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Report No: PAD709

PROJECT PAPER

ON A

PROPOSED ADDITIONAL CREDIT

IN THE AMOUNT OF SDR1.7 MILLION
(US$2.5 MILLION EQUIVALENT)

TO THE

REPUBLIC OF CONGO

FOR THE

AGRICULTURAL DEVELOPMENT AND RURAL ROADS REHABILITATION PROJECT

JANUARY 6, 2014

Agriculture, Rural Development and Irrigation (AFTA2)
Sustainable Development Department
Country Department AFCC2
Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective November 30, 2013)

Currency Unit	=	XOF
486.3 XOF	=	US$1
US$ 1.48	=	SDR 1

FISCAL YEAR
January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
CAT	Center for Technical Support for Livestock *(Centre d'Appui Technique/Elevage)*,
CDTA	Center for Demonstration of Agricultural *Technologies (Centre de Démonstration des Techniques Agricoles)*
CNSA	National Center for Improved Agricultural Inputs *(Centre National des Semences Améliorées)*
CPS	Country Partnership Strategy
CRAL	Loudima Center for Agricultural *Research (Centre de Recherches Agricoles de Loudima)*
CDTA	Center for Demonstration of Agricultural Technologies *(Centre de Démonstration des Techniques Agricoles)*
CVTE	Center for Dissemination of Livestock related Technologies *(Centre de Vulgarisation des Techniques d'Elevage*
DA	Designated Account
ECOM	Survey of Living Conditions in Congolese Households *(Enquête sur les Conditions de vie des Ménages aux Congo)*
FAO	Food and Agriculture Organization of the United Nations
FM	Financial Management
GDP	Gross Domestic Product
ICT	Information and Communication Technology
IDA	International Development Agency
IFAD	International Fund for Agricultural Development
IITA	International Institute for Tropical Agriculture
IPF	Investment Project Financing
IPPF	Indigenous People's Planning Framework
KPIs	Key Performance Indicators
M&E	Monitoring and Evaluation
MAE	Ministry of Agriculture and Livestock *(Ministère de l'Agriculture et de l'Elevage)*
MPA	Ministry of Fishery and Aquaculture *(Ministère de la Pêche et de*

	l'Aquaculture)
MTEF	Medium Term Expenditure Framework
NGO	Non-Governmental Organization
ORAF	Operational Risk Assessment Framework
OTF	On The Frontier Group
PAD	Project Appraisal Document
PCN	Project Concept Note
PDARP	Agricultural Development and Rural Roads Rehabilitation Project *(Projet de Développement Agricole et Réhabilitation des Pistes Rurales)*
PDO	Project Development Objective
PIU	Project Implementation Unit
PND	National Development Plan *(Plan National de Développement)*
PRSD	Project for the Rehabilitation and Recovery of pisiculture Stations (*Projet de Réhabilitation et de Relance des Stations piscicoles Domaniales*)
PRSP	Poverty Reduction Strategy Paper
SIL	Specific Investment Lending
USD	United States Dollars

Vice President:	Makhtar Diop
Country Director:	Eustache Ouayoro
Country Manager:	Sylvie Dossou
Sector Manager:	Severin Kodderitzsch
Task Team Leader:	Amadou Oumar Ba

REPUBLIC OF CONGO

ADDITIONAL FINANCING FOR AGRICULTURAL DEVELOPMENT AND RURAL ROADS REHABILITATION PROJECT

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ADDITIONAL FINANCING DATA SHEET

Congo, Republic of

Additional Financing for the Agricultural Development and Rural Roads Rehabilitation Project (P145627)

AFRICA

AFTA2

Basic Information – Parent			
Parent Project ID:	P095251	Original EA Category:	B - Partial Assessment
Current Closing Date:	31-Mar-2014		

