

21 September 2016

Prepared by: OSAN/GECL

Original: French

**BOARD APPROVAL**  
**Lapse-of-time Procedure**  
**21 September 2016**

**FOR INFORMATION**

## **MEMORANDUM**

**TO :** THE BOARD OF DIRECTORS

**FROM :** Vincent O. NMEHELLE  
Secretary General

**SUBJECT :** **DEMOCRATIC REPUBLIC OF CONGO – FEASIBILITY STUDY FOR THE DEVELOPMENT OF NGANDAJIKA, KANIAMA KASESE AND MWEKA AGRO-INDUSTRIAL PARKS (DS-AIP)\***

### **ADF GRANT OF UA 1,524,582**

The above-mentioned **Terms of Reference** and the **Draft Resolution** were submitted to your **consideration on a Lapse-of-time basis**, on July 14<sup>th</sup>, 2016.

**Since no objection was received by 6.00 pm., on September 21, 2016**, the proposal is considered **approved** and the **Resolution adopted**.

**Attach:**

**Cc :** The President

**\* Questions on this document should be referred to:**

Mr. C. OJUKWU	Director	OSAN	Extension 2042
Mrs. M. KANGA	Director	ORCE	Extension 2251
Mrs. H. N'GARNIM-GANGA	General Counsel	GECL	Extension 7201
Mr. P. AGBOMA	Officer-In-Charge	OSAN.2	Extension 1540
Mrs. M. KEI-BOGUINARD	Ag. Division Manager	GECL.1	Extension 2418
Mrs. A. SOW	Team Leader	OSAN.2	Extension 3888

# AFRICAN DEVELOPMENT FUND



## FEASIBILITY STUDY FOR THE DEVELOPMENT OF NGANDAJIKA, KANIAMA KASESE AND MWEKA AGRO-INDUSTRIAL PARKS (DS-AIP)

**COUNTRY: DEMOCRATIC REPUBLIC OF CONGO (DRC)**

### TERMS OF REFERENCE

*Date: March 2016*

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	<b>Guinéo VAIDJOUA</b> , Rural Infrastructure Engineer	MGFO/OSAN.1	6001

# **AFRICAN DEVELOPMENT FUND**



## **DEMOCRATIC REPUBLIC OF CONGO**

### **FEASIBILITY STUDY FOR THE DEVELOPMENT OF NGANDAJIKA, KANIAMA KASESE AND MWEKA AGRO-INDUSTRIAL PARKS (DS-AIP)**

### **TERMS OF REFERENCE**

**OSAN DEPARTMENT**

July 2016

*Translated document*

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## **CURRENCY EQUIVALENTS**

(March 2016)

UA 1	=	CDF 1281.6
UA 1	=	USD 1.38
UA 1	=	EUR 1.27
USD 1	=	FC 927.82

**FISCAL YEAR:** 1 January - 31 December

## **WEIGHTS AND MEASURES**

1 metric tonne	=	2.204 pounds
1 kilogramme (kg)	=	2.20 pounds
1 metre (m)	=	3.28 feet
1 millimetre (mm)	=	0.03937 ounce
1 kilometre (km)	=	0.62 mile
1 hectare (ha)	=	2.471 acres

## ACRONYMS AND ABBREVIATIONS

ADF	African Development Fund
AIP	Agro-Industrial Park
ASS	Agricultural Sector Study
COMFAR	Computer Model for Feasibility Analysis and Reporting
CTB	Belgian Technical Cooperation
DAPP	Department of Analysis, Planning and Forecasts
DFID	Department for International Development
ERR	Economic Rate of Return
ESMP	Environmental and Social Management Plan
FAO	Food and Agriculture Organization
FEC	Federation of Congolese Enterprises
IITA	International Institute for Tropical Agriculture
INERA	National Institute for Agronomic Study and Research
MAPE	Ministry of Agriculture, Fisheries and Livestock
MDR	Ministry of Rural Development
MF	Ministry of the Economy and Finance
MI	Ministry of Industry
MPMECM	Ministry of Small and Medium-sized Enterprises and Middle Classes
MRST	Ministry of Scientific and Technological Research
NGO	Non-Governmental Organization
NPV	Net Present Value
PAMOVI	Village Modernization Programme
PARRSA	Agricultural Sector Recovery and Rehabilitation Support Project
PD/FD	Preliminary Design/Final Design
PDPCO	West Growth Pole Development Project
PEJAB	Youth Agriculture and Agri-Business Entrepreneurship Project
PND	National Development Programme
PNIA	National Agricultural Investment Programme
PPF	Project Preparation Facility
PPP	Public-Private Partnership
SNV	Netherlands Development Organization
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
WB	World Bank

## PROJECT INFORMATION SHEET

March 2016

The following information aims to provide some general indications to all suppliers, contractors, consultants and other people interested in the supply of goods, works and services under projects approved by the Bank Group's Boards of Directors. Further information can be obtained from the borrower's executing agency.

- Donee** : Democratic Republic of Congo (DRC)
- Executing Agency** : The study will be coordinated by the same unit managing the PPF-PEJAB project, approved by the Bank in December 2015. This unit is placed under the supervision of the Department of Analysis, Planning and Forecasts (DAPP) of the Ministry of Agriculture, Fisheries and Livestock. Considering the cross-cutting nature of the study, a Steering Committee, chaired by the Prime Minister's Office, will be established.
- Project Name** : Feasibility Study for the Development of Ngandajika, Kaniama Kasese and Mweka Agro-industrial Parks

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Source	Amount	Instrument
ADF	UA 1,524,582	Grant
Government	UA 140,940	
<b>TOTAL COST</b>	<b>UA 1,665,522</b>	

### Key information on AfDB financing

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<b>ADF Grant currency</b>	UA
Interest type	NA
Interest rate margin	NA
ERR (baseline scenario)	NA
NPV	NA

### Duration – Milestones (planned)

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Project approval	July 2016
Signing of the Agreement	August 2016
First disbursement	October 2016
Completion date	January 2018
Last disbursement	March 2018

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## PROJECT SUMMARY

The Democratic Republic of Congo (DRC) has huge agricultural potential, marked by: (1) farm land estimated at about 80 million hectares, hardly 10% of which is used annually; (2) climatic and ecological conditions very conducive to various agricultural crops and offering opportunities for development of competitive export crops (coffee, cocoa, rubber, oil palm, tea, etc.) on the international market; (3) a very rich equatorial forest of 125 million hectares; and (4) a large regional market (DRC and neighbouring countries have a market of more than 200 million inhabitants), with a rapidly growing and urbanizing population. Despite this potential and strong economic growth averaging 8.3 % annually over the 2012-2014 period, the poverty rate remains high in DRC, even though it dropped from 71% in 2005 to 63.4 % in 2012. Poverty still affects the rural areas (about 3/4) more than the urban areas (less than 2/3). Malnutrition affected nearly 36% of the population in 2015, while underweight in children under five years stood at about 23.4%. Approximately 6.4 million people are severely food insecure and lack access to livelihoods, thereby requiring continuous food aid.

In addition, cereal imports were estimated at 793 000 tonnes in 2012, as against 21 892 tonnes for exports. Resources intended for agricultural imports were estimated at nearly USD 1.5 billion, corresponding to about 15% of the country's value of total imports, while agricultural exports accounted for only USD 69 778 000. Net trade in foodstuffs (exports-imports) was estimated by the FAO at -5% of total GDP. In this context, the Government took a number of initiatives, including the ongoing preparation of a country-wide agro-industrial recovery strategy and the launching of an ambitious agro-industrial parks (AIP) programme.

This feasibility study for the development of agro-industrial parks falls within the framework of implementation of the recommendations of the high-level conference organized by the Bank in Dakar on agricultural transformation in Africa. This operation was included in the indicative lending programme, following the mid-term review of DRC's Country Strategy Paper (CSP). The Ngandajika, Kaniama Kasese and Mweka sites chosen are found in the Bank's intervention area defined in the CSP. The study also aligns with DRC's priorities of transforming agriculture from a subsistence sector into a real driving force for the development of the entire Congolese economy. The study will contribute to the following sector objective: contribute to reducing the incidence of poverty and food insecurity and to agricultural sector growth, by improving the enabling environment for agricultural sector investments through feasibility studies on agro-industrial parks. The study will, for each of the parks, comprise two components: (i) a diagnosis phase and pre-feasibility studies that will lead to the preparation of a development master plan, including a strategic environmental and social assessment (SESA) for each agro-industrial park; (ii) a detailed technical, economic and financial study phase, including environmental and social impact assessments of core infrastructure and the development of a research programme. This phase will lead to the final preparation of each AIP's business model. The study cost, net of taxes, is estimated at UA 1 665 522. The project's total duration is 18 months.

## RESULTS-BASED LOGICAL FRAMEWORK

Democratic Republic of Congo: Feasibility studies for the development of agro-industrial parks						
Project objective: Contribute to improving the enabling environment for agricultural sector investments through feasibility studies for Ngandajika, Kaniama Kasese and Mweka agro-industrial parks						
RESULTS CHAIN		PERFORMANCE INDICATORS			MEANS OF VERIFICATION	RISKS AND MITIGATION MEASURES
		Indicator (including ISCs)	Baseline Situation	Target (2025)		
IMPACT	Contribute to reducing food insecurity and to agricultural sector growth	Food insecurity rate	36%	20%	Review report of national strategies (PNIA etc.). INSS 2014 Statistical Annuals	
		Agricultural sector GDP	20.08 (2013)	45%		
OUTCOMES	Higher number of agro-industrial park sites studied	Number of sites studied	2	5		<p><b>Risk:</b> Low quality of studies considering their level of complexity</p> <p><b>Mitigation measure:</b></p> <p>UNIDO technical assistance and a procurement consultant will be mobilized to ensure quality control for processes and reports.</p>
	Higher number of AIPs with PPP financing commitments	Number of business plans prepared and presented to investors	1	4		
OUTPUTS	Conduct of feasibility studies, including the business model for Kaniama Kasese, Mweka and Ngadajika agro-industrial parks (AIP)	Study reports including master plans, PD, DD, SESA, ESIA, business model  Report sharing workshops		3 reports  2 workshops	Reports, including master plans, PD, FD, ESMP, business model, workshop reports	<p><b>Risk:</b> The management team's low capacity</p> <p><b>Mitigation measure:</b></p> <p>Close monitoring by the Bank to quickly correct the management weaknesses.</p> <p>UNIDO technical assistance and a procurement consultant will also be mobilized.</p>
	Project coordination and management	Study coordination		Progress report Mobilized technical assistance	Project progress reports	
ACTIVITIES	<p><u>Financing sources:</u> UA</p> <ul style="list-style-type: none"> <li>• ADF grant : UA 1 524 582</li> <li>• Government : UA 140 940</li> </ul>					

### Project Implementation Schedule

Item	M0	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	M13	M14	M15	M16	M17	M18
<b>Study approval</b>																			
<b>Recruitment of consultant</b>																			
<b>Policy brief preparation</b>																			
<b>Pre-feasibility study phase</b>																			
<ul style="list-style-type: none"> <li>• Diagnosis, pre-feasibility studies and draft report preparation</li> </ul>																			
<ul style="list-style-type: none"> <li>• Pre-feasibility study report disclosure workshop</li> </ul>																			
<b>Feasibility study phase</b>																			
<ul style="list-style-type: none"> <li>• Studies and draft report preparation</li> </ul>																			
<ul style="list-style-type: none"> <li>• Feasibility study report disclosure workshop</li> </ul>																			
<ul style="list-style-type: none"> <li>• Submission of final study reports</li> </ul>																			
<b>Final study audit</b>																			

# **REPORT AND RECOMMENDATION OF THE BANK GROUP'S MANAGEMENT TO THE BOARD OF DIRECTORS CONCERNING A GRANT TO THE DEMOCRATIC REPUBLIC OF CONGO FOR THE FINANCING OF FEASIBILITY STUDY FOR THE DEVELOPMENT OF NGANDAJIKA, KANIAMA KASESE AND MWEKA AGRO-INDUSTRIAL PARKS**

The Management submits this report and its recommendation concerning a grant proposal of *one million five hundred and twenty-four thousand five hundred and eighty-two Units of Account (UA 1 524 582)* to the Government of the Democratic Republic of Congo for the financing of feasibility study for Ngandajika, Kaniama Kaseke and Mweka agro-industrial parks.

## **1. STUDY CONTEXT AND RATIONALE**

### **Geographical and Physical Context**

1.1 The Democratic Republic of Congo, situated in Central Africa astride the Equator, covers a surface area of 2 345 000 km<sup>2</sup>. It is semi-landlocked, with a coastline of slightly less than 50 km on the Atlantic Ocean. It is currently subdivided into twenty-six (26) provinces and shares borders with nine countries, namely the Central African Republic and Sudan to the north; Uganda, Rwanda, Burundi and Tanzania to the east; Angola and Zambia to the south; and the Republic of Congo and the Cabinda enclave (Angola) to the west. The country is divided into three agro-ecological zones, namely: (i) a vast alluvial basin in the centre, with an altitude of between 300 and 500 m, covers one-third of the territory. Its vegetation is made up of equatorial forests and swamps. It is not very populated; (ii) terraced savannah plateaux border this basin to the north and south (700 – 1 200 m altitude) and are more densely populated; and (iii) the high altitude mountainous volcanic massifs to the east and north-east (1 500 – 5 000 m), with a very high population density. The climate is equatorial, hot, humid in the centre, and progressively more tropical towards the south and the north. Rainfall is regular and abundant, averaging 1 500 mm/year, but variable over time and space.

### **Poverty and food insecurity situation in the DRC**

1.2 Despite strong economic growth, averaging an annual rate of 8.3% over the 2012-2014 period, the poverty rate remains high, even though fell from 71% in 2005 to 63.4% in 2012. Poverty still affects rural areas (about 3/4) more than urban areas (less than 2/3). Malnutrition affected nearly 36% of the population in 2015, while underweight in children under five years stood at about 23.4%. Approximately 6.4 million people are severely food insecure and lack access to livelihoods, thereby requiring continuous food aid.

1.3 Cereal imports were estimated at 793 000 tonnes in 2012, as against 21 892 tonnes for exports. Resources meant for agricultural imports are estimated at more than one billion USD, or about 15% of the country's total imports value, while agricultural exports stand at only USD 69 778 000. Net trade in foodstuffs (exports-imports) is estimated by the FAO at -5% of total GDP.

1.4 The unemployment rate stands at 17.7%, with nearly 1% in urban areas, against 10.4% in rural areas and 38.8% in Kinshasa (Survey 1-2-3 of 2012). This phenomenon affects more young people (37.8% among the 15-24), who, consequently, can easily be mobilized by the armed groups operating in the east of the country. Nearly 70% of the population gets its livelihood directly or indirectly from the exploitation of agricultural, animal, forestry and fishery resources, thus giving the agricultural sector great importance in terms of wealth creation and the fight against poverty.

