

**PROJECT INFORMATION DOCUMENT (PID)
CONCEPT STAGE**

Report No.: AB2439

Project Name	Agricultural Rehabilitation and Recovery Support
Region	AFRICA
Sector	General agriculture, fishing and forestry sector (100%)
Project ID	P092724
Borrower(s)	DEMOCRATIC REPUBLIC OF CONGO
Implementing Agency	Ministry of Agriculture, Livestock and Fisheries BP Kinshasa Democratic Republic of Congo
Environment Category	[] A [X] B [] C [] FI [] TBD (to be determined)
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1. Key development issues and rationale for Bank involvement

Background and Issues Facing the Agricultural Sector

1. The Democratic Republic of Congo (DRC) is slowly recovering from a protracted conflict that exacted a heavy human and economic toll on the country. The Government's key priorities for re-embarking on the growth path include agriculture, mining, and the restart of industry and services. Agriculture, a traditional engine of growth for most Sub-Saharan countries, has had a lack-luster performance during the past decade in the DRC, despite the country's undisputed natural endowment. The agricultural sector GDP growth declined from an average 4 percent per annum during 1970-1990 to -5 percent in the succeeding decade. War induced destruction of the production base and mismanagement of sectoral affairs vastly contributed to the decline. However, while agricultural performance has deteriorated, its contribution to overall GDP (56 percent) has grown - largely as a result of the collapse of the mining and manufacturing sectors.

2. The DRC's agricultural sector faces three major challenges. First, the poor state of physical communication infrastructure has been a major deterrent to producing beyond subsistence needs, and has inhibited private sector initiatives in input and output marketing. Second, years of neglect of agricultural services have resulted in a low-technology, low-

productivity agricultural base; compromising the supply response needed to meet a growing demand for food and contributing to macro-imbalances. Third, despite putting due emphasis on agriculture in previous development plans, ensuing sector policies and strategies in retrospect appear misguided. In addition, while there are currently several sectoral and sub-sectoral strategies and policies, coordination among these policies and actual implementation continue to be a challenge. Among the reasons for this weak policy environment are: (i) Poor coordination among the various units within the Ministry of Agriculture (MoA) as well as among the MoA and other ministries. (ii) A lack of appropriately skilled staff in the MoA. The Ministry mainly comprises staff that lacks technical capacity for macroeconomic policy formulation and impact assessment. (iii) A lack of financial resources and equipment for information collection, processing, and presentation to decision makers. In addition, information flow from the grassroots to the MoA is weak.

3. Within this context, there is a clear need for not only financial resources, but also technical training to reinforce human resources and institutional capacities in policy design, appraisal, implementation, and evaluation. To reverse this under-performing trend in the sector, the government, with the help of the international community, has taken a number of practical steps aiming at improving the country's enabling environment for agricultural development.¹

4. The government's strategy for revitalizing the agriculture sector is outlined in the *Plan Directeur* and the PRSP. Its general rural development objective is to achieve food security and combat poverty by reviving the agricultural sector and it has outlined for the medium-term the following priorities: (i) re-capitalize the agricultural and livestock production sector; (ii) improve traditional agricultural productivity; (iii) strengthen marketing; and (iv) promote rural community organizations. The government proposes five strategic areas of intervention for realizing these objectives: (i) capacity building; (ii) rehabilitation of basic rural infrastructure; (iii) productive investment; (iv) protection of the environment and natural resources; and (v) rural sector financing.

5. The objectives and activities of the proposed project are consistent with the government's overall strategy for the sector as well as issues raised and recommendations proposed in the 2004 Transitional Support Strategy, the PRSP, and the recently completed Agricultural Sector Review. The general consensus among these documents is that increased agricultural production, as access to markets is restored, is one of the key sources of growth in the recovery period of post-conflict DRC. This proposed project is also expected to be incorporated in the upcoming CAS for FY08 delivery.

6. The project plans to maximize results of the investments of other IDA-financed operations, especially the Emergency Multi-sector Rehabilitation and Reconstruction Project (EMRRP). Additionally, collaboration is anticipated with other donors, particularly the FAO, who is already heavily invested in the sector and with whom the Bank has been working in preparing the Agricultural Sector Review.

¹ The reforms implemented by the government in cooperation with other donors and UN agencies, among them the EU, USAID, Belgian Cooperation DFID, UNDP and FAO

Rationale for Bank involvement

7. As mentioned earlier, the Bank has already worked with key stakeholders in the sector in identifying challenges and opportunities for growth, which are outlined in the Bank-financed Agricultural Sector Review. Additionally, under the EMRRP, the Bank is financing an agricultural component, on which this Project intends to build. Both these involvements, combined with the Bank's extensive track record in agricultural development, position the Bank as a significant contributor to the development of the DRC's agriculture sector. Also, the Bank's overall support during the country's transitional period has built trust with relevant stakeholders, which will be invaluable to defining and implementing the proposed project.

2. Proposed objective(s)

8. The development objectives of the Project are to (i) increase agricultural productivity (crop, livestock and fisheries production) - in a sustainable manner and (ii) improve farmers' access to domestic markets.