Basic Information – Additional Financing (AF)			
Project ID:	P145627	Additional Financing Type (from AUS):	Scale Up
Regional Vice President:	Makhtar Diop	Proposed EA Category:	B - Partial Assessment
Country Director:	Eustache Ouayoro	Expected Effectiveness Date:	29-Apr-2014
Sector Director:	Jamal Saghir	Expected Closing Date:	31-Oct-2015
Sector Manager:	Severin L. Kodderitzsch	Report No:	PAD709
Team Leader:	Amadou Oumar Ba		

Borrower

Organization Name	Contact	Title	Telephone	Email

Project Financing Data – Parent (Agricultural Development and Rural Roads Rehabilitation Project-P095251)

Key Dates

Project	Ln/Cr/TF	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date
P095251	IDA-H3020	Effective	05-Jun-2007	06-Sep-2007	03-Apr-2008	31-Dec-2012	31-Mar-2014

Disbursements

Project	Ln/Cr/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P095251	IDA-H3020	Effective	XDR	13.50	13.50	0.00	13.50	0.00	100.00

Project Financing Data – Additional Financing Additional Financing for the Agricultural Development and Rural Roads Rehabilitation Project (P145627)			
[ ] Loan [ ] Grant [ ] IDA Grant			
[X] Credit [ ] Guarantee [ ] Other			
Total Project Cost:	10.50	Total Bank Financing:	2.50
Financing Gap:	0.00		

Financing Source – Additional Financing (AF)	Amount
BORROWER/RECIPIENT	8.00
International Development Association (IDA)	2.50
Total	10.50

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

Team Composition

Bank Staff

Name	Title	Specialization	Unit
Michael Morris	Lead Agriculture Economist	Lead Agriculture Economist	AFTA2
Juvenal Nzambimana	Senior Operations Officer	Operations Officer	AFTA1
Alexandra C. Bezeredi	Regional Environmental and Safeguards Advisor	Regional Environmental and Safeguards Advisor	AFTSG
Alexandre K. Dossou	Sr Transport. Spec.	Sr Transport. Spec.	AFTTR
Amadou Oumar Ba	Sr Agricultural Spec.	Team Lead	AFTA2
Antoine V. Lema	Senior Social Development Specialist	Senior Social Development Specialist	AFTCS
Marie Jeanne Uwanyarwaya	Senior Executive Assistant	Senior Executive Assistant	AFTA2
Bella Lelouma Diallo	Sr Financial Management Specialist	Sr Financial Management Specialist	AFTMW
Aissatou Diallo	Senior Finance Officer	Senior Finance Officer	CTRLA

Louis Jean De Marigny	Finance Analyst	Finance Analyst	CTRLA
Christine Makori	Senior Counsel	Counsel	LEGAM
Clement Tukeba Lessa Kimpuni	Senior Procurement Specialist	Senior Procurement Specialist	AFTPW
Karine N. MOUKETO-MIKOLO	Team Assistant	Team Assistant	AFMCG
Henri Joel Nkuepo	E T Consultant	E T Consultant	LEGAM
Faly Diallo	Financial Officer	Financial Officer	CTRLA

Non Bank Staff

Name	Title	Office Phone	City
Franz Schorosch	Agricultural Specialist		

Locations

Country	First Administrative Division	Location	Planned	Actual	Comments
Congo, Republic of	Region du Niari	Yaya			
Congo, Republic of	Region de la Bouenza	Yamba			
Congo, Republic of	Pointe-Noire	Pointe-Noire			
Congo, Republic of	Region des Plateaux	Ollombo			
Congo, Republic of	Region du Kouilou	Nzambi			
Congo, Republic of	Region de la Cuvette	Ntokou			
Congo, Republic of	Region du Niari	Nyanga			
Congo, Republic of	Region de la Cuvette	Ngoko			
Congo, Republic of	Region des Plateaux	Ngo			
Congo, Republic of	Region de la Sangha	Ngbala			
Congo, Republic of	Region des Plateaux	Mpouya			