## **Agricultural sector potential and opportunities**

1.5 DRC has huge agricultural potential consisting of: (1) farmland estimated at about 80 million hectares, hardly 10% of which is used each year; (2) climatic and ecological conditions very conducive to various crops and offering opportunities for the development of export crops (coffee, cocoa, rubber, oil palm, tea, etc.) that are competitive on the international market; (3) very rich 125 million hectares tropical forest; and (4) a large regional market (DRC and neighbouring countries have a market of more than 200 million inhabitants), with a rapidly growing and urbanizing population. Thus, judicious and rational unlocking of the vast agricultural potential would ensure accelerated growth in agricultural productivity, along with the development of agro-industrial processing infrastructure. This will help to meet the food needs of the Congolese population without resorting to the international market, and contribute to industrialization in rural and urban areas.

## **Agricultural sector challenges and constraints**

1.6 Despite the above-mentioned vast potential, DRC's agricultural sector faces institutional, economic, technical and organizational constraints that undermine its development. The agricultural sector faces the following challenges, in particular:

- (i) Weak economic governance which affects the private sector and significantly increases production costs;
- (ii) Successive structural adjustments, coupled with inadequate budget allocation, which have led to the disintegration of supervision, extension and research services;
- (iii) Weak organization of financial services, thereby reducing financing opportunities for agricultural operators. Since credit is practically inaccessible for most agricultural households, there is limited use of inputs and equipment, which is a serious handicap to growth in production and agricultural productivity;
- (iv) Inadequacy, bad state or inoperability of basic infrastructure required for economic development (roads, agricultural access roads, power network, collection centres, warehouses, public markets, etc.);
- (v) Limited access to markets due to technical and logistical difficulties, which jeopardize the organization of adequate distribution in terms of quantity and quality. Almost all processed products are imported due to lack of agro-industrial plants that can process the produce and increase its value, while opening up access to new markets. Without processing activities, farmers are deprived of trade opportunities, and the agro-industrial sector contributes only marginally to the creation of non-agricultural jobs essential for economic progress;
- (vi) A dual land tenure system caught between customary practice and administrative management, leading to land access conflicts and land insecurity, a situation which is a major obstacle to productive investments essential for the modernization of agriculture through agricultural intensification and promotion of private investment. Weak land administration also prevents the formalization and guarantee of ownership or user rights by the State, which is a major obstacle to private investments and social peace; and lack of organization of the sub-sector producers and actors. Since farming is essentially subsistence-based, organizational initiatives between the sub-sector producers and actors call for stronger organizations, through support, sensitization and training programmes;

- (vii) Deterioration of living conditions in rural areas leads to high and selective exodus of the most dynamic youths, looking for better income prospects, to towns and mining areas, leaving a drained rural sector, incapable of facing development challenges.

## **National and sector strategies**

1.7 In view of the country's numerous food security-related challenges and the impact of the recent explosion of foodstuff prices on the already precarious situation of households, the DRC Government is seeking to accelerate the creation of economic opportunities in rural areas and increase the production and agricultural productivity of small farmers, as well as their access to markets.

1.8 Within this context, the Government has taken a number of initiatives at national and sector levels. At national level, the second phase of the Growth and Poverty Reduction Strategy Paper (GPRSP II), which ended in late 2015, gave priority to agriculture. The same will apply to the National Development Programme (PNSD) under preparation, which seeks to enable DRC to attain the status of a middle-income country by 2020, through the transformation of agriculture. The sector strategies include: (1) the adoption in 2010 of the National Agriculture and Rural Development Strategy and the National for Food Security Programme; (2) the financing, between 2012 and 2013, of a National Farming Seasons Programme; (3) the adoption of the National Agricultural Investment Programme (PNIA), leading to a business meeting in November 2013 that brought together a significant number of technical and financial partners and potential private promoters; (4) the preparation of the Village Modernization Support Plan (PAMOVI), with the establishment of the Integrated Development Centre (CDI) in each territory; (5) the creation of partnerships with the private sector to reduce agricultural input costs; (6) the preparation of an agro-industrial recovery strategy; (7) the launching of an ambitious agro-industrial parks programme (AIPs). In this regard, the Congolese Government has identified twenty-two sites throughout the country with proven potential in plant, animal and fishery production, to be developed into agro-industrial parks.

1.9 In efforts to make the AIP initiative credible to private operators and its development partners, the DRC Government launched the first agro-industrial park model in Bukanga-Lonzo (some 220 km from Kinshasa) in 2014, using its own funds. This site is located in a low populated area of Bandundu Province, and is intended to supply Kinshasa city (about 12 million inhabitants) with foodstuffs. The park is being developed on 80 000 hectares of land in several phases and is registered in the name of the State. The first phase is based on the concept of a modern farm using the most recent technologies, especially precision agriculture, high-power tractors (350 hp), pivot centres for irrigation, aerial phytosanitary treatment, etc.

1.10 Initially, the Bukanga-Lonzo agro-industrial park development project was implemented through a lease contract between the DRC Government and a South African agri-business multinational (AFRICOM COMMODITIES) for a 5-year period. However, this arrangement evolved and culminated in the creation of three companies in the form of Public-Private Partnerships (PPP), with the Congolese Government as majority shareholder. The companies are: a development company, an operating company and a marketing company, responsible for the Kinshasa international market based in Maluku. The Congolese State intends to gradually divest in favour of national and international private partners, and ultimately hold only about 20% of the capital. So far, large areas have been sown with maize (10 000 ha) and about 1 000 hectares are being developed into pivot centres for market-gardening crops. Platforms for cassava processing, silos for maize storage, a power plant and a fertilizer production factory in Boma, etc. are being constructed. The Government's strong financial (about USD 80 million in equipment, rural roads,

irrigation, energy, etc.) and institutional commitment significantly contributed to the establishment of this park in record time.

1.11 The DRC Government will conduct studies to define: the key guidelines for concretizing the development of the sites, especially the conditions for obtaining land for AIPs, the conduct of soil and technical and economic feasibility studies, environmental and social impact assessments, the business model for constructing the core infrastructure (irrigation facilities, electricity, roads, rails, ports, etc.), social investments (health and school structures, drinking water, etc.) and investments for processing, marketing and production/supply of inputs (fertilizers, etc.), measures to be taken for AIP development, preparation of a research programme to support park development, etc. These studies will then determine the nature and level of intervention of each partner, as well as the establishment of strategic monitoring, so as to define the structures that will intervene in development, operation and marketing.

1.12 In this regard and in addition to the Bukanga Lonzo AIP, the Government has also conducted the feasibility study for the Luiza AIP and pre-feasibility studies for four other sites (Kindu, Mushie Pentane, Kinzau and Ruzizi). Furthermore, the feasibility study for the Nkundi AIP will be conducted under the West Growth Pole Development Project (PDCPO) with World Bank financing. Other feasibility studies are scheduled under the East Growth Pole Project, which is being considered, with World Bank financing. Bank intervention through the financing of feasibility studies for the Kaniama Kaseke, Ngandajika and Mweka AIPs will help to strengthen efforts made by DRC Government in AIP initiative planning and development at national level.

#### **Brief description of Bank activities in the sector**

1.13 The private sector in DRC has benefited from several interventions over the past years. The recently completed operations include two projects and an economic and sector work, namely the Agricultural and Rural Sector Rehabilitation Support Project (PARSAR), financed to the tune of UA 25 million in Bas-Congo and Bandundu Provinces; and (ii) the Agricultural Sector Rehabilitation Project (PRESAR) for UA 35 million in the two Kasais and Katanga. The achievements of these projects are significant, particularly in terms of rural infrastructure (1 500 km of roads with 200 engineering structures, 200 drinking water sources, 40 rural markets, 60 storage warehouses, and 50 000 tonnes of improved seeds) and capacity building for technical services and community organizations (2 000 senior staff and 800 associations and groups of farmers, traders, micro-finance institutions (MFI) and craftsmen, with more than 30 000 members). The Agricultural Sector Study, financed for UA 1.85 million, also allowed for the preparation of Provincial Development Master Plans (PDDP), which are important reference documents for each region. These PDDPs will be used in opening up agricultural areas, rehabilitating the production apparatus and supporting the technical services concerned.

1.14 The Bank's active portfolio in the agricultural sector comprises the Rural Infrastructure Development Support Project (PADIR), financed for UA 49.46 million and, in the environment sub-sector, the REDD+ Integrated Project in Mbuji-Mayi/Kananga and Kisangani basins (PIREDD/MBKIS), financed for USD 21.5 million, in addition to the Congo Basin Ecosystems Conservation Support Project (PACEBCo), financed for UA 37.28 million (including 32 million from the ADF), and which is multinational project for the Congo Basin region. The PADIR, which intervenes in the five provinces of PRESAR and PARSAR, will be closed at the end of 2017. The completion reports of agricultural projects and Bank portfolio review reports helped to highlight the inadequate quality at entry of operations, leading to disparities in outputs and projected resources. This feasibility study will help ensure good quality at entry for future Bank interventions in the agricultural sector.

1.15 The study is also consistent with the guidelines of the 2013-2017 CSP mid-term review conducted in 2015. The guidelines for the Bank include: (i) provide more support for the

agricultural sector's structural transformation, which offers a real opportunity for economic diversification and job creation, especially for youths, in light of the DRC vision to attain the status of middle-income country by 2020 through the transformation of agriculture; (ii) further strengthen its private sector window operations portfolio. The number of private sector operations remains low in the Bank's portfolio in DRC, despite the enormous potential for the development of core operations in this area; (iii) further concentrate these operations within a geographical area (the grand centre), which has turned out to be relevant in that it helps to maximize the impact of Bank interventions, considering the country's size.

1.16 The terms of reference of this study were prepared by a multidisciplinary team of the Bank and DRC Government in March 2016. The study meets the priority needs of the Government as regards feasibility study for the development of agro-industrial parks. It also falls within Pillar I of the Results-Based Country Strategy Paper (2013-2017 CSP), which seeks to improve the socio-economic conditions of the rural and suburban population by rehabilitating the rural sector and basic infrastructure. The preparation of the study ToRs took into account the current available information on various sub-sectors, the standard terms of reference for AIP feasibility study prepared by the Government, as well as exchanges with the stakeholders contacted.

## **2. PROPOSED STUDY**

### **2.1 Design**

2.1.1 This feasibility study is in response to a request made by DRC authorities on 30 November 2015. It falls within the context of the Bank's new agricultural sector policy, the key guidelines of which were adopted during the October 2015 Dakar Conference (AgriDak) on the Transformation of Agriculture in Africa. Basically, it seeks to meet the double requirement of fighting against malnutrition and food insecurity, as well as promoting sustainable economic growth. To that end, food production should be targeted through the establishment of Agri-business Poles in the form of agro-industrial parks, while ensuring industrial crop promotion. The AIP development initiative in DRC was designed by the Prime Minister's Office. It is based on three components: the development of commercial farms, support to small farmers living in the periphery of selected sites, and the development of capital, technology and labour-intensive agricultural cooperatives. These three components help to efficiently address the problems faced by the country, namely supply of a wide range of foodstuffs on the market so as to ensure a balanced diet for the majority of Congolese; efficient and low-cost production to increase access for the greatest number to decent feeding; the creation of stable and paying jobs to reduce the poverty level throughout the country; significant reduction of the country's dependence on food imports; and the creation of an efficient food production system to enable DRC to be a net foodstuff exporter.

2.1.2 More specifically, AIPs will be production parks bringing together various agricultural actors (professionals, farmers, etc.) working on plots of varying sizes, but jointly using basic infrastructure (roads, water, energy, telecommunications, etc.), proximity services (finance, quality control laboratory, transport, maintenance and waste management services, cold stores, etc.), and knowledge and agricultural good practices (training, research, supervision and technology transfer). The objectives of this strategy/programme are to: (1) implement a vast agricultural, animal and fishery sub-sector transformation plan, which will include reforms and physical infrastructure, capacity building for actors and the integration of the new working population into professionalized agriculture; (2) develop Congolese agricultural potential so as to guarantee food security; and (3) diversify the Congolese economy, through agricultural sector development, as a real driving force for wealth and job creation.

2.1.3 The developed AIPs will also have an agro-industrial and logistical activity area, as well as a structure for improving consultation and synergy among all actors. The AIPs will also help to integrate all value chain links upstream to downstream, and establish a complete framework for the reception of investors and agricultural enterprises. Each park will offer an enabling business environment comprising specialized consultancy services, a mentoring service for entrepreneurs and support for innovation, support services for market consolidation and development, access to secure financing and smart partnerships that stimulate regional economic development depending on local and regional potentials. Through irrigation, the AIPs will offer opportunities for supervised development of intensive food crop production, market gardening, fruit growing and stockbreeding. Similarly, in view of the related infrastructure investments, rational agro-industrial park planning will ensure development of Congolese rural areas. As such, AIP development is also an integrated rural development strategy.

2.1.4 The AIP concept has the following fundamental principles: (1) public-private partnerships around agricultural value chains; (2) incentives for private investment; and (3) capacity building for support to agro-industry and entrepreneurship. Overall: (a) the Government's role will consist in facilitating coordination among value chain actors (local communities and authorities, farmers, investors, etc.) and developing AIPs, especially access roads, water supply systems, the power network, etc. However, these public utilities could be operated and managed through public-private partnerships; (b) the private sector, on its part, will be responsible for developing foodstuff production, processing, storage and distribution activities, including related services. It should be noted that AIPs will be designed as commercial enterprises with a legal status. The enterprises will operate in compliance with the requirements of the agricultural law, which encourages private investments.

2.1.5 The study will be conducted by a multidisciplinary team of experts who will make an in-depth analysis of the soil, the market, economic actors, institutions, logistics, research, and access to services, core and socio-economic infrastructure and equipment, etc. It will be based on a participatory approach so as to ensure ownership of outcomes. This approach will also help to integrate, at each phase of the study, lessons learnt from past and current experiences, knowledge and concerns of the population, and critical analyses by experts. The consultant responsible for the study will also examine the inter-sector aspects at each of the phases, especially gender, poverty (youths and other vulnerable groups) and environmental issues, as well as socio-economic realities.

## **2.2. Study Area**

2.2.1 The AIPs targeted by this feasibility study will be located in the country's centre pole, defined around the Ilebo-Tshikapa-Kananga-Mbuji-Mayi road. This pole is the concentration area of Bank interventions, as defined in the 2013-2017 CSP. The choice of concentrating the Bank's interventions in the Centre Zone is guided by the following reasons: (i) proven agricultural production potential, especially livestock breeding; (ii) a large territory in the country's centre that does not enjoy the benefits of cross-border trade because of its essentially landlocked nature, but which can serve as a breadbasket for most crops and promote agro-industry; (iii) a junction area between the west (Kinshasa border with the Republic of Congo), the south-west (border with Angola) and the south-east (Katanga towards Zambia), it is crossed by a railway line and national road No. 1, which are the two means in the regional networks linking Kinshasa to South Africa, on which the Bank is already intervening, in coordination with other technical and financial partners (TFP); (iv) the two Kasais and northern Katanga account for about 20% of the country's population; (v) basic infrastructure constraints are severe in this area; (vi) the area has one of the highest infant mortality rates in the provinces due to malnutrition and water-borne diseases; (vii) the area has a high poverty rate of about 75%; (ix) the area has the lowest drinking water access rate in the country - below 13%, as against a national average of 26% ; (x) the area allows for

complementarity with the Bank's current portfolio due to synergies with the interventions of other TFPs, particularly the EU for the opening of NR1 up to Mbuji-Mayi, and the World Bank for the rehabilitation of the Ilebo-Lubumbashi railway line; UNICEF with the healthy schools and villages programme in the two Kasais and Katanga; the DFID and CTB with their rural water supply programmes, and lastly (xi) the choice of this area will also help strengthen the impact of the opening of growth poles in the west, south and east regions, supported by the World Bank, particularly in infrastructure.

### ***Kaniama Kasese***

2.2.2 The Kaniama Kasese Area is located in the new Haut Lomami Province, 200 km north-west of Kamina town, the headquarters of the Province, between Rivers Lubilanji and Luba-Lubishi and next to the new Lomami Province. It comprises 30 to 40 000 ha of land, at least 30% (10 to 15 000 ha) of which can be considered as arable and 20% meant for big livestock breeding. Since its establishment in 1948 as a settlement centre for European colonists to date, the Kaniama Kasese Area has gone through several management systems. Since 1998, the area has been managed by the National Service (SN).

2.2.3 Kaniama city is linked to Kasese station by a 31-km motorable road. There is a network of roads and farm access roads linking various local villages. Kaniama is linked to Lubumbashi and Mwene-Ditu towns, of which it is a big agricultural breadbasket, by a railway line and a regional road (RN1). The Kaniama and Kasese region has six (6) agricultural sites. Four (4) sites belonged to the Kaniama Kasese area, the fifth to Kaniama Research Station and the last to TABACONGO production centre. These last two sites were attached to the first four during the transfer of Kaniama Kasese Area to the National Service. Each of the sites has essential agricultural infrastructure, namely depots and warehouses, offices, residential houses and land for agricultural activities. All these sites are not supplied with electricity.

2.2.4 Kaniama Kasese region has always been considered as the breadbasket of Katanga and Kasai for maize, particularly due to its very high fertility soils. The creation of the Kaniama and Kasese Area was justified by this reason. The main crops grown in the region, in addition to maize and cattle breeding, are tobacco, cassava, Irish potato, soya bean, poultry farming and sheep and pig breeding. Several trials have been conducted for maize and soya bean varieties, fertilizer doses and farming periods.

### ***Mweka***

2.2.5 Mweka Territory is located in the new Kasai Province. It shares borders with the territories of Dekese in the north, Demba in Central Kasai Province, Luebo in the south, and Ilebo in the west. Its headquarters is Mweka city, which is crossed by the Ilebo-Lubumbashi SNCC railway. The territory has abundant watercourses, and offers enormous possibilities for drinking water treatment, electricity generation, navigation, fisheries and irrigation. The main water course is River Kasai, navigable from Kinshasa up to Ilebo, which is fed by several tributaries, the most important of which are Lulua, Lukenie (navigable up to Dekese), etc.

2.2.6 There are vast surface areas of arable land for intensive and extensive agriculture, with the presence of supervision structures, means of communication (land, river and rail), abundant agricultural manpower, wide crop diversity (cassava, maize, groundnut, rice, sweet potato, beans, vegetables, pineapples, oil palm, coffee, etc.) in Benalongo Centre for the multiplication of improved seeds, as well as abandoned and cultivated perennial crop plantations (oil palm, coffee tree, etc.). As concerns agricultural opportunities, mention should be made of the presence of technical and financial partners, as well as the existence of agricultural technical schools and technical and university higher education institutions. Goat, sheep and pig breeding, as well as

poultry farming are secondary non-negligible resource for the regional economy. Small livestock breeding and poultry farming, developed in all social segments, are practised to generate incomes.

### ***Ngandajika***

2.2.7 Located in Lomami Province, Ngandajika Territory is bordered by the territories of Kabongo in the east, Tshilenge across River Luilu in the west, Katanda and Kabinda in the north, and Luilu in the south. Ngandajika, 90 km from Mbuji-Mayi town, is more or less 130 km from Kabinda, the headquarters of the Province. Ngandajika territory has, since the colonial period, been renowned for its agriculture. The main crops are as follows: cassava, maize, paddy rice, groundnut, cowpea, soya bean, voandzou, millet, sweet potato, livestock, fishing and fish farming. All the production sites are accessible. Almost all the territory's production is transported by road in trucks to Mbuji-Mayi town, which is the biggest marketing centre. A small part of the produce is transported to the neighbouring territory of Luilu, despite the degraded state of farm access roads. All land belongs to the State, but it is managed by customary authority, represented by customary chiefs for sectors and big chiefs for chiefdoms, who transfer it to individuals who so request, in line with their transfer conditions.

2.2.8 Ngandajika Territory has a Seed Farm of more than 1 750 ha in Mpoyi, where the seed processing factory complex (sorting, grading, seed phytosanitary treatment) is located, and warehouses, which formerly served as storage units for materials and seeds, wicker racks for storage of maize cobs, and cemented drying areas. As concerns agronomic research, the territory hosts one of the biggest INERA centres: the Ngandajika INERA, which is now supported partly by Belgian Technical Cooperation for its component for the production of pre-bases and bases for food crops and vegetable seeds: groundnut and soya bean. The centre formerly also received support from the Bank through the PRESAR project for production and dissemination of the seeds of major food crops in the two former provinces of Kasai. INERA researchers, supported by the Government, work on the purification of cassava varieties and the adaptation of those coming from other DRC centres, more particularly from M'Vuazi in Kongo Central. Apart from agriculture, the territory also has the biggest centre for stocking of young Tilapia, financed by USAID (American volunteers), some 10 kilometres from the headquarters of the territory. The centre has helped to expand fish ponds throughout the country.

## **2.3 Objective**

The sector goal of the study is to contribute to reducing the incidence of poverty and food insecurity, as well as to the growth of the agricultural sector in DRC. The Consultant will be mainly responsible for conducting a technical, financial, economic, legal, organizational and environmental feasibility study for the development of Kaniama Kasese, Ngandajika and Mweka agro-industrial parks, on areas not exceeding 50,000 ha. Based on these studies, the consultant will propose, for each of the sites, a business plan, an operation plan, as well as a site development and construction plan, along with the findings and recommendations of the strategic and social environmental assessments (SSEA) to be conducted separately. The Consultant will also propose a research and training programme for the development of each AIP. It must acquaint himself/herself with the country's Development Vision under preparation, in which DRC seeks to attain the status of middle-income country by 2020 through the transformation of agriculture. The consultant must also ensure integration between the AIP development initiative and the Government's approach in the establishment of Integrated Development Centres (IDC) and inclusive growth stimulation in rural areas, as defined in the village modernization plan.

## **2.4 Summary Description and Phasing**

2.4.1 The study will be conducted in two phases over a total duration of 18 months, including the time needed for recruitment of the Consultant, as well as document consultation and validation, in accordance with the mission's objectives. The main components that will be treated by the feasibility study are presented below:

### **Pre-feasibility Study – Preparation of the Preliminary Design**

2.4.2 The pre-feasibility study will be based on the Government's agro-industrial development vision and strategy, existing documentation on agro-industrial parks, provincial documentary resources and supplementary field studies. It will also be necessary to:

- a) Collect basic information on each site and ensure geo-localization: (a) macro-localization (proximity of urban centres, road links, existing infrastructure, climatology and floods, etc.); and (b) micro-localization (land availability, legal status of the land, servicing, natural and administrative constraints, human factors, accessibility, etc.), any social and environmental risks;
- b) Make an inventory of and locate existing human settlements (villages, hamlets, distances in between them) and conduct a demographic assessment;
- c) Identify and map out the study area land and determine its status (customary land rights, any lands already registered (former concessions, etc.) and any other land with specific status (protected areas, community forest, etc.); identify the right holders and customary authorities in charge of sectors impacted by the future project;
- d) Conduct a diagnosis of the existing situation (soil quality, potentials, water resource availability, agricultural activity development potential, state of existing facilities, state of cooperatives, potential investors, services and other socio-economic infrastructure), as basis for the development scenario (priority sub-sectors, necessary infrastructure, farmer supervision requirements, zoning, and related services) ;
- e) Conduct soil studies so as to determine the optimum land potential, crop types depending on the potential, water resource availability for irrigation, input needs for agro-pastoral activity development, and the construction of support social infrastructure (schools, health centres, phytosanitary laboratories, etc.);
- f) Analyze and choose priority and promising agricultural sub-sectors, and make initial production estimates and potential for local processing and export of surpluses;
- g) Ensure pre-project validation by already installed economic actors and with representative professional organizations;
- h) Analyze aspects related to the local/regional environment and potential markets. This involves conducting an analysis of demand, the market and any markets outlets for the expected produce;
- i) Prepare a summary development plan with the site's GPS coordinates;

- j) Prepare the preliminary design in terms of land needs, development, infrastructure, services, economic model and preliminary investment estimates, incomes and costs;
- k) Conduct a strategic environmental and social assessment (SESA).
- l) Propose, for each AIP, a site, IDC terms of establishment and partnership that will help to build the capacities of local village farmers and promote the development of youth and women entrepreneurship;
- m) Ensure consultation with various stakeholders of the site of the future agro-industrial park, especially the population living in the park's immediate environment, the existing enterprises, local and customary authorities, and provincial authorities. This will involve obtaining the points of view of various stakeholders on the future project and incorporating them in the study.

### **Feasibility studies**

#### **✓ Confirm, for each AIP, the base market identified during project preparation:**

2.4.3 Project viability depends first on the positioning of core infrastructure on the market. In this regard, the market study will be based on supply analysis, potential internal demand for targeted agricultural produce, depending on the soil potential. This study will help determine opportunities and constraints, input variety specifications for each link, the pricing policy, produce packaging and processing strategies, supply, distribution and marketing circuits, customer segmentation, competition by produce, logistics on each subsector's chains, promotion and communication strategies, etc.

2.4.4 Market confirmation will be based on surveys that will be conducted by the consultant in households and enterprises in Mbuji-Mayi and Kananga, in particular, and in border posts with neighbouring countries considered as potential markets for the selected produce. It will also be based on studies already conducted, especially the agricultural sector study, the DRC agro-industrial recovery strategy finalized in 2015 with financing from PARRSA, monographs of the two Kasais and Katanga, the PNIA, etc. The survey sites and the target population will be determined during the policy brief's approval.

2.4.5 In particular, the study will analyze production potential and trends, price fluctuations and trends, the market, the surpluses available for processing and the distribution costs of produce from the park and optimum logistical arrangements. The study will also highlight existing agricultural produce processing initiatives in the area. Furthermore, the study will analyze socio-economic and demographic data (for example population characteristics and trends in the targeted region, culinary traditions, the urbanization trend, and the impact potential of these trends on agro-industrial transformation). It will also determine the conditions of complementarity with current initiatives developed in the area. It should also determine the impact on employment in the area related to planned investments, including new needs created on all the value chains.

#### **✓ Define the technological choices of standard technical routes and optimum transformation techniques**

2.4.6 Based on workable assumptions, the size of infrastructure will be defined and the technological process confirmed to meet real market needs and considering the constraints highlighted in various studies on the existing potential. On the basis of the technological choice adopted and the standard and optimum technical routes, the consultant will define the technical

specifications of inputs and equipment (transformation process, capacities and cost estimates) for each platform (agricultural, industrial, logistic, etc.) to be developed in the agro-industrial park.

✓ **Determine the financial return for each site**

2.4.7 The objective is to estimate the investment costs of facilities and infrastructure (including the technology chosen) and their incidence on the cost price of primary products processed into final products. The study will make it possible to calculate the internal and economic rate of return (in the short, medium and long term, followed by the social impact (positive and negative spillover effect), propose adequate economic and ecological solutions, and the return threshold for the industrial platforms so as to ensure project viability. A costed maintenance plan will be proposed for the structures to be constructed, so as to describe the measures to be taken to ensure sustainability of the said structures. The study will also determine the human resource needs and technical skills required. A business plan will also be prepared, including a risk and sensitivity analysis through the COMFAR system, with UNIDO support.

✓ **Propose an appropriate management model for each site**

2.4.8 The study seeks to propose various legal status scenarios for each park and define appropriate organic frameworks with a coherent organization chart, taking into account financial return aspects and in compliance with the relevant Congolese legislation. The project seeks to create one or more community-based commercial companies, in accordance with Law No. 08/010 of 7 July 2008 defining rules relating to State portfolio organization and management. In this regard, the consultant will explore the possibility of structuring a Public-Private Partnership (PPP) made up of the State, a private manager with production infrastructure management skills, and farmers who own the produce. Skills will be developed in line with the specificity of each project stakeholder. Depending on the model chosen, the consultant will prepare all the corporate legal instruments and organization charts, and describe the required skills and models of partnership with producers, including the Economic Interest Group (EIG)/cooperative option, etc. Services will be provided in close collaboration with the Ministry in charge of the Portfolio.

✓ **Environmental and social impact assessment**

2.4.9 The Consultant will conduct this assessment on the basis of the country's regulations, the Bank's environmental and social safeguard policies, and field elements in such manner as to:

- a. examine interactions between project nuisance emitters and environmental receptors subjected to the corresponding interferences, while excluding aspects that have little or no relevance to the proposed activity's environmental impacts;
- b. identify the biophysical and social environmental elements that can be affected by the project and for which public and/or professional concern is shown;
- c. identify all potential project impacts on the environment and assess them through an appropriate method that will ensure their classification in order of importance. Only significant impacts will be subject to in-depth review. The Consultant will then propose mitigation or improvement measures for the impacts, as well as a realistic and feasible monitoring programme. In particular, issues relating to the management of liquid, solid and gaseous effluents that can be generated by platform activity and potential impacts on related activities should be examined in detail;
- d. propose a management plan for project installations, as well as borrow and quarry sites;

- e. propose a management plan for waste produced by industrial platform activities and related structures;
- f. propose, if need be, a resettlement plan for people who will be displaced by the facility or whose activity would be affected by the platform's location on the targeted site;
- g. conduct a social and land analysis.

✓ **Site development plans**

2.4.10 This part of the study aims to propose an installation framework plan, and an infrastructure development and location plan for the Kaniama Kasese, Ngandajika and Mweka agro-industrial parks (including agro-industrial and related infrastructure, irrigation facilities, roads and rural roads, energy, etc.).

2.4.11 As regards soil and geotechnical data, and depending on the available land, the consultant will provide complete and detailed information on the structure of the soil on which infrastructure will be constructed, as well as that of related structures. The consultant will also look for all existing documents that will provide detailed information on the physical, chemical and biological characteristics of the soils to be studied. Furthermore, the consultant will conduct the required geotechnical study of soils on the spot, taking into account the works to be done and equipment to be installed.

2.4.12 As concerns the hydrological data, the consultant will look for all information that will help to describe various structures. Furthermore, the consultant will prepare a detailed inventory of existing structures to be preserved, modified or destroyed, as well as additional structures to be constructed, taking into account a return period appropriate for the magnitude of the works.

2.4.13 With respect to the survey data, the consultant will carry out topographical surveys of sites and produce the topographic map and the slopes and constraints map so as to document the site development.

2.4.14 Based on the platform environmental and social impact assessments, the overall study will propose the location and layout architectural plans for the various site compartments and produce specifications and a confidential note of the costs of works to be carried out.

2.4.15 The development plan will highlight the construction of social infrastructure for the benefit of the local population.

2.4.16 The consultant will also produce detailed studies for the site electrification and road rehabilitation, based on existing optimum routes or routes to be defined by it. These routes will first be approved by the competent technical services of SNEL's Department of Rural Electrification and the Roads Authority.

2.4.17 The study will produce the Master Plan, the framework plan for roads and other networks, specific 2D and 3D development plans, plan views with captions (dimensioned plan views, rotations; electricity, irrigation, drainage and plumbing plan views), façades and sections, prospects of structures, details of pillars and beams, as well as 3D scale models of the buildings. The infrastructure scale model and animated plans and its organic components will also be produced for the project promotion.

2.4.18 On the basis of the FD study, the consultant will prepare complete Bidding Documents (BD) for the envisaged infrastructure. The execution file will include all FD documents and any other useful information that will help to launch competitive bidding for the construction of structures. The proposed services will then consist in presenting a scale model of this project in the most elaborate form possible, so as to bring the feasibility studies and operation plans to acceptable levels of interest for potential private investors.

- ✓ **Define the implementation arrangements of the various project components, as well as required support measures.**

2.4.19 The consultant will prepare a complete and detailed business plan-type document, programmed over time, to serve as methodological, technical and management guide for actual project implementation on the field.

## 2.5 Study Costs and Financing Source

2.5.1 Cost Estimate of the Study: The total study cost is estimated at UA 1 524 582 (USD 2 149 661), net of taxes and customs duties. This cost comprises UA 1 083 677 (USD 1 527 985) in foreign exchange and UA 440 905 (USD 621 675) in local currency. This cost includes provisions for physical contingencies and price escalation, which are estimated at 5% and 3% on average respectively. A summary of the estimated project cost by component and expenditure category is presented below, while details are provided in the Annex.

Components	UA			USD			%
	Local C.	Foreign E.	Total	Local C.	Foreign E.	Total	Foreign E.
Conduct of studies	294 240	865 610	1 159 850	414 878	1 220 510	1 635 389	75%
Capacity building	40 550	37 450	78 000	57 176	52 805	109 980	48%
Study management	68 000	105 800	173 800	95 880	149 178	245 058	61%
<b>Total base cost of the study</b>	<b>402 790</b>	<b>1 008 860</b>	<b>1 411 650</b>	<b>567 934</b>	<b>1 422 493</b>	<b>1 990 427</b>	<b>71%</b>
Physical contingencies	21 175	49 408	70 583	29 856	69 665	99 521	70%
Financial contingencies	16 940	25 410	42 350	23 885	35 828	59 713	60%
<b>Total study costs</b>	<b>440 905</b>	<b>1 083 677</b>	<b>1 524 582</b>	<b>621 675</b>	<b>1 527 985</b>	<b>2 149 661</b>	<b>71%</b>

Components	UA			USD			%
	Local C.	Foreign E.	Total	Local C.	Foreign E.	Total	Foreign E.
<b>I-Investments</b>							
<b>Goods</b>	<b>13 280</b>	<b>42 920</b>	<b>56 200</b>	<b>18 725</b>	<b>60 517</b>	<b>79 242</b>	<b>76%</b>
IT hardware procurement	880	3 520	4 400	1 241	4 963	6 204	80%
Office equipment	3 400	3 400	6 800	4 794	4 794	9 588	50%
Vehicle procurement	6 000	34 000	40 000	8 460	47 940	56 400	85%
Sundry supplies	3 000	2 000	5 000	4 230	2 820	7 050	40%
<b>Services</b>	<b>358 790</b>	<b>939 060</b>	<b>1 297 850</b>	<b>505 894</b>	<b>1 324 075</b>	<b>1 829 969</b>	<b>72%</b>
Consultancy firm technical assistance	294 240	865 610	1 159 850	414 878	1 220 510	1 635 389	75%
UNIDO special assistance	40 550	37 450	78 000	57 176	52 805	109 980	48%
Procedures manual and accounting syst.	20 000	30 000	50 000	28 200	42 300	70 500	60%
Final study audit	4 000	6 000	10 000	5 640	8 460	14 100	60%
<b>Total investment cost</b>	<b>372 070</b>	<b>981 980</b>	<b>1 354 050</b>	<b>524 619</b>	<b>1 384 592</b>	<b>1 909 211</b>	<b>73%</b>
<b>II-Operating Costs</b>	<b>30 720</b>	<b>26 880</b>	<b>57 600</b>	<b>43 315</b>	<b>37 901</b>	<b>81 216</b>	<b>47%</b>
CCE staff	4 320	17 280	21 600	6 091	24 365	30 456	80%
Travel allowances	10 800	1 200	12 000	15 228	1 692	16 920	10%
Steering Committee	12 000	3 000	15 000	16 920	4 230	21 150	20%
Maintenance and operation	3 600	5 400	9 000	5 076	7 614	12 690	60%
<b>Total base costs</b>	<b>402 790</b>	<b>1 008 860</b>	<b>1 411 650</b>	<b>567 934</b>	<b>1 422 493</b>	<b>1 990 427</b>	<b>71%</b>
Physical contingencies	21 175	49 408	70 583	29 856	69 665	99 521	70%
Financial contingencies	16 940	25 410	42 350	23 885	35 828	59 713	60%
<b>Total study costs</b>	<b>440 905</b>	<b>1 083 677</b>	<b>1 524 582</b>	<b>621 675</b>	<b>1 527 985</b>	<b>2 149 661</b>	<b>71%</b>

### 5.2.2 Financing plan

This operation will be financed through a grant to the Government for an amount of UA 1 524 582, which is equivalent to USD 2 149 661 or 100% of the operation's total cost. The detailed financing plan is summarized in the tables below.

Financing Source	UA			USD			%
	Local C.	Foreign E.	Total	Local C.	Foreign E.	Total	Foreign E.
ADF	440 905	1 083 677	1 524 582	621 675	1 527 985	2 149 661	100%
<b>Total study costs</b>	<b>440 905</b>	<b>1 083 677</b>	<b>1 524 582</b>	<b>621 675</b>	<b>1 527 985</b>	<b>2 149 661</b>	<b>100%</b>

LIST OF GOODS AND SERVICES	ADF in UA			ADF in USD			%
	Local C.	Foreign E.	Total	Local C.	Foreign E.	Total	Foreign E
<b>A-GOODS</b>	<b>13 280</b>	<b>42 920</b>	<b>56 200</b>	<b>18 725</b>	<b>60 517</b>	<b>79 242</b>	<b>76%</b>
IT hardware procurement	880	3 520	4 400	1 241	4 963	6 204	80%
Office equipment	3 400	3 400	6 800	4 794	4 794	9 588	50%
Vehicle procurement	6 000	34 000	40 000	8 460	47 940	56 400	85%
Sundry supplies	3 000	2 000	5 000	4 230	2 820	7 050	40%
<b>B-SERVICES</b>	<b>358 790</b>	<b>939 060</b>	<b>1 297 850</b>	<b>505 894</b>	<b>1 324 075</b>	<b>1 829 969</b>	<b>72%</b>
Consultancy firm technical assistance	294 240	865 610	1 159 850	414 878	1 220 510	1 635 389	75%
UNIDO special assistance	40 550	37 450	78 000	57 176	52 805	109 980	48%
Procedures manual and accounting syst.	20 000	30 000	50 000	28 200	42 300	70 500	60%
Final study audit	4 000	6 000	10 000	5 640	8 460	14 100	60%
<b>C-OPERATING COSTS</b>	<b>30 720</b>	<b>26 880</b>	<b>57 600</b>	<b>43 315</b>	<b>37 901</b>	<b>81 216</b>	<b>47%</b>
CCE staff	4 320	17 280	21 600	6 091	24 365	30 456	80%
Travel allowances	10 800	1 200	12 000	15 228	1 692	16 920	10%
Steering Committee	12 000	3 000	15 000	16 920	4 230	21 150	20%
Maintenance and operation	3 600	5 400	9 000	5 076	7 614	12 690	60%
Unallocated	38 115	74 817	112 932	53 742	105 493	159 234	66%
<b>TOTAL</b>	<b>440 905</b>	<b>1 083 677</b>	<b>1 524 582</b>	<b>621 675</b>	<b>1 527 985</b>	<b>2 149 661</b>	<b>71%</b>

## 2.6 Conduct and Monitoring of the Study

2.6.1 The study will be conducted by a multidisciplinary team of experts from a consultancy firm. The firm must: (i) provide evidence of proven skills in agricultural and agro-food engineering with general experience of at least 15 years in spatial planning; (ii) have solid experience of more than 10 years, with at least two (2) similar missions and evidence of previous services considered satisfactory by the beneficiary; (iii) provide evidence of good knowledge of the agricultural and/or agro-industrial issues of DRC or similar countries; and (iv) have a multidisciplinary team of experts capable of working under pressure and within a specific and multicultural environment.

2.6.2 The consultant will, in its technical proposal, provide the list and CVs of the staff that it intends to use for the required services. It must present a multidisciplinary team of experts as follows: mission leader, agro-economist with proven experience of at least 10 years in the design and implementation of similar projects, particularly the establishment of agro-industrial techno-poles. It must also provide evidence of experience in agricultural value chain strategic planning and development, as well as have a soil expert, an agronomist, a local development specialist, a regional planner, a zoo-technician, a designer architect, a logistics and value chain or supply/distribution specialist, a topographer, a civil engineer, an electrical engineer, a mechanical/electromechanical engineer, an agro-industrial engineer, a financial analyst, a business lawyer and an environmental specialist. The detailed responsibilities of these experts are described in the study terms of reference.

2.6.3 The MAPE will establish a Steering Committee (SC) of the Study. The SC will be chaired by the MAPE or his/her representative, and will be made up of representatives of the Prime Minister's Office, MDR, MEF, MRST, MPMECM and MI; a representative of agricultural socio-professional organizations; an NGO representative; a FEC representative, a representative of regional authorities, or any other resource person. The steering committee will be mainly responsible for monitoring the conduct of the study, analyzing the consultancy firm's draft reports, and making policy recommendations. It will meet at least twice during the conduct of the study.

2.6.4 In order to develop synergies with ongoing Bank interventions in the agricultural sector, the study will be coordinated by the same unit as that which manages the PPF-PEJAB project, approved by the Bank in January 2016. The said unit is placed under the supervision of the Department of Analysis, Planning and Forecasts (DAPP) of the Ministry of Agriculture, Fisheries and Livestock, which is responsible for preparing agricultural policy proposals, monitoring their implementation, and assessing their results and impacts. Supervision and technical coordination of activities will be ensured by the Projects and Programmes Preparation and Evaluation Division (DEEPP) of international cooperation agencies of the DAPP.

2.6.5 The PPF Activity Coordination Unit, made up of 3 experts, namely an agro-economist, an agri-business expert and a socio-economist, will be strengthened to ensure adequate monitoring of the AIP feasibility study. Consequently, an individual procurement consultant will be recruited for a 60-day period to support the study coordination unit. In addition, to ensure proper skills transfer, MAPE is expected to appoint national counterparts in the following areas: value chains development, agro-industry and governance. Since the DEEPP has no logistic resources, a vehicle will be procured.

#### *Procurement and Financial Management*

2.6.6 The consultancy services required for project preparation will be procured in accordance with *the Procurement Policy for Bank Group-financed operations of 14 October 2015*, using the Bank's relevant standard documents. The selection method used for recruiting the consultancy firm responsible for the AIP feasibility study will be based on quality and cost (QCBS). The selection method for the audit firm will be based on the least cost (LCS). The selection method used for UNIDO technical assistance responsible for feasibility study quality control is that of direct arrangement. The choice of this UN system body is justified by its experience in industrial value chain development, especially in DRC, with its support to the establishment of the Kimpese food processing information and extension centre. This centre aims to add value to agricultural produce by ensuring local food crop processing and conservation. In addition, UNIDO has developed the COMFAR software, which will facilitate short and long-term analysis of the economic and financial consequences of agro-industrial projects that will be developed after the studies.

2.6.7 Short lists of consultancy services for amounts below the equivalent of UA 100 000 for firms and UA 50 000 for individual consultants may comprise only national consultants, *in accordance with the Procurement Policy for Bank Group-financed operations of 14 October 2015*. For contracts estimated at more than UA 200 000 for consultancy firms and more than UA 50 000 for individual consultants, the expression of interest notice will be published on UNDB online on the Bank's Internet site. Where the contract amount below UA 200 000 for firms and UA 50 000 for individual consultants, the borrower may limit publication of the call for expression of interest to national and regional newspapers. However, any eligible consultant, a national of a regional country or not, can express interest to be short listed. The national procedure will be used for all procurement of goods, given the low amounts involved.

2.6.8 The following documents will be submitted to the Bank for notice of non-objection: bidding documents and letters of invitation to bid for consultancy firms (procurement of services for conduct of the study and audit and procurement of supplies), the bid evaluation reports and the contract award proposal, and draft contracts, if the latter are modified in line with draft contracts incorporated into the consultancy files.

2.6.9 Grant resources for the study will be disbursed in accordance with Bank procedures. Two payment methods are chosen: (i) the direct payment method for consultancy services; and (ii) the special account method to finance operating costs. The donee will open a special account in a bank

acceptable to the ADF. The special account will be replenished from time to time on presentation of a request based on a programme and a projected activity budget for a maximum period of six (6) months. The special account will be replenished only after justification of all previous transfers and at least 50% of the use made of the previous advance. Grant resources will be used only to finance project expenditures indicated in the Annex of this report.

2.6.10 Accounting and report preparation will be done under the responsibility of the DAPP, which has qualified accounting staff with experience in Bank-financed projects. The DAPP's responsibility for financial management of the study will require capacity building for the department on management tools (software, manual). Monthly reports will be prepared and submitted to the Bank. The reports will indicate the progress of activities at the physical and financial levels, particularly the performance status of the various contracts signed under the study. The reports will also highlight any difficulties encountered and solutions proposed to address them. The study's financial statements (unaudited) will be prepared annually for the first year and then twice-yearly for the second year, considering the 18-month period provided for the conduct of the study.

2.6.11 The study's financial statements, prepared in two stages at the end of the first financial year and on the date of the last disbursement, will be subject to only one external audit, which will be conducted after the last disbursement. This will be done in compliance with international standards by an independent audit firm to be recruited on a competitive basis, in accordance with the terms of reference approved beforehand by the Bank.

## **2.7 Coordination with Other Partners**

During the preparation of the study's terms of reference, contacts were made with the main development partners represented in DRC, in particular FAO, UNIDO, SNV, IITA, the Belgian Embassy, World Bank, the Projects and Programmes Monitoring Unit of the Ministry of Finance, the Fragile States Financing Implementation Unit, etc. These consultations helped to obtain their opinions and suggestions on the study, collect available documentation, and take into account lessons learnt from previous interventions. During the study's entire duration and, particularly, during surveys, and the study's reports and results validation workshops, with which the Bank will be associated, the consultant will have regular exchanges with various development partners represented in DRC so as to know their levels of interventions, inform them of the study's progress, and obtain their opinions on the study results and recommendations.

## **2.8 Sustainability**

2.8.1 The conduct of the AIP study will, using a participatory approach, involve all stakeholders, especially the administration, development partners, regional authorities, NGOs, agricultural professional organizations, women's organizations, the steering committee, the private sector, etc. Such effective involvement started during the preparation mission for the study's terms of reference, through consultations that provided the following lessons: (i) the need to ensure that the park is not a threat to small farmers and other farming initiatives, but rather an opportunity to produce more and get profitable prices, especially for farmer and women's associations; (ii) the need to involve the private sector upstream the process; (iii) the need to first develop research and extension, so as to ensure improved productivity, agricultural produce quality and supply regularity, as a guarantee for industrial development success; (iv) the need to conduct technical studies, especially soil studies, so as to determine the crop options to be chosen for each park and its operation plan; (v) the need to pay particular attention to the issue of land by involving the various stakeholders concerned; (vi) the need to ensure cohesion and complementarity with other agricultural village modernization sector strategies, including the component of promotion of Integrated Development Centres (IDC), the establishment of special economic zones, and the

promotion of small and medium-sized enterprises; (vii) the need to take governance-related aspects into account in park management; and (viii) the need to develop a communication strategy to support park development. This study will take all these lessons into account.

2.8.2 Consultations with stakeholders will continue during the study through field surveys, exchanges, and disclosure and report validation workshops. These consultations will help ensure that the diagnoses, AIP development strategic guidelines, business plan, management and partnership methods, etc. are the outcome of consensus, to which all parties subscribe. On the other hand, since the technical capacities of the Ministries are very limited, the study will acquire, from international experts, additional knowledge and, above all, appropriate methodologies for the conduct of future similar studies.

### **3. PRODUCTION OF DELIVERABLES, DURATION AND INTERVENTION AREA**

#### **3.1 Deliverables**

3.1.1 The reports will be submitted in paper form, accompanied by electronic copies. The consultant will, within the limits of the project and within the contractual period, provide the various deliverables or the following reports in French for each AIP site.

3.1.2 *20 working days after the jobbing order to start services: A policy brief acceptable to the DAPP/MAPE.* The policy brief will define the methodological framework and detailed operational planning of the mission's activities, after site visits and exchanges with stakeholders. This brief will be presented and validated during a meeting at DAPP/MAPE.

3.1.3 *80 working days after the jobbing order to start services: A progress report acceptable to the DAPP/MAPE.* A progress report submitted in 5 copies to DAPP/MAPE (pre-feasibility study), containing the market study, preliminary investment proposals (infrastructure and equipment), a draft of implementation scenarios, and an operation plan, including preliminary designs. A report review workshop will be organized with stakeholders and a maximum period of 5 days will be provided for submission of observations on the report to the consultant.

3.1.4 *60 working days after submission of observations on the draft progress report: Draft report acceptable to the DAPP/MAPE.* The draft report and all deliverables submitted in 10 copies to the DAPP/MAPE, including the final version of the feasibility study and final designs. This deliverable will be introduced by a summary of a few pages presenting the consultant's essential analyses, calculations and recommendations. The draft report will be accompanied by the project's key photographs. A report validation workshop will be organized with stakeholders and a 5-day period will be provided for submission of observations on the report to the consultant.

3.1.5 *20 working days after submission of observations on the draft report: Final report acceptable to the DAPP/MAPE.* The final report and all deliverables submitted in 10 copies to the DAPP/MAPE. This deliverable will be introduced by a summary of a few pages presenting the consultant's essential analyses, calculations and recommendations. The consultant will submit the final report's IT files, including digitized photographs and models on spreadsheet, in usable version, and the economic calculations and financial simulations made in the study. It will also submit development and architectural plans in PDF and Autocad format.

3.1.6 The consultant is required to follow the minimum framework included in the Annex of these terms of reference. In addition, it will produce a monthly progress note specifying ongoing tasks, any difficulties encountered and forecasts for work and visits (field and institutional). This note will enable the Government to intervene on time and facilitate the consultant's work. The consultant will be responsible for the organization of workshops.

### 3.2 Duration

3.2.1 The study will be conducted over a period not exceeding twelve months. The study will start not later than one month following signature of the services contract. The implementation schedule of the study is as follows:

<b><u>1- Contract signature</u></b>	M
<b><u>2- Pre-feasibility study phase</u></b>	
Policy brief preparation	M+1
Studies and draft report preparation	M+4
Pre-feasibility study report feedback workshop	M+5
<b><u>3- Feasibility study phase</u></b>	
Studies and draft report preparation	M+9
Feasibility study report feedback workshop	M+10
Submission of final study reports	M+12

## 4. **OBLIGATIONS OF THE CONSULTANT**

The consultant will take appropriate measures for the proper implementation of the study, in harmony with the country's authorities. It will be entirely responsible for the conduct of the study, including the parts to be implemented by subcontractors. It must: (i) fulfill its mandate in compliance with the terms of reference and according to recognized and accepted standards; (ii) maintain permanent contact with the coordination team and the authorities concerned, so as to enable them to monitor the study's various phases and results; and (iii) submit to the contracting authority's administration all the means and equipment procured with ADF funds under the study.

## 5. **OBLIGATIONS OF THE GOVERNMENT**

5.1 **Documents**: The Government will provide the consultant with all available documents and reports for the needs of the study. It will facilitate the consultant's indispensable contacts for the proper conduct of the study and access to available information. All documents submitted to the Consultant by the Government and partners for service needs will be returned to them at the end of the study.

5.2 **Correspondence**: The Government will ensure that correspondence exchanged with the consultant and the Bank with respect to the conduct of the study is followed up, so as not to hamper due diligence. It will also, in particular, ensure compliance with time frames for consideration of the Consultant's report. The Government will forward its observations to the Consultant not later than one month following receipt of the document.

5.3 **Facilities and Exemptions**: The Government will grant to the consultant's international experts posted to DRC for the study, as well as to family members accompanying them, the following facilities and exemptions: (i) exemption from import duties for the study's duration; (ii) exemption from all taxes and customs duties on equipment, materials and supplies imported for the study, as well as the household appliances and personal belongings of experts; and (iii) authorizations and privileges for transfer foreign exchange received in DRC as consultancy fees for the study. For materials acquired privately, having benefited from exemption and which would

not be re-exported at the end of the study, their sale will be subject to the regulations in force in DRC.

5.4 Evaluation of the Consultant's services: When the consultancy firm's services are completed, the Government will prepare an evaluation report, indicating to what extent the firm's services have been well implemented and that it approves the study's findings and recommendations. It will forward the report to the Bank for recording.

## 6. CONDITIONS FOR FUND INTERVENTION

A. Condition precedent to effectiveness of the Protocol Agreement: Effectiveness of the Protocol Agreement shall be subject to its signature by the Donee and the Fund.

B. Condition precedent to the first disbursement: The Fund's obligation to make the first disbursement of the grant resources shall be subject to fulfillment by the Donee of the following precondition: (i) Provide the Fund with evidence of the opening of a special account in a bank acceptable to the Fund to receive the grant resources;

C. Other Conditions: Provide to the Fund: (i) evidence of the appointment of the PPF-PEJA project team as the study coordination team, not later than two months following approval of the study's financing by the Board; and (ii) evidence of the appointment of counterpart staff whose professional qualifications and experience have been considered acceptable by the Fund (cf. Paragraph 2.5.5).

## 7. CONCLUSION AND RECOMMENDATIONS

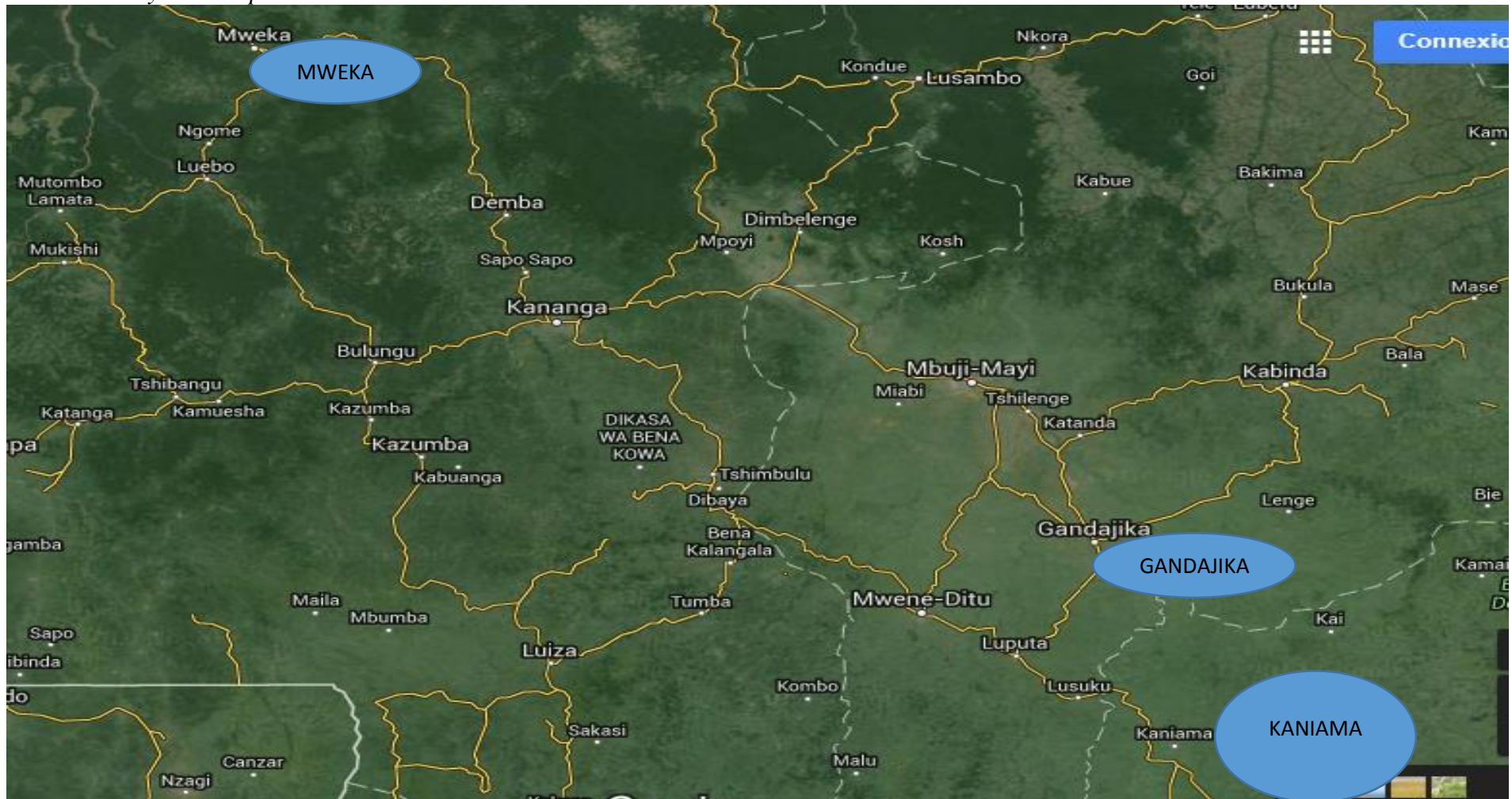
### 7.1 **Conclusions**

The proposed study, whose terms of reference are attached to this memorandum, is an important stage in the implementation of the agro-industrial recovery strategy in the Democratic Republic of Congo (DRC). It will conduct technical, financial, environmental and social feasibility studies, as well as prepare the business model for the establishment of three new agro-industrial parks in the country's centre region. The operation of these parks will be a crucial stage in the economic transformation of the centre development pole, which is the concentration area of the Bank's interventions. The study will, in particular, be very useful for future negotiations between the Democratic Republic of Congo and its private and multilateral partners for the mobilization of financing.

### 7.2 **Recommendations**

In light of the foregoing, it is recommended that a grant not exceeding *one million five hundred and twenty-four thousand five hundred eighty-two Units of Account (UA 1 524 582)* be extended to the Democratic Republic of Congo to finance all foreign exchange costs and part of the local currency costs of the feasibility study for the development of Kaniama Kasese, Ngandajika and Mweka agro-industrial parks.

Annex 1: Study area map



*Annex 2: Detailed Costs of the Study*

DETAILED COSTS OF THE CONDUCT OF STUDIES FOR THREE PARKS												
Items	Unit	Qty	Unit Price (UA)	Cost UA			Cost A			Cost USD		
				Total	L.C.	For. Exch.	Total	ADF	GVT	Total	ADF	GVT
<b>A-Conduct of Studies</b>												
<b>1-Training and Workshops</b>												
Study launching	Unit	1	12 000	12 000	9 600	2 400	12 000	12 000		16 920	16 920	0
Pre-feasibility study validation	Unit	1	12 000	12 000	9 600	2 400	12 000	12 000		16 920	16 920	0
Business Plan validation (final report)	Unit	1	13 000	13 000	10 400	2 600	13 000	13 000		18 330	18 330	0
<b>S/Total 1</b>				<b>37 000</b>	<b>29 600</b>	<b>7 400</b>	<b>37 000</b>	<b>37 000</b>	<b>0</b>	<b>52 170</b>	<b>52 170</b>	<b>0</b>
<b>2-Consultancy firm technical assistance</b>												
<b>2-1-International expertise</b>												
<b>Key Staff</b>												
Agro-economist-Mission leader	SM	6	10 000	60 000	12 000	48 000	60 000	60 000		84 600	84 600	0
Soil expert	SM	2.5	6 500	16 250	3 250	13 000	16 250	16 250		22 913	22 913	0
Agronomist researcher	SM	2.5	6 500	16 250	3 250	13 000	16 250	16 250		22 913	22 913	0
Zoo-technician	SM	2.5	6 500	16 250	3 250	13 000	16 250	16 250		22 913	22 913	0
Local development specialist	SM	2.5	6 500	16 250	3 250	13 000	16 250	16 250		22 913	22 913	0
Value chains dev. specialist	SM	2.5	7 000	17 500	3 500	14 000	17 500	17 500		24 675	24 675	0
Agro-industrial engineer	SM	2.5	7 000	17 500	3 500	14 000	17 500	17 500		24 675	24 675	0
Architect designer	SM	2.5	7 000	17 500	3 500	14 000	17 500	17 500		24 675	24 675	0
Town planner designer	SM	2.5	6 500	16 250	3 250	13 000	16 250	16 250		22 913	22 913	0
Civil engineer	SM	2.5	6 500	16 250	3 250	13 000	16 250	16 250		22 913	22 913	0
Electrical engineer	SM	2.0	6 500	13 000	2 600	10 400	13 000	13 000		18 330	18 330	0
Topographer	SM	2.5	5 500	13 750	2 750	11 000	13 750	13 750		19 388	19 388	0
Geo-technician	SM	2.0	5 500	11 000	2 200	8 800	11 000	11 000		15 510	15 510	0
Electro-mechanic	SM	2.0	5 500	11 000	2 200	8 800	11 000	11 000		15 510	15 510	0
Financial analyst	SM	2.0	6 500	13 000	2 600	10 400	13 000	13 000		18 330	18 330	0
Business lawyer	SM	2.5	7 000	17 500	3 500	14 000	17 500	17 500		24 675	24 675	0
Environmentalist	SM	2.5	7 000	17 500	3 500	14 000	17 500	17 500		24 675	24 675	0
Research/technological innovations expert	SM	2.0	6 500	13 000	2 600	10 400	13 000	13 000		18 330	18 330	0
PPP development specialist	SM	2.5	6 500	16 250	3 250	13 000	16 250	16 250		22 913	22 913	0
Marketing specialist	SM	2.0	6 500	13 000	2 600	10 400	13 000	13 000		18 330	18 330	0
<b>Support Staff</b>												
Field coordination	SM	2.5	7 000	17 500	3 500	14 000	17 500	17 500		24 675	24 675	0
Research/technological innovations expert	SM	2.5	6 500	16 250	3 250	13 000	16 250	16 250		22 913	22 913	0
Gender expert	SM	2.5	6 500	16 250	3 250	13 000	16 250	16 250		22 913	22 913	0
Communication specialist	SM	2.5	6 500	16 250	3 250	13 000	16 250	16 250		22 913	22 913	0
Fluid engineer	SM	1	6 500	6 500	1 300	5 200	6 500	6 500		9 165	9 165	0
Fire safety engineer	SM	1	6 500	6 500	1 300	5 200	6 500	6 500		9 165	9 165	0
VRD engineer	SM	1	6 500	6 500	1 300	5 200	6 500	6 500		9 165	9 165	0
<b>2-2- National Expertise (counterparts)</b>												
Value chains dev. counterpart	SM	6	600	3 600	720	2 880	3 600	3 600		5 076	5 076	0
Agro-industry counterpart	SM	6	600	3 600	720	2 880	3 600	3 600		5 076	5 076	0
Governance counterpart	SM	6	600	3 600	720	2 880	3 600	3 600		5 076	5 076	0
<b>2-3-Soil study costs and other studies</b>												
Various studies, samples, lab analysis (*)	FF	1	507 000	507 000	101 400	405 600	507 000	507 000		714 870	714 870	0
<b>2-4-Reimbursable costs</b>												
Air tickets International Experts	Unit	20	1500	30 000	6 000	24 000	30 000	30 000		42 300	42 300	0
Perdiem Int. Exp.	pers/d	348	200	69 600	20 880	48 720	69 600	69 600		98 136	98 136	0
Perdiem Nat. Exp.	pers/d	180	140	25 200	12 600	12 600	25 200	25 200		35 532	35 532	0
Local transportation	FF	1	30 000	30 000	24 000	6 000	30 000	30 000		42 300	42 300	0
Various costs (vaccination+others)	FF	1	2500	2 500	250	2 250	2 500	2 500		3 525	3 525	0
Communication costs	FF	1	3000	3 000	2 400	600	3 000	3 000		4 230	4 230	0
Reproduction of reports & Data acquisition	FF	1	10 000	10 000	8 000	2 000	10 000	10 000		14 100	14 100	0
<b>S/Total 2</b>				<b>1 122 850</b>	<b>264 640</b>	<b>858 210</b>	<b>1 122 850</b>	<b>1 122 850</b>	<b>0</b>	<b>1 583 219</b>	<b>1 583 219</b>	<b>0</b>
<b>B-Capacity Building</b>												
<b>3-UNIDO special assistance</b>												
<b>3-1- International expertise</b>												
Agro-economist	Expt-Day	0.5	7000	3 500	700	2 800	3 500	3 500		4 935	4 935	0
Agro-industrial expert	Expt-Day	0.5	7000	3 500	700	2 800	3 500	3 500		4 935	4 935	0
Environmentalist	Expt-Day	0.5	7000	3 500	700	2 800	3 500	3 500		4 935	4 935	0
Marketing expert	Expt-Day	0.5	7000	3 500	700	2 800	3 500	3 500		4 935	4 935	0
COMFAR expert	Expt-Day	0.5	7000	3 500	700	2 800	3 500	3 500		4 935	4 935	0
Construction expert	Expt-Day	0.5	7000	3 500	700	2 800	3 500	3 500		4 935	4 935	0
<b>3-2-International Travel</b>												
Agro-economist expertise	A/R	1	1500	1 500	225	1 275	1 500	1 500		2 115	2 115	0
Agro-industrial expertise	A/R	1	1500	1 500	225	1 275	1 500	1 500		2 115	2 115	0
Environmentalist expertise	A/R	1	1500	1 500	225	1 275	1 500	1 500		2 115	2 115	0
Marketing expertise	A/R	1	1500	1 500	225	1 275	1 500	1 500		2 115	2 115	0
Financial analysis/COMFAR expertise	A/R	1	1500	1 500	225	1 275	1 500	1 500		2 115	2 115	0
Construction expertise	A/R	1	1500	1 500	225	1 275	1 500	1 500		2 115	2 115	0

<b>3-3-Perdiem</b>												
Agro-economist expertise	pers/d	15	200	3 000	1 500	1 500	3 000	3 000		4 230	4 230	0
Agro-industrial expertise	pers/d	15	200	3 000	1 500	1 500	3 000	3 000		4 230	4 230	0
Environmentalist expertise	pers/d	15	200	3 000	1 500	1 500	3 000	3 000		4 230	4 230	0
Marketing expertise	pers/d	15	200	3 000	1 500	1 500	3 000	3 000		4 230	4 230	0
COMFAR expertise	pers/d	15	200	3 000	1 500	1 500	3 000	3 000		4 230	4 230	0
Construction expertise	pers/d	15	200	3 000	1 500	1 500	3 000	3 000		4 230	4 230	0
<b>3-4-Local mobility International experts</b>												
Vehicle hiring	FF	1	20000	20 000	18 000	2 000	20 000	20 000		28 200	28 200	0
<b>3-5-Various administrative costs</b>												
Administrative costs	FF	1	10000	10 000	8 000	2 000	10 000	10 000		14 100	14 100	0
<b>S/Total 3</b>				<b>78 000</b>	<b>40 550</b>	<b>37 450</b>	<b>78 000</b>	<b>78 000</b>	<b>0</b>	<b>109 980</b>	<b>109 980</b>	<b>0</b>
<b>C-Study management and coordination</b>												
<b>4-Study management</b>												
<b>4-1-Goods</b>												
IT hardware procurement	Unit	4	1100	4400	880	3520	4400	4400		6204	6204	0
Office equipment	Lot	4	1700	6800	3400	3400	6800	6800		9588	9588	0
Vehicle procurement	Unit	1	40000	40000	6000	34000	40000	40000		56400	56400	0
Various supplies	Fixed rate	1	5000	5000	3000	2000	5000	5000		7050	7050	0
<b>4-2-Services</b>												
Procedures manual and accounting system	Unit	1	50000	50000	20000	30000	50000	50000		70500	70500	0
Final study audit	Fixed rate	1	10000	10000	4000	6000	10000	10000		14100	14100	0
<b>4-3-Operating Costs</b>												
Office renting	Unit	6	18000	108000	97200	10800	108000	0	108000	152280	0	152280
Salaries	pers/month	90	250	22500	20250	2250	22500	0	22500	31725	0	31725
Unit staff allowances (**)												
Coordinator	pers/month	18	300	5400	1080	4320	5400	5400	0	7614	7614	0
Procurement expert and accountant	pers/month	36	250	9000	1800	7200	9000	9000	0	12690	12690	0
Secretary and driver	pers/month	36	200	7200	1440	5760	7200	7200	0	10152	10152	0
Field visit costs	FF	6	2000	12000	10800	1200	12000	12000	0	16920	16920	0
Vehicle maintenance and operation	FF	6	500	3000	1200	1800	3000	3000	0	4230	4230	0
Various operating costs	FF/month	6	1000	6000	2400	3600	6000	6000	0	8460	8460	0
<b>5-Study coordination</b>												
Steering committee meeting costs	Meeting	2	7500	15000	12000	3000	15000	15000	0	21150	21150	0
<b>S/Total 4</b>				<b>304 300</b>	<b>185 450</b>	<b>118 850</b>	<b>304 300</b>	<b>173 800</b>	<b>130 500</b>	<b>429 063</b>	<b>245 058</b>	<b>184 005</b>
<b>Base cost</b>				<b>1 542 150</b>	<b>520 240</b>	<b>1 021 910</b>	<b>1 542 150</b>	<b>1 411 650</b>	<b>130 500</b>	<b>2 174 432</b>	<b>1 990 427</b>	<b>184 005</b>
Physical contingencies				<b>77 108</b>	<b>23 132</b>	<b>53 975</b>	<b>77 108</b>	<b>70 583</b>	<b>6 525</b>	<b>108 722</b>	<b>99 521</b>	<b>9 200</b>
Financial contingencies				<b>46 265</b>	<b>18 506</b>	<b>27 759</b>	<b>46 265</b>	<b>42 350</b>	<b>3 915</b>	<b>65 233</b>	<b>59 713</b>	<b>5 520</b>
<b>Total study cost</b>				<b>1 665 522</b>	<b>561 878</b>	<b>1 103 644</b>	<b>1 665 522</b>	<b>1 524 582</b>	<b>140 940</b>	<b>2 348 386</b>	<b>2 149 661</b>	<b>198 725</b>

\*These are mainly soil analyses, survey costs, geotechnical studies, specific studies, etc.

\*\*PIU: These are the coordinator, procurement expert, secretary and driver

*Annex 3: Procurement Plan for Recruitment of the Consultant*

<b>No.</b>	<b>Item</b>	<b>Duration</b>	<b>End</b>
	Study approval: 06/07/2016		
	<b>I. Services Procurement</b>		
<b>1</b>	<b>1. Pre-qualification file</b>		
2	Submission of the draft general procurement notice and EIN to AfDB	1 day	08/07/2016
3	Bank's notice of non-objection	1 day	09/07/2016
4	Publication of notices in newspapers (national and international)	15 days	09/07/2016
5	Submission of expressions of interest	15 days	29/07/2016
6	Opening of expressions of interest	0 day	29/07/2016
7	Analysis of expressions of interest	5 days	05/08/2016
8	Submission of the evaluation report of expressions of interest to AfDB		08/08/2016
9	Bank's notice of non-objection	7 days	15/08/2016
10	Preparation of the letter of invitation and the technical and financial request bid for selected consultants		22/08/2016
11	Submission of technical and financial request bids by selected consultants and evaluation of technical bids	15 days	12/09/2016
12	Submission of the evaluation report of technical bids		13/09/2016
13	Bank's notice of non-objection	7 days	19/09/2016
14	Opening of financial bids and evaluation	10 days	03/10/2016
15	Evaluation of combined bids (technical and financial) and classification	5 days	10/10/2016
	<b>3. Contract Award</b>		
16	Negotiation with the selected consultant and preparation of the negotiation report	5 days	17/10/2016
17	Submission of the initialed draft contract, negotiation and evaluation reports	3 days	20/10/2016
18	Bank's notice of non-objection on the negotiation report	10 days	03/11/2016
19	Publication of results and contract award	10 days	17/11/2016
20	Contract signature		24/11/2016
21	Start of services		01/12/2016
22	Pre-feasibility study report feedback workshop		30/04/2017
23	Final report validation workshop		30/06/2017
24	Submission of final study reports		30/07/2017

*Annex 4: Project Portfolio Status as at 15/03/2016*

Division	Finance Project	Long Name	Status of Project	Approval Date	Commitment Date	Entry into force	Effective 1st disb	Planned final Disb. date	Net Loan	Net Disbursed	Disbursement Ratio (%)
<b>AGRICULTURE AND ENVIRONMENT</b>									<b>65 666 664</b>	<b>12 722 807</b>	<b>19.37</b>
OSAN2	P-CD-A00-005	PPF-YOUTH ENTREPRENEURSHIP PROJECT IN AGRICULTURE	APVD	18/01/2016	09/02/2016			30/04/2017	800 000	0,00	0,00
OSAN3	P-CD-AAD-003	REDD+ INTEGRATED PROJECT IN MBUJI-MAYI/KANANGA BASINS	OnGo	11/09/2013	15/08/2014	15/08/2014	20/02/2015	30/06/2019	15 406 664	707 721,25	4,59
OSAN2	P-CD-AB0-001	RURAL INFRASTRUCTURE DEVELOPMENT SUPPORT PROJECT	OnGo	10/11/2011	20/01/2012	20/01/2012	02/10/2012	31/12/2017	49 460 000	12 015 085,55	24,29
<b>PRIVATE SECTOR</b>									<b>42 995 342</b>	<b>33 759 306</b>	<b>78.52</b>
OPSD4	P-CD-B00-001	NYUMBA YA AKIBA CEMENT PLANT	OnGo	12/02/2014	27/11/2014	27/11/2014	01/09/2015	27/11/2017	21 497 671	16 879 652,85	78,52
OPSD4	P-CD-B00-002	NYUMBA YA AKIBA CEMENT PLANT - EKF COVERED	OnGo	12/02/2014	27/11/2014	27/11/2014	01/09/2015	27/11/2017	21 497 671	16 879 652,85	78,52
<b>TRANSPORT AND ICT</b>									<b>285 630 000</b>	<b>87 488 692</b>	<b>30.63</b>
OITC1	P-CD-DA0-001	AIR SAFETY PRIORITY PROJECT	OnGo	27/09/2010	02/11/2010	02/11/2010	20/10/2011	30/12/2016	88 600 000	67 511 877,38	76,20
OITC1	P-CD-DB0-002	BATSHAMBA-TSHIKAPA – L ROAD REHABILITATION PROJECT	OnGo	13/06/2012	07/08/2012	07/08/2012	24/10/2012	31/12/2017	53 550 000	19 196 475,19	35,85
OITC1	P-CD-DB0-008	BATSHAMBA-TSHIKAPA - SECTIO ROAD DEVELOPMENT PROJECT	OnGo	10/12/2013	07/01/2014			31/12/2019	660 000	0,00	0,00
OITC1	P-CD-DB0-008	BATSHAMBA-TSHIKAPA - SECTIO ROAD DEVELOPMENT PROJECT	OnGo	10/12/2013	07/01/2014	07/01/2014	14/09/2015	31/12/2019	13 260 000	208 165,28	1,57
OITC1	P-CD-DB0-009	NRI DEVELOPMENT PROJECT (TSHIKAPA-MBUJI MAYI) AND LOT 3 - BATSHAMBA-TSHIKAPA	OnGo	17/12/2014	26/03/2015	26/03/2015	14/10/2015	31/12/2016	74 000 000	529 476,79	0,72
OITC1	P-CD-DB0-010	ROAD DEVELOPMENT PROJECT	OnGo	22/10/2014	26/03/2015	26/03/2015	14/10/2015	31/12/2019	55 560 000	42 697,20	0,08
<b>WATER AND SANITATION</b>									<b>106 234 762</b>	<b>3 575 076</b>	<b>3.37</b>
OWAS1	P-CD-E00-002	WSS PROJECT AND STRENGTHENING OF SOCIO-ECONOMIC INFRASTRUCTURE	OnGo	27/11/2013	07/01/2014			30/06/2019	1 475 000	0,00	0,00
OWAS1	P-CD-E00-002	WSS PROJECT AND STRENGTHENING OF SOCIO-ECONOMIC INFRASTRUCTURE	OnGo	27/11/2013	07/01/2014	07/01/2014	22/07/2014	30/06/2019	43 525 000	3 152 799,36	7,24
OWAS1	P-CD-E00-002	WSS PROJECT AND STRENGTHENING OF SOCIO-ECONOMIC INFRASTRUCTURE	OnGo	27/11/2013	07/01/2014	07/01/2014	22/07/2014	30/06/2019	4 740 809	62 552,00	1,32
OWAS1	P-CD-E00-002	WSS PROJECT AND STRENGTHENING OF SOCIO-ECONOMIC INFRASTRUCTURE	OnGo	27/11/2013	07/01/2014	07/01/2014	22/07/2014	30/06/2019	55 000 000	359 724,29	0,65
AWTF	P-CD-EAZ-002	PREPARATION OF THE SD-GIEU KINSHASA AND WS FEASIBILITY STUDY	APVD	26/06/2015	14/09/2015	14/09/2015	28/01/2016	31/12/2019	1 493 952	0,00	0,00
<b>ENERGY</b>									<b>108 885 000</b>	<b>43 623 430</b>	<b>40.06</b>
ONEC1	P-CD-FA0-001	HYDRO-POWER STATION REHABILITATION AND REINFORCEMENT PROJECT	OnGo	18/12/2007	10/04/2008	10/04/2008	14/10/2011	30/06/2016	35 700 000	20 115 054,39	56,34
ONEC1	P-CD-FA0-003	SUBURBAN AND RURAL ELECTRIFICATION PROJECT	OnGo	15/12/2010	10/03/2011	10/03/2011	27/12/2011	31/12/2017	9 690 000	4 273 827,10	44,11
ONEC1	P-CD-FA0-003	SUBURBAN AND RURAL ELECTRIFICATION PROJECT	OnGo	15/12/2010	10/03/2011	10/03/2011	27/12/2011	31/12/2017	60 000 000	17 648 332,17	29,41
ONEC1	P-CD-FA0-005	PR SUPPORT FOR CREATION OF DEV. AND PROMOTION AGENCY	OnGo	17/04/2013	31/05/2013	31/05/2013	18/12/2013	30/11/2016	1 995 000	199 291,42	9,99
ONEC1	P-CD-FA0-009	TARGETED TECHNICAL ASSISTANCE PROJECT FOR THE DEVELOPMENT OF INGA3 (	OnGo	13/05/2013	31/05/2013	31/05/2013	12/12/2013	30/11/2016	1 500 000	1 386 925,15	92,46
<b>ECONOMIC AND FINANCIAL GOVERNANCE</b>									<b>80 500 000</b>	<b>30 715 554</b>	<b>38.16</b>
OSGE1	P-CD-K00-008	INSTITUTIONAL CAPACITY BUILDING PROJECT IN REFORM	OnGo	18/07/2013	06/11/2013	06/11/2013	06/05/2014	30/09/2016	1 540 000	1 059 681,59	68,81
OSGE1	P-CD-K00-009	INSTITUTIONAL STATISCAL AND FINANCIAL SUPPORT PROJECT	OnGo	23/10/2013	07/01/2014	07/01/2014	14/04/2014	31/12/2016	10 960 000	2 939 602,29	26,82
OSGE1	P-CD-KB0-001	PRIVATE SECTOR AND DEVELOPMENT SUPPORT PROJECT	OnGo	03/06/2015	05/08/2015	05/08/2015	07/10/2015	30/06/2019	38 000 000	2 448 615,36	6,44
OSGE1	P-CD-KF0-001	PUBLIC FINANCE MODERNIZATION SUPPORT PROJECT	OnGo	25/04/2012	29/05/2012	29/05/2012	20/09/2012	30/12/2016	10 000 000	7 573 871,32	75,74
OSGE1	P-CD-KZ0-004	ADMINISTRATIVE HUMAN RESOURCES MOBILIZATION PROJECT	OnGo	21/01/2011	04/05/2011	05/05/2011	20/07/2011	30/06/2016	20 000 000	16 693 783,71	83,47
<b>SOCIAL</b>									<b>15 000 000</b>	<b>132 153</b>	<b>0,88</b>
OSHD1	P-CD-KF0-007	GENERAL POPULATION CENSUS SUPPORT PROJECT	OnGo	26/11/2014	28/05/2015	28/05/2015	08/09/2015	30/06/2018	15 000 000	132 152,60	0,88
<b>NATIONAL PROJECT TOTAL</b>									<b>704 911 768</b>	<b>212 017 017</b>	<b>30.08</b>

## *Annex 5: Terms of Reference of the Study*

### I- CONTEXT OF THE MISSION

Considering the country's many food security challenges and the impact of the recent explosion of food prices on the already precarious situation of households, the DRC Government seeks to accelerate the creation of economic opportunities in rural areas and increase production and agricultural productivity of small farmers, as well as their access to markets.

Within this context, the Government has taken a number of initiatives, in particular: (1) the adoption in 2010 of the National Agriculture and Rural Development Strategy and a National Food Security Programme; (2) the financing, since 2012, of a National Agricultural Seasons Programme; (3) the adoption of the National Agricultural Investment Programme (PNIA), leading to a business meeting in November 2013 attended by a significant number of technical and financial partners and potential private promoters; (4) the preparation of the Village Modernization Support Plan (PAMOVI); (5) the establishment of partnerships with the private sector to reduce agricultural input costs; (6) the ongoing preparation of a country-wide strategy for agro-industrial recovery; and lastly (7) the launching of an ambitious programme of agro-industrial parks (AIPs). In this regard, twenty-two sites have been pre-identified by the Government.

The AIPs will be production parks with various agricultural stakeholders (professionals, farmers, etc.), using plots of varying sizes but pooling basic infrastructure (roads, water, energy, telecommunications, etc.), proximity services (finance, quality control laboratory, transport, maintenance and waste management services, cold stores, etc.), knowledge and proper agricultural practices (training, research, supervision and technology transfer). The objectives of this strategy/programme are to: (1) implement a vast transformation plan for the agricultural, livestock and fishery sub-sectors, which will include reforms and physical infrastructure investments, capacity building for stakeholders, and the integration of the new working population into a professionalized agriculture; (2) the development of Congolese agricultural potential so as to guarantee food security; and (3) the diversification of the Congolese economy through agricultural sector development, as a real driving force for wealth and job creation. In 2014, the DRC Government launched the first agro-industrial park model in Bukanga-Lonzo (about 220 km from Kinshasa). The park is being developed on 80000 hectares in several phases and is registered in the name of the State.

In order to define public assets in the form of physical and institutional infrastructure required for the development of agro-industrial parks, the Bank will finance the recruitment of a firm to conduct a technical, financial and economic feasibility study of the three agro-industrial parks of Kaniama Kasese (Haut Lomani Province), Ngandajika (Kabinda Province) and Mweka (Kasaï Province).

The conduct of each feasibility study will be based on a rigorous analysis of existing potential (resources, existing infrastructure...) and the market, so as to determine the choice of crops, technical routes, the required development, equipment and other physical production, conservation, processing and social infrastructure. Technical quality assurance of the services provided by this Consultancy Firm will be ensured by the United Nations Industrial Development Organization (UNIDO). In this context, it will support the consultant in the production of financial simulations through the COMFAR software.

## II- OBJECTIVES OF THE CONSULTANT’S MISSION

The main objective of the consultant’s mission will be to conduct the technical, financial, economic, legal, organizational and environmental and social impact feasibility study for the development of Kaniama Kasese (Haut Lomani Province), Ngandajika (Kabinda Province) and Mweka (Kasaï Province) agro-industrial parks. On the basis of these studies, the consultant will propose business plans, operation plans, as well as site development and construction plans, along with the findings and recommendations of the environmental and social impact assessments to be conducted separately. Thus, the objective is to have complete and detailed documents, programmed over time, of the business plan-type to serve as technical and management guide for the project’s concrete implementation on the field.

## III- MAIN MISSIONS AND TASKS TO BE PERFORMED

In accordance with the mission’s objectives, the main components of the feasibility study are presented below.

### **Pre-feasibility study - Preparation of the Preliminary Design**

3.2 This pre-feasibility study will be based on the Government’s agro-industrial development vision and strategy, existing documentation on agro-industrial parks, provincial documentary resources, and supplementary studies on the field. It will also be necessary to:

- 1) Collect basic information on each site and ensure geo-localization: (a) macro-localization (proximity of urban centres, road links, existing infrastructure, climatology and floods, etc.); and (b) micro-localization (land availability, land legal status, servicing, natural and administrative constraints, human factors, accessibility, etc.), any social and environmental risks.
- 2) Make an inventory and determine the location of existing human settlements (villages, hamlets, distances) and ensure demographic assessment;
- 3) Identify and map out study area land and determine its status (customary land rights, any land already registered (former concessions,...) and any other land with specific status (protected areas, community forest, etc.); identify right holders and customary authorities in charge of sectors impacted by the future project;
- 4) Make a diagnosis of the existing situation (soil quality, potential, water resource availability, agricultural activity development potential, state of existing facilities, state of cooperatives, potential investors, services and other socio-economic infrastructure), as basis for the development scenario (priority subsectors, necessary infrastructure, producer supervision needs, zoning, related services) .
- 5) Conduct soil studies, so as to determine optimum land potential, crop types depending on the potential, water resource availability for any irrigation, input needs for agro-pastoral activity development and the construction of support social infrastructure (schools, health centres, phytosanitary laboratories, etc.).
- 6) Analyze and choose priority and promising agricultural sub-sectors, initial estimates of production and potential for local processing and export of surpluses;

- 7) Ensure validation of the pre-project by already installed economic actors and with representative professional organizations;
- 8) Analyze aspects related to the local/regional environment and potential markets. This will consist in analyzing demand and the market, as well as any outlets for the expected production.
- 9) Draw summary development plan with the site's GPS coordinates
- 10) Define the design in terms of land needs, development, infrastructure, services, economic model and preliminary investment estimates, incomes and costs;
- 11) Propose, for each AIP site, IDC terms of establishment and partnership that will help to build the capacities of local village farmers, and promote the development of youth and women's entrepreneurship.
- 12) Ensure consultation with various stakeholders of the site of the future agro-industrial park, especially the population living in the park's immediate environment, the existing enterprises, local and customary authorities, and provincial authorities. This will involve obtaining the points of view of various stakeholders on the future project and incorporating them into the study.

## **Feasibility Studies**

It will be necessary to:

- ✓ Confirm, for each AIP, the base market identified during project preparation:

3.3 Project viability depends first on the positioning of core infrastructure on the market. Within this context, the market study will be based on supply analysis and potential internal demand for targeted agricultural produce depending on soil potentials. The study will help to determine opportunities and constraints, input variety specifications at each link, the pricing policy, produce packaging and processing strategies, supply, distribution and marketing circuits, customer segmentation, competition by produce, logistics on each sub-sector's chains, promotion and communication strategies, etc.

3.4 Market confirmation will be based on surveys that will be conducted by the consultant in households and enterprises in Mbuji-Mayi and Kananga, in particular, and in border posts with neighbouring countries, considered as potential markets for the selected produce. It will also be based on studies already conducted, especially the agricultural sector study, the DRC agro-industrial recovery strategy finalized in 2015, with financing from PARRSA, the monographs of the two Kasais and Katanga, the PNIA, etc. Survey sites and the target population will be determined during the policy brief's approval.

3.5 In particular, the study will analyze production potential and trends, price fluctuations and trends, the market, the surpluses available for processing and the distribution costs of produce from the park and optimum logistical arrangements. The study will highlight existing agricultural produce processing initiatives in the area. The study will also analyze socio-economic and demographic data (for example population characteristics and trends in the targeted region, culinary traditions, the urbanization trend, and the impact potential of these trends on agro-industrial transformation). It will also determine the conditions of complementarity with current initiatives developed in the area. It should also determine the impact on employment in the area related to planned investments, including new needs created on all the value chains.

- ✓ Define the technological choices of standard technical routes and optimum transformation techniques

3.6 It will be necessary to define, based on workable assumptions, the sizes of infrastructure and confirm the technological process to meet real market needs, taking into account the constraints highlighted in the various studies on existing potential. On the basis of the technological choice adopted, as well as standard and optimum technical routes, the consultant will define input and equipment technical specifications (transformation process, dimensioning of capacities and cost estimates) for each platform (agricultural, industrial, logistical...) to be developed in the agro-industrial park.

- ✓ Determine the financial return for each site

3.7 The objective is to estimate the investment costs of facilities and infrastructure (including the technology chosen) and their incidence on the cost price of primary products processed into final products. The study will help to calculate the internal and economic rate of return (in the short, medium and long term, followed by social impact (positive and negative spillover effect), propose adequate economic and ecological solutions, and the return threshold for industrial platforms, so as to ensure project viability. A costed maintenance plan will be proposed for the structures to be constructed, so as to describe the measures to be taken to ensure sustainability of the said structures. The study will also determine human resource needs and the technical skills required. An investment plan (business plan) will also be prepared, including a risk and sensitivity analysis through the COMFAR system, with UNIDO support.

- ✓ Propose an appropriate management model for each site

3.8 The study seeks to propose various legal status scenarios for each park, define appropriate organic frameworks with a coherent organization chart, taking into account financial return aspects, in compliance with the relevant Congolese legislation. The project seeks to create one or more community-based commercial companies, in accordance with Law No. 08/010 of 7 July 2008 defining rules relating to State portfolio organization and management. Within this context, the consultant will identify the possibility of structuring Public-Private Partnership (PPP) made up of the State, a private manager with production infrastructure management expertise, as well as farmer proprietors of production. Skills will be developed according to the each project actor's specificity. Following the chosen model, the consultant will prepare all the corporate legal instruments, organization charts, description of the required expertise, models of partnerships with producers, including the Economic Interest Group (EIG)/cooperative option, etc. Services will be provided in close collaboration with the Ministry in charge of Portfolio.

- ✓ Environmental and social impact assessment

3.9 The Consultant will conduct this study based on the country's regulations and the Bank's environmental and social safeguard policies and field elements, so as to:

- a) Examine interactions between emitters of project nuisance and the environmental receptors subjected to the corresponding interferences, while excluding aspects that have little or no relevance for the proposed activity's environmental impacts;
- b) Identify the biophysical and social environmental elements that can be affected by the project and for which public and/or professional concern is shown;

- c) Identify all potential project impacts on the environment and assess them through an appropriate method that will ensure their classification in order of importance. Only significant impacts will be subject to in-depth examination. The consultant will then propose mitigation or improvement measures for the impacts, as well as a realistic and feasible monitoring programme. Issues related, especially, to the management of liquid, solid and gaseous effluents that can be generated with platform activity and potential impacts on related activities, will be studied in detail;
- d) Propose a management plan for project installations, and borrow and quarry sites;
- e) Propose a management plan for waste produced by industrial platform activities and related structures.
- f) Propose, if need be, a resettlement plan for people who will be displaced by the facility or whose activity would be affected by the platform's location on the targeted site.
- g) Make social and land analysis.

The policies and guidelines that will be followed during the conduct of ESIA's include: AfDB environmental and social policies; AfDB environmental and social guidelines; AfDB environmental and social assessment procedures; international environmental and social conventions ratified by the borrowing country; environmental and social assessment requirements of any co-financier, and national environmental and social legislation and regulations.

✓ Site development plans

3.10 This part of the study aims to propose an installation framework plan, and an infrastructure development and location plan for Kaniama Kasese, Ngandajika and Mweka agro-industrial parks (including agro-industrial and related infrastructure, irrigation facilities, roads and rural tracks, energy, etc.);

3.11 As regards soil and geotechnical data and depending on available land, the consultant will provide complete and detailed information on the structure of the soil on which infrastructure will be constructed, as well as that of related structures. The consultant will look for all existing documents that will provide detailed information on the physical, chemical and biological characteristics of the soils to be studied. The consultant will conduct the required geotechnical study of soils on the spot, taking into account the works to be proposed and equipment to be installed.

3.12 As concerns hydrological data, the consultant will look for all information that will help to describe the various structures. It will make a detailed inventory of existing structures to be preserved, modified or destroyed, as well as additional structures to be constructed, taking into account a return period appropriate to the magnitude of the works.

3.13 With respect to survey data, the consultant will carry out a topographical survey of the sites and produce the topographic map, and the map of the slopes and constraints, in order to document the site development.

3.14 On the basis of platform environmental and social impact assessments, the overall study will propose the location and layout architectural plans for the various site compartments, as well as produce specifications and a confidential note of the costs of works to be executed.

3.15 The development plan will highlight the construction of social infrastructure for the benefit of the local population.

3.16 The Consultant will also produce detailed studies for the site's electrification and road rehabilitation, based on existing optimum routes or routes to be defined. The routes will first be approved by the competent technical services of SNEL's Department of Rural Electrification and the Road Authority.

3.17 It will produce the Master Plan, the framework plan for roads and other networks, specific 2D and 3D development plans, plan views with captions (dimensioned plan views, rotations; electricity, irrigation, drainage and plumbing plan views), façades and sections, prospects of structures, details of pillars and beams, as well as 3D scale models of buildings. The scale model and animated plans of the infrastructure and its organic components will also be produced for their promotion by the project.

3.18 Based on the basis of the FD study, the Consultant will prepare complete Bidding Documents (BD) for the proposed infrastructure. The execution file will include all documents of the FD and any other useful information that will make it possible to launch competitive bidding for the construction of structures. The planned services will then consist in presenting a scale model of the project in the most elaborate form possible, so as to bring the feasibility studies and operation plans to acceptable levels of interest for potential private investors.

#### IV- REQUIRED QUALIFICATIONS AND EXPERIENCE OF CONSULTANCY FIRM

4.1 The consultancy firm must: (i) have proven agricultural engineering and food processing expertise with general experience of at least 15 years in spatial planning; (ii) have proven experience of more than 10 years, with at least two (2) similar missions and evidence of previous services considered satisfactory by the beneficiary; (iii) provide evidence of proper knowledge of the agricultural and/or agro-industrial issues of DRC or similar countries; (iv) have a multidisciplinary team of experts capable of working under pressure and within a specific and multicultural environment.

4.2 The consultant will, in its technical proposal, provide the list and CVs of the staff that it intends to mobilize for the requested services. It must present a multidisciplinary team of experts with the following profile:

- Mission leader: He/she must be an agro-economist with proven experience of at least 10 years in the design and implementation of similar projects, particularly the development of agro-industrial techno-poles. He/she must also provide evidence of experience in strategic planning and agricultural value chain development.
- A Soil Expert: He/she must be holder of a higher education or university certificate (Bac+5) in soil sciences or natural resource management (soil and water) or an equivalent certificate, with proven experience in soil fertility studies and management. Knowledge of the environment will be an advantage.
- An Agronomist: He/she must be holder of a higher education or university certificate (Bac+5) in plant production and/or tropical crops or an equivalent

certificate, with proven experience of at least 10 years in the studies and management of agricultural production technical routes. Knowledge of the environment will be an advantage.

- A Local Development Specialist, with proven capacity of at least 10 years in the handling of land and regional development issues. He/she must be holder of a certificate in social sciences and have experience in rural community development support.
- A Zoo-technician : He/she must be holder of a higher education or university certificate (Bac+5) in animal science, livestock or an equivalent certificate, with experience of more than 5 years in evaluation of pastures, management of livestock integrated systems, and economic valuation of farms.
- An Architect Designer: He/she must be holder of a higher education or university certificate in architecture (Bac+5), with a mastery of architectural design software and calculations. He/she must have professional experience of at least 10 years in similar missions.
- A Logistics and Value Chains or Supply/Distribution Specialist: He/she must be holder of a university certificate (Bac+5) and have at least 5 years of experience in project studies and implementation, including logistical and similar platforms for value or supply/distribution chains, and the organization and promotion of promising subsectors.
- A Topographer: He/she must be holder of a higher level or university certificate (Bac+5). He/she must have at least 10 years of experience in similar missions, be able to use a GPS and appropriate software for computer data processing. He/she must be able to collect the GPS points of road networks and assist the team in transcription and assembly in AUTOCAD format.
- A Civil Engineer: He/she must be holder of a university certificate (Bac+5) and have at least 10 years of experience in studies on road and production infrastructure, and other similar studies.
- An Electrical Engineer: He/she must be holder of a university certificate (Bac+5), with at least 10 years of experience in studies and construction of electrical networks and other similar studies.
- A Mechanical/Electromechanical Engineer: He/she must have mechanical or electromechanical training (Bac+5), with proven experience in industrial machine installation studies and agricultural production equipment definition. This category's expert must have 5 years' experience in the conduct of similar studies.
- An Agro-industrial Engineer: He/she must be trained in agronomics or food processing sciences (Bac+5), with proven experience in the studies of industrial processing techniques and the manufacture of food processing products. This category's expert must have 5 years' experience in the conduct of similar studies.
- A Financial Analyst: He/she must be holder of a higher education or university certificate (Bac+5) in economics, preferably in financial management or an equivalent certificate, with 10 years' experience in market study and marketing

consultancy and strategy. He/she must have provided at least two similar services. Certification in the use of UNIDO's COMFAR III software will be an advantage.

- A Business Lawyer: He/she must be holder of a higher education or university certificate (Bac+5) in law or an equivalent certificate, and a specialist in legal and institutional issues required for the development of PPP models for infrastructure management of this type. The expert must be able to develop a legal and institutional framework required for the proper functioning of such a park in a system management method based on public-private partnership.
- An Environmental Specialist: He/she must be holder of a university certificate (Bac+5) in environmental sciences or an equivalent certificate, with proven experience in sustainable development issues and at least five (5) confirmed years in the environmental and social assessment of large-scale projects. The expert must master AfDB and Government environmental and social management operational policies.

## V- DURATION, PLACE OF MISSION AND PRODUCTION OF DELIVERABLES

5.1 The mission will take place in Kaniama Kasese (Haut Lomani Province), Ngandajika (Kabinda Province) and Mweka (Kasai Province), for a period that will not exceed 130 working days. The reports below will be submitted in paper form, accompanied by the electronic copy. The Consultant will provide, within the limits of the project and within the contractual period, the various deliverables or the following reports in French for each AIP site.

- ✓ 15 working days after the jobbing order to start services: Policy brief acceptable to the DAPP/MAPE. A policy brief that will define the methodological framework and detailed operational planning of the mission's activities, following site visits and exchanges with stakeholders. This brief will be presented and validated during a meeting at the DAPP/MAPE.
- ✓ 60 working days after the jobbing order to start services: Progress report acceptable to the DAPP/MAPE. A progress report submitted in 5 copies to the DAPP/MAPE (pre-feasibility study), containing the market study, preliminary investment proposals (infrastructure and equipment), a draft implementation scenario and an operation plan, including preliminary designs. A report review workshop will be organized with stakeholders and a maximum period of 5 days will be provided for submission of observations on the report to the consultant.
- ✓ 40 working days after submission of the observations on the draft progress report: Draft report acceptable to the DAPP/MAPE. The draft report and all deliverables submitted in 10 copies to the DAPP/MAPE, including the final version of the feasibility study and final designs. This deliverable will be introduced by a summary of a few pages presenting the consultant's essential analyses, calculations and recommendations. The draft report will be accompanied by key project photographs. A report validation workshop will be organized with stakeholders, and a period of 5 days will be provided for submission of observations on the report to the consultant.
- ✓ 15 working days after submission of the observations on the draft report: Final report acceptable to the DAPP/MAPE. The final report and all deliverables submitted in 10 copies to the DAPP/MAPE. This deliverable will be introduced

by a summary of a few pages presenting the consultant's essential analyses, calculations and recommendations. The consultant will submit the final report's IT files, including digitized photographs and models on spreadsheet, in usable version, and the economic calculations and financial simulations made in the study. It will also submit development and architectural plans in PDF and Autocad format.

5.2 The consultant is requested to follow the minimum framework included in the Annex of these terms of reference. In addition, it will produce a monthly progress note specifying ongoing tasks, any difficulties encountered and forecasts for work and visits (field and institutional). This note will enable the Government to intervene on time and facilitate the consultant's work. The consultant will be responsible for the organization of workshops.

## VI- INPUTS TO BE PROVIDED BY THE CLIENT

The project will make documents and materials available to the Consultant as set forth below. Taken in this order, the documents and materials will be reference instruments for the mission, namely:

Agro-industrial recovery strategy;

Strategic Note on Agro-industrial Parks;

Any other available technical document considered useful for the mission.

AfDB environmental and social policies;

AfDB environmental and social guidelines;

AfDB environmental and social assessment procedures;

National environmental and social assessment legislation and regulations;

International environmental and social conventions ratified by the borrowing country;

### Selection Method

Eligibility criteria, preparation of the short list and the procedure for selecting the consultant (firm/design office/consultancy firm) will be in compliance with the Rules and Procedures for the Use of Consultants, May 2008 Edition, as revised in July 2012), using the Bank's relevant standard documents. The selection method used for the recruitment of the consultancy firm, which will be responsible for the AIP feasibility study, is based on quality and cost (QCBS). The interest expressed by a consultant does not imply any obligation on the part of the Borrower to shortlist it.

**AFRICAN DEVELOPMENT FUND**

**BOARD OF DIRECTORS**

**Resolution No. F/CD/2016/41**

Adopted by the Board on a lapse-of-time basis, on 21<sup>st</sup> September 2016

**Grant to the Democratic Republic of Congo for the financing of the Feasibility Study for the Development of Ngandajika, Kaniama Kasese and Mweka Agro-Industrial Parks**

**THE BOARD OF DIRECTORS,**

**HAVING REGARD TO:** (i) Articles 1, 2, 11, 12, 14, 15, 16 and 26 of the Agreement Establishing the African Development Fund (the "Fund"); (ii) the ADF-13 financing guidelines provided in the Report on the Thirteenth General Replenishment of the Resources of the Fund; (iii) the currently applicable ADF-13 Country Resource Allocation; and (iv) the Grant proposal contained in document ADF/BD/WP/2016/64/Approval (the "Grant Proposal");

**NOTING** the availability of sufficient resources to enable the Fund to commit the amount of the Grant;

**DECIDES** as follows:

1. To award to the Democratic Republic of Congo, from the resources of the Fund, a Grant of an amount not exceeding the equivalent of One Million Five Hundred and Twenty Four Thousand Five Hundred and Eighty Two Units of Account (UA 1,524,582) for the financing of the Feasibility Study for the Development of Ngandajika, Kaniama Kasese and Mweka Agro Industrial Parks (DS-AIP);
2. To authorize the President of the Fund to conclude a Protocol of Agreement between the Fund and the Democratic Republic of Congo on the terms and conditions specified in the General Conditions Applicable to Protocols of Agreement for Grants of the Fund and in the Grant Proposal;
3. The President may cancel the Grant if the Protocol of Agreement is not signed within ninety (90) days from the date of approval of the Grant; and
4. This Resolution shall become effective on the date above-mentioned.