9. The development objectives would be monitored through the following key performance indicators (KPIs): (i) increased use by farmers of improved technologies including planting materials and other modern agricultural inputs; (ii) increased production of targeted crops, fisheries, and livestock; (iii) number and length of rehabilitated and newly constructed rural roads or inland waterways and other rural infrastructure; (iv) increased public and private sector service delivery. These KPIs will be firmed up during Project preparation.

3. Preliminary description

10. To achieve the Project's development objectives, the proposed project will support four components: (i) Rural Infrastructure Development; (ii) Agricultural Productivity Enhancing, (iii) Capacity Building; and (iv) Project Implementation Support.

11. *Component I: Rural Infrastructure Development* will provide funding for two main types of infrastructure development (i) roads and (ii) market infrastructure. The rehabilitation of road networks is critical to open up markets and foster agricultural production. Given the lack of significant national road networks, this rehabilitation and construction process should focus, in the short-term, on rural road networks and related civil works within and among the three targeted provinces of this Project. The Rural Road Master Plan has surveyed about 20,000km of such roads; only 8,000 kms have been rehabilitated under the rural road component of the ongoing IDA Emergency Multi-sector Rehabilitation and Reconstruction Project. Further, under the same project, allocations were made for rehabilitation of rural roads in the three provinces targeted by this Project: Bas Congo (11); Kasai Oriental (2); and Kasai Occidental (3). These roads have been completed but there is a strong concern regarding their maintenance and there have been no attempts at interconnection of these routes. This proposed Project should therefore engage in interconnecting these routes as a logical next step as well as address the issue of road maintenance. Finally, to begin to explore opportunities for market-oriented growth, logistical support facilities will also need to be developed. This sub-component will therefore support

construction and/or repairs to grain/produce storage facilities and physical market places in targeted areas.

12. *Component II: Agricultural Productivity Enhancing* aims at disseminating improved crop and animal husbandry practices to smallholders. Activities undertaken will (a) support/strengthen adaptive research for technology development and dissemination activities, including farmer advisory services. These set of activities will focus on testing and adapting existing technologies to specific environments and farmers' circumstances and will include extension services as well as development and dissemination of appropriate information materials; (b) support access to agricultural inputs and livestock and fisheries technologies and services, for example through seed multiplication and animal breeding activities. It is envisioned that a scaling-up of the seed multiplication scheme under the EMRRP will be undertaken. In this context, special attention will be given to ensuring that the dissemination of improved seeds reaches the target groups, a current challenge under the EMRRP; and (c) in addition, both this and the capacity building sub-components will provide support for basic tool and equipment acquisition. During project preparation this will be further identified.

13. *Component III: Capacity Building* aims at revamping agricultural institutions and equipping them with material and human resources congruent with the importance of the overall economy; this component will basically support the Ministry of Agriculture and producer organizations by: (a) beefing up the departments in charge of programming and execution of public expenditures, and research; (b) strengthening the department in charge of monitoring and evaluation by developing/strengthening information and M&E systems to help monitor the sector activities; (c) providing assistance to undertake a staffing and functional review of the ministry that would lead to recommendations for a comprehensive human resource development plan and possible restructuring of the ministry; and (d) strengthening producer and community organizations' capacities for planning, budgeting, and management and basic information systems of these organizations.

14. *Component IV: Project Implementation Support* aims at ensuring compliance with legal and fiduciary Project requirements. The component will support activities that address financial management, accounting, audits, project development, implementation, monitoring and evaluation, project management, information system, design and supervision of works, and operation logistics. During Project preparation, alternative implementation arrangements will be considered, including using the existing EMRRP (BCECO).

4. Safeguard policies that might apply

15. The proposed operation may trigger at least two safeguard policies: (i) Environmental Assessment (OP/BP 4.01) because of the potential adverse impacts of infrastructure development (i.e., rural roads, and other market infrastructure), and (ii) Pest Management (OP 4.09) because the intensification of agricultural production may lead to increased use of pesticides by farmers. The mismanagement and misuse of pesticides could result in adverse impacts on the floral, fauna, and land resources as well as occupational and public health hazards.

16. The Project will therefore help the Recipient to conduct the studies necessary to determine the full potential social and environmental effects of the proposed investments in order to identify and implement the appropriate measures for mitigating these effects. At minimum, it is expected that the agricultural and infrastructure investments will take place in a framework that includes the following environmental stewardship measures:

- (a) improved soil and water conservation practices;
- (b) use of integrated approaches to pest management (IPM) and preparation and implementation of a pest management plan;
- (c) improved land husbandry practices that will help to reduce the pressure on ecologically more fragile areas as well as on deforestation; and
- (d) capacity strengthening of the implementing agencies for implementing and monitoring the recommended environmental and social mitigation measures.

5. Tentative financing

Source:	(\$m.)
BORROWER/RECIPIENT	0.00
INTERNATIONAL DEVELOPMENT ASSOCIATION	80.00
Total	80.00

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