Congo, Republic of	Region du Niari	Mougoundou			
Congo, Republic of	Region du Niari	Moungoundou-sud			
Congo, Republic of	Region de la Sangha	Mokeko			
Congo, Republic of	Region du Pool	Mindouli			
Congo, Republic of	Region de la Bouenza	Mfouati			
Congo, Republic of	Region des Plateaux	Mbon			
Congo, Republic of	Region du Niari	Mbinda			
Congo, Republic of	Region du Pool	Mayama			
Congo, Republic of	Region des Plateaux	Makotipoko			
Congo, Republic of	Region de la Bouenza	Madingou			
Congo, Republic of	Region de la Bouenza	Mabombo			
Congo, Republic of	Region du Pool	Louingui			
Congo, Republic of	Region du Niari	Dolisie			
Congo, Republic of	Region du Niari	Londela-Kayes			
Congo, Republic of	Region du Pool	Kimba			
Congo, Republic of	Region du Kouilou	Madingo-Kayes			
Congo, Republic of	Region du Kouilou	Hinda			
Congo, Republic of	Region du Pool	Ngoma Tse-Tse			
Congo, Republic of		Republic of the Congo			

Congo, Republic of	Commune de Brazzaville	Brazzaville			
Congo, Republic of	Region du Pool	Mbanza-Ndounga			
Congo, Republic of	Region du Niari	Banda-Kayes			
Congo, Republic of	Region des Plateaux	Alembe			
Congo, Republic of	Region de la Cuvette-Ouest	Etoumbi			
Congo, Republic of	Region de la Cuvette-Ouest	Etoumbi			
Congo, Republic of	Region de la Cuvette-Ouest	Etoumbi			
Congo, Republic of	Region du Pool	Loumo			
Congo, Republic of	Region du Kouilou	Nzassi			
Congo, Republic of	Region de la Bouenza	Tsiaki			
Congo, Republic of	Region de la Lekoumou	Mayeye			
Congo, Republic of	Region du Niari	Moutamba			
Congo, Republic of	Region de la Cuvette	Oyo			
Congo, Republic of	Region de la Sangha	Souanke			
Congo, Republic of	Region de la Sangha	Sembe			
Congo, Republic of	Region de la Sangha	Ouesso			
Congo, Republic of	Region de la Cuvette	Mossaka			
Congo, Republic of	Region des Plateaux	Gamboma			
Congo, Republic of	Region des Plateaux	Djambala			

Congo, Republic of	Region du Pool	Ngabe			
Congo, Republic of	Region du Pool	Kinkala			
Congo, Republic of	Region du Pool	Boko			
Congo, Republic of	Region de la Cuvette	Boundji			
Congo, Republic of	Region de la Cuvette	Loukolela			
Congo, Republic of	Region de la Cuvette	Makoua			
Congo, Republic of	Region de la Cuvette	Owando			
Congo, Republic of	Region du Kouilou	Madingo-Kayes			
Congo, Republic of	Region du Kouilou	Kakamoeka			
Congo, Republic of	Region du Kouilou	Mvouti			
Congo, Republic of	Region de la Lekoumou	Bambama			
Congo, Republic of	Region de la Lekoumou	Komono			
Congo, Republic of	Region de la Lekoumou	Sibiti			
Congo, Republic of	Region de la Lekoumou	Zanaga			
Congo, Republic of	Region du Niari	Divenie			
Congo, Republic of	Region du Niari	Kibangou			
Congo, Republic of	Region du Niari	Kimongo			
Congo, Republic of	Region du Niari	Louvakou			
Congo, Republic of	Region du Niari	Mayoko			

Congo, Republic of	Region du Niari	Mossendjo			
Congo, Republic of	Region des Plateaux	Abala			
Congo, Republic of	Region des Plateaux	Lekana			
Congo, Republic of	Region du Pool	Kindamba			

Institutional Data

Parent (Agricultural Development and Rural Roads Rehabilitation Project-P095251)

Sector Board

Agriculture and Rural Development

Sectors / Climate Change

Sector (Maximum 5 and total % must equal 100)

Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Transportation	Rural and Inter-Urban Roads and Highways	40		
Agriculture, fishing, and forestry	Crops	27		
Public Administration, Law, and Justice	Central government administration	17		
Agriculture, fishing, and forestry	Animal production	8		
Industry and trade	General industry and trade sector	8		
Total		100		

Themes

Theme (Maximum 5 and total % must equal 100)

Major theme	Theme	%
Rural development	Rural services and infrastructure	29
Rural development	Rural markets	29
Rural development	Rural non-farm income generation	14
Rural development	Rural policies and institutions	14
Public sector governance	Public expenditure, financial management and procurement	14

Total	100

Additional Financing Additional Financing for the Agricultural Development and Rural Roads Rehabilitation Project (P145627)

Sector Board

Agriculture and Rural Development

Sectors / Climate Change

Sector (Maximum 5 and total % must equal 100)

Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Transportation	Rural and Inter-Urban Roads and Highways	40		
Agriculture, fishing, and forestry	General agriculture, fishing and forestry sector	27		
Public Administration, Law, and Justice	Central government administration	17		
Agriculture, fishing, and forestry	Agricultural extension and research	8		
Agriculture, fishing, and forestry	Crops	8		
Total		100		

☒I certify that there is no Adaptation and Mitigation Climate Change Co-benefits information applicable to this project.

Themes

Theme (Maximum 5 and total % must equal 100)

Major theme	Theme	%
Rural development	Rural markets	29
Rural development	Rural non-farm income generation	29
Rural development	Rural policies and institutions	14
Rural development	Rural services and infrastructure	14
Rural development	Other rural development	14
Total		100

I. INTRODUCTION

1. This paper seeks the approval of the Executive Directors to provide an additional credit to the Republic of Congo for the Agricultural Development and Rural Roads Rehabilitation Project (PDARP) (P095251). The proposed additional credit will help finance the costs associated with scaling up of the project's activities to enhance the impact of a well-performing project.

2. The proposed Additional Financing (AF) will be structured as an Investment Project Financing (IPF) for an IDA amount of US$2.5 million equivalent and with the Government's co-financing contribution of US$8 million, for a total amount of US$10.5 million to be implemented over a 21-month period. The proposed AF will devote a concerted effort to achieve real synergy between its components which will remain the same as those of the parent project. The only changes that the AF will bring to the design of the parent project are: (i) to limit and target interventions to well-defined geographic areas and agricultural products; (ii) to introduce a value chain approach; and (iii) to revise performance indicators (reflecting increased funding becoming available).

3. The parent project is performing satisfactorily and has delivered concrete results on the ground. Nevertheless, past implementation support missions have noticed limited synergy between the project's activities under each component especially due to the fact that these activities were scattered on almost the entire territory of the country and did not constitute a coherent development program. For example, the micro-projects that are expected to lead to increased agricultural production were selected in geographic areas independently of where the rehabilitation of rural roads and market infrastructure took place.

4. The proposed Additional Financing is consistent with OP10.00 (Investment Project Financing) under which the International Development Association (IDA) may provide additional financing for investment lending for scaling-up the development effectiveness of a well performing project. The overall project performance of the parent project is currently rated satisfactory for both the Development Objective (DO) and Implementation Progress (IP). The project closing date was extended from June 30, 2013 to December 31, 2013 and from December 31, 2013 to March 31, 2014. The extensions of closing dates were sought to ensure that ongoing studies that fed into the preparation of the AF are completed and are feeding into the preparation of a much larger agriculture operation under IDA 17. Project management and implementation capacity have been satisfactory for the last twelve months. The closing date of the proposed AF is set for October 31, 2015.

II. BACKGROUND AND RATIONALE FOR ADDITIONAL FINANCING IN THE AMOUNT OF US$2.5 MILLION.

5. **Relationship with CPS.** A Country Partnership Strategy (CPS) for the Republic of Congo was approved on May 2012 by the Board. It lays out how the World Bank intends to support the implementation of the Republic of Congo's Poverty Reduction Strategy Paper (PRSP) over the period 2012 - 2016. The PRSP and the CPS have identified the agriculture sector as one of the country's major growth sector with high potential for shared prosperity and poverty reduction. The proposed AF is closely aligned with the Pillar 1 of the CPS

"Competitiveness and Employment". The proposed AF will seize the momentum of the current political dynamic launched by the Government to put in place an economic diversification policy for the country based on the rural sector in general and the agricultural sector in particular, and capitalize on the achievements of the PDARP, to secure a longer term commitment of public investments in the sector. The government's request for an additional financing to this project is justified by the good results materialized by a Satisfactory rating of the Implementation Progress and Progress toward the development objective over the past twelve months as stated in the Implementation Status and Results reports (ISR). In addition, the AF will help consolidate the project results, fully achieve the project development objectives and allow the project to remain economically justified. Additional IDA resources into this project will help maintain and reinforce the good policy dialog the Bank has engage in this sector with the authorities during the recent years. The AF will serve to leverage more domestic resources for the sector, and also as a bridge for the preparation of a larger operation in the sector within IDA17 envelop.

6. **Country context.** As the aftermaths of civil strife of the 1990s fade, Congo continues to strengthen its state institutions. Congo expects to become an emerging economy over the next 15 years. After reaching middle-income country status in 2006, the country's economic growth averaged 4.7 percent during 2006–2011. During this period, oil output grew by 2 percent a year, compared to almost 6 percent for the non-oil sector, which was led by the construction and public works sector. The fiscal situation remains strong following Heavily Indebted Poor Countries (HIPC) debt cancelation in 2010.

7. However, the country remains fragile. The high poverty rate, unemployment, and inequality remain significant threats to the country's regained peace. Although preliminary data from the 2011 Household Survey (ECOM 2011) reveal that, over the 2005-2011 period, the poverty rate dropped by 4 points to 46.5 percent, the decline masks important regional differences. Urban poverty declined rapidly and is now below 30 percent in the main urban centers of Brazzaville and Pointe Noire while rural poverty increased by 10 points. About three quarters of the rural population are poor and findings show that this is due to the high and rising poverty levels among subsistence farmers. The country's principal challenge is how to use its large oil revenues to stimulate broad-based non-oil growth that can generate employment and reduce poverty.

8. **Sector policy and strategy.** The agricultural sector employs about 40 percent of the population but only contributes 6.8 percent to the GDP and 1-2 percent to exports (2012). Large, commercial farms, previously owned by the State have disappeared and today, Congo's agriculture is basically based on smallholder agriculture. Small producers occupy 80 percent of the land under cultivation and produce 90 percent of agricultural output. The productivity of these small holders (mostly 1-2 ha) is low compared to international and even Sub-Saharan African standards. In general, they practice extensive agriculture with little use of purchased input and are oriented primarily towards satisfying their subsistence needs. Numerous farmer groups and associations exist but their degree of organization is very low and they are unable to provide their members with services and to assist them with processing and marketing of their production. The sector is unable to cover the food needs of the country and, unless the productivity is greatly increased and living conditions in rural areas are improved, outmigration from rural areas to urban centers will continue. Agricultural production will further decline and,

as consequence, the country will become more and more dependent on imported food.

9. The main weaknesses of the sector are the following: (i) weak asset base of farm households and rural producers and low degree of mechanization; (ii) inadequate market infrastructure and services; (iii) inadequate rural road infrastructure; (iv) ineffective sector policies and insufficient resources allocation to the agricultural sector (the budget for agriculture is less than 1 percent of the total government budget); (v) very weak supporting institutions for agriculture (research and extension); and (vi) weak implementation capacity of public institutions.

10. Despite good agricultural potential with an estimated 10 million ha of arable land, only less than 10 percent of it is farmed. The country is increasingly dependent on imports for its food needs (more than FCFA 100 billion per year –US$200 million equivalent-). From independence till the end of 1980s, the country's agricultural production was able to cover 75 percent of the population's food needs. During the period of 1990-2010, with the state's disengagement from the production and marketing functions, and the reduction in the agricultural work force due to rural – urban migration, and in the absence of a strong private sector investments to replace public investments in the sector, agricultural production declined dramatically.

11. Cognizant of these challenges, particularly those affecting the agricultural sector, the government produced a new PRSP for the period 2012-2016. The PRSP addresses the challenge of how to use the country's large oil revenues to stimulate broad-based non-oil growth that would generate employment and reduce poverty. The objective of the government's strategy paper is to stimulate inclusive economic growth aimed at diversifying the economy from its oil dependence. In its PRSP, the Congolese government has put greater emphasis on the agriculture and fishery sectors, having strengthened regulations and earmarked a greater percentage of the budget for agriculture programs.

12. In recent years, with the support of the PDARP, the government has prepared an Agriculture Strategy Note (ASN) which was approved in 2012 and complemented in 2013 with a Sector Policy Letter together with a sector Mid-Term Expenditure Framework. The ASN builds on three main pillars to boost the efficiency of the agriculture sector, notably (i) *Pillar 1*: Rural development (to improve the development of agriculture and living conditions in rural areas); (ii) *Pillar 2*: Urban and peri-urban agriculture with market orientation (to create a formal, productive and modern commercial agriculture); and (iii) *Pillar 3*: Strategic investment (to promote specific agro-industrial value chains and attract direct investments in the sector).

13. The proposed AF is in line with the ASN and will particularly contribute to Pillars 1 and 2. The design of the AF has benefited from the logical framework suggested to implement the Strategy Note whose overall objective is to contribute to food security and poverty reduction through the development of the agriculture sector. In particular, the project design reflects the specific objectives of the ASN aiming at improving the living conditions in rural areas (social infrastructures, rural roads rehabilitation, access to market, etc…), increasing revenues for rural producers (through better access to inputs, revenue generating micro-projects, processing, etc.), and supporting the development of the peri-urban agriculture. In addition, the government is engaged in the Comprehensive Africa Agriculture Development Program (CAADP) since 2010.

The AF will contribute to supporting activities linked to the CAADP program which are fundamental to increase the government resources allocation for the agriculture sector to progressively reach the NEPAD commitment, of a 10 percent budget allocation to the Agriculture sector and 6 percent agricultural growth per annum. The existing Mid-Term Expenditure Framework (MTEF) will be a good basis to guide medium term budgeting for the agriculture sector, and was already used for the 2014 budget provision.

14. **Background and Results of the Parent Project.** The Republic of Congo received an IDA grant of SDR13.5 million (US$20 million), which was approved by the Board on June 5, 2007 and became effective on April 3, 2008**.** The grant is currently scheduled to close on March 31, 2014. The total disbursement as of December 20, 2013 is US$19.9 million (99.5 percent). The project had four components: (i) building capacity in the then Ministry of Agriculture, Livestock, and Fisheries (now Ministry of Agriculture and Livestock and Ministry of Fisheries and Aquaculture); (ii) rehabilitating rural roads and market infrastructure; (iii) supporting productive activities and sustainable livelihoods in rural areas; and (iv) conducting project coordination and management. No change is envisaged in the PDO and in the components.

15. **Project performance.** PDARP has been successful with tangible achievements in the Congo's Agriculture sector. PDO achievement and implementation support ratings have been consistently rated ***Satisfactory*** since 2011. Monitoring and evaluation data reveals that the Project's impact has been consistent with expectations as set out at the beginning of project implementation. There are no outstanding financial audits and all audit reports are unqualified. As a result of the project's Mid-Term Review, the Indigenous Peoples policy (OP/BP 4.10) was retroactively triggered as project investments for components II and III included and affected areas inhabited by indigenous communities. An Indigenous People's Planning Framework (IPPF) was consequently prepared between July 12, 2011 and June 1, 2012, then cleared and disclosed on December 7, 2012. Implementation of the safeguards requirements is rated also satisfactory. Legal covenants have been complied with.

16. **Overall and Specific results.** The number of direct project beneficiaries amounts to around 314,000 of which around 52 percent are female. One key outcome indicator i.e. increase in income of project beneficiaries participating in micro-projects by the end of the project has been achieved; while another key outcome indicator namely increased productivity of key agricultural products (cassava, banana and maize) has been largely achieved. According to the June 2013 project survey and the project's M&E data, the following results were achieved: (i) regarding income of beneficiaries of micro-projects there was an increase of 45 percent from an original target of 10 percent; and (ii) regarding productivity of traditional crops, productivity increased from 5.6 to 8.4 ton per hectare for cassava (32 percent), from 40 to 60 ton per hectare for banana (50 percent), and 1.6 to 2.5 ton per hectare for maize (56 percent). The project also contributed to an increase in yearly use of the Ministry of Agriculture's budget which has gone from 45 percent in 2010 to 62 percent in 2012.

17. Overall, and most importantly, the project has served as a catalyst for results on the ground and for raising Government's awareness on the potential of the agriculture sector to contribute to the country's economic growth and to improve livelihoods in rural areas. The following specific results on the ground are worth mentioning:

a) opening up "enclave" villages that hitherto were cut off from the rest of the country by rehabilitating a total of 1,251 km of rural roads as recorded in June 2013 survey out of 1,321 km planned at appraisal, serving 221 villages and remote areas where more than 300,000 people live;
b) 367 km of the rural roads are being maintained to avoid degradation and to correct roads' weak points;
c) completion of 36 market infrastructures out of 24 planned at appraisal;
d) 814 micro-projects were completed benefiting 10,247 people, of which more than 50 percent are women; 614 micro-projects were planned at appraisal; these micro-projects allowed the above mentioned income increases;
e) rehabilitation of two centers for fish breeds production, capacity building of fishermen and provision of tool kits to fishermen; and
f) tangible support to the National Center for Improved Seeds (CNSA) and the Agricultural Research Center of Loudima (CRAL) which has resulted in improved production of seeds and plants' cuttings and enhanced capacity of professional staff to advise and assist farmers.

18. **Rationale for Additional Financing.** The aim of the proposed AF is to scale up the activities of the PDARP and to devote a concerted effort to focus interventions in specific high potential agricultural areas; to capitalize on the achievements of the parent project and increase synergy between the components in order to achieve more development impact on the ground. Concomitantly with greater area focus, the AF will also be used to introduce a value chain approach for a few carefully selected agricultural commodities and to ensure that micro-projects that are being financed follow the logic of developing these value chains. These concepts are new to the Government and the AF will allow their introduction, testing and subsequent up-scaling. The AF is also leveraging a much larger government co-financing which ensure government commitment and sustainability in the long run.

III. PROPOSED CHANGES

1 Lending instrument

19. The AF will be structured as an IPF for an IDA amount of US$2.5 million and with the Government's co-financing contribution of US$8 million. The AF is expected to be implemented over a twenty one (21) month period.

2. Project development objective and key indicators

20. The AF will keep the original PDO of the parent project which is to assist the Republic of Congo to increase the ability of the rural poor to raise their income through the generation and promotion of improved agricultural technologies, the provision of market infrastructure, and the formulation and implementation of poverty-focused agricultural policies and expenditure programs.

21. The key performance indicators are presented in detail in the Results Matrix in Annex 1. PDO level indicators for measuring and monitoring the AF's achievements are:

- PDO Indicator one: Increase in number of direct project beneficiaries from 314,614 to 321,600 of which 51.6 percent will be female;

- PDO Indicator two: Increase in income of all project beneficiaries participating in micro-projects from 45 percent to 50 percent; and
- PDO Indicator three: Increased productivity of key agricultural products (banana: 33 percent from baseline, cassava: 25 percent from baseline and maize: 40 percent from baseline).

Summary of Proposed Changes	
Change in Implementing Agency	Yes [ ] No [X]
Change in Project's Development Objectives	Yes [ ] No [X]
Change in Results Framework	Yes [X] No [ ]
Change in Safeguard Policies Triggered	Yes [X] No [ ]
Change of EA category	Yes [ ] No [X]
Other Changes to Safeguards	Yes [X] No [ ]
Change in Legal Covenants	Yes [ ] No [X]
Change in Loan Closing Date(s)	Yes [ ] No [X]
Cancellations Proposed	Yes [ ] No [X]
Change in Disbursement Arrangements	Yes [ ] No [X]
Reallocation between Disbursement Categories	Yes [ ] No [X]
Change in Disbursement Estimates	Yes [X] No [ ]
Change to Components and Cost	Yes [X] No [ ]
Change in Institutional Arrangements	Yes [ ] No [X]
Change in Financial Management	Yes [ ] No [X]
Change in Procurement	Yes [ ] No [X]
Change in Implementation Schedule	Yes [ ] No [X]
Other Change(s)	Yes [ ] No [X]

Development Objective/Results
Project's Development Objectives
Original PDO The primary objective of the project is to assist the Republic of Congo to increase the ability of the rural poor to raise their income through the generation and promotion of improved agricultural technologies, the provision of market infrastructure, and the formulation and implementation of poverty-focused agricultural policies and expenditure programs.
Change in Results Framework
Explanation: In consultation with the Government, the Result Framework was updated to reflect changes in some

performance indicators which were found not relevant for the project and to some extent difficult to measure. The two PDO indicators of the original project were reformulated to make them better measurable and attributable to the project. In addition "Direct project beneficiaries" was added as core PDO indicator. Due to additional financing, the target values of the Key Performance Indicators (KPIs) have been adjusted accordingly.

Compliance

Change in Safeguard Policies Triggered

Explanation:

The original project was classified as Category B. An Environmental and Social Management Framework (ESMF), Resettlement Policy Framework (RPF), and Pest Management Plan were prepared, consulted upon and disclosed in October/November 2006. Between 2010 and 2013, 26 Environmental and Social Management Plans (ESMPs) were prepared and implemented for 36 road segments financed in the original project. During the same period, 20 ESMPs for 22 market infrastructures financed by the project. Between March and December 2011, as part of the mid-term review of project implementation, twelve environmental audits were undertaken, 9 focused on road segments and the other 3 on market infrastructures. The audits of the road segments concluded that, while the ESMPs were satisfactorily implemented in about half of the road segments, a number of measures (e.g. site clean-up, waste management, drainage, and awareness-raising with local communities) were found lacking in several segments. The audits of market infrastructures found that ESMPs had been partially implemented and that measures related to security and safety of work sites, waste management, adequate facilities and equipment for workers, and awareness-raising with local communities had not been adequately implemented. The safeguards instruments have been updated to include additional guidance on due diligence. During implementation of the AF, the project will undertake environmental audits in some of the longer road segments to ensure that environmental management measures have been implemented; remedial measures will be undertaken if necessary.

The envisaged nature of the activities to be supported under the proposed AF is not expected to generate any different and/or additional negative environmental and social impacts than initial activities. The PIU is responsible for ensuring that operators of new technologies and micro-projects comply with safeguard obligations. The PIU environmental and social specialist is responsible for the implementation of all the provisions of the safeguard instruments. In that respect, the specialist will ensure inter alia that: (i) the micro-projects are duly screened for their environmental impact, and, where required, their ESMPs are prepared and executed in a timely manner; (ii) the bidding documents for the constructions include the relevant environmental and social aspects the contractors must consider in their proposals, and (iii) the building contracts include appropriate descriptions of the management of potentially dangerous wastes. To date, it has not been necessary to prepare Resettlement Action Plans, but, if they are needed, they will be prepared, consulted upon and disclosed according to the guidance in the RPF.

At the mid-term review, Management decided that OP 4.10 (Indigenