuses de l'environnement	% de ménages adoptant des pratiques résilientes au changement climatique et respectueuses de l'environnement							Disponibilité de services d'assistance compétents
	Ménages - Nombre		14896	45440				
	Ménages - Pourcentage (%)		35	80				
Effet direct Les capacités post-récoltes et de mise en marché des produits sont améliorées	% d'augmentation des quantités transformées respectant les normes de qualité							Qualifications des partenaires Vente à des prix rémunérateurs
	Taux de croissance des produits transformés - Pourcentage (%)		25	50				
Produit Les techniques innovantes de transformation durables sont disponibles	Nombre de personnes formées aux activités post-récolte et de transformation durables							Qualité des services rendus par les unités agroalimentaires partenaires
	Producteurs Ruraux - Nombre		19880	56800				
Produit L'accès durable des	Nombre de partenariats commerciaux signés entre petits producteurs et opérateurs privés							Disponibilité et qualification des experts mobilisés

producteurs et transformateurs au marché est amélioré	Nombre de contrats - Nombre		250	500				Existence d'un marché rémunérateur pour les secteurs cibles
Effet direct Renforcement des capacités techniques des OP/OPF et des services étatiques et d'autres acteurs	2.2.4 Membres des organisations de producteurs ruraux soutenus, déclarant la fourniture par leur organisation de services nouveaux ou améliorés				Rapport d'activités	Annuel	UGB et son unité provinciale; services d'appui	
	Nombre de membres des organisations de producteurs - Nombre		640	768				
	Taille des organisations de producteurs – Nombre de personnes		16000	19200				
	Homme - nombre		3840	7680				
	Femme - nombre		5760	11520				
	Personnes autochtones - nombre		480	960				
	Personnes non-autochtones - nombre		9120	18240				
Produit Les capacités techniques des OP/OPF sont renforcées	2.1.3 Organisations de producteurs ruraux soutenues							
	Organisations de producteurs ruraux soutenues - Nombre		640	768				
	Tailles des organisations de producteurs - nombre de personnes		16000	19200				
Produit Les capacités techniques des services publics nationaux et provinciaux sont renforcées	Niveau de satisfaction des producteurs utilisateurs des services publics							
	Taux de satisfaction - Pourcentage (%)		35	80				
Effet direct Les infrastructures de desserte agricole, de marché, d'énergie renouvelable et sociales sont disponibles en bon état, et accessibles	2.2.6 Ménages déclarant une amélioration de l'accès physique aux marchés, aux installations de traitement et de stockage							
	Ménages déclarant une amélioration de l'accès physique aux marchés - Pourcentage (%)		143733	410666				
	Taille des ménages – Nombre de personnes							
	Ménages dirigés par une femme - Nombre							
	Ménages autres que ceux ayant une femme comme chef - Nombre							
	Ménages déclarant une amélioration de l'accès physique aux marchés - Nombre							

	Ménages déclarant une amélioration de l'accès physique aux installations de transformation - Nombre						
	Ménages déclarant une amélioration de l'accès physique aux installations de stockage - Nombre						
Produit	2.1.5 Kilomètres de routes construites, refaites ou améliorées						Disponibilité des entreprises qualifiées
Les pistes rurales et ouvrages d'arts prioritaires sont réhabilités	Longueur des routes - Longueur (km)		1040	1530			
	Organisations - Nombre		104	153			
Produit	2.1.6 Installations de commercialisation, transformation et stockage construites ou remises en état						
Les infrastructures de marchés sont réhabilitées et/ou construites	Installations de commercialisation construites ou remises en état - Nombre		16	16			
	Installations de transformation construites ou remises en état - Nombre		10	35			
	Installations de stockage construites ou remises en état - Nombre		10	35			
Produit	Nombre d'infrastructures d'énergie réhabilitées et/ou construites						
Les infrastructures d'énergie renouvelable sont installées	Petite énergie solaire ou hydroélectrique - Nombre		5	14			
Effet direct	Nombre de ménages avec accès aux infrastructures sociales (écoles; centres de santé; infrastructures d'eau)						
Les infrastructures sociales respectueuses de l'environnement sont disponibles	Nombre de ménages avec accès aux infrastructures sociales - Nombre		10500	30000			
Produit	Nombre d'infrastructures d'accès à l'eau potable aménagées						
Les infrastructures d'accès à l'eau potable sont disponibles	Forages et sources d'eau potable à construire – Nombre		120	180			
Produit	Nombre d'infrastructures de santé aménagées						
Les infrastructures de santé sont réhabilitées	Centres de santé réhabilités et construits - Nombre		35	68			
Produit	Nombre d'infrastructures scolaires aménagées						
Les infrastructures scolaires sont réhabilitées	Écoles primaires et secondaires réhabilitées/construites - Nombre		35	70			
Produit	Centres de nutrition, éducation et approvisionnement						
Les centres nutritionnels sont construits	Centre - Nombre		35	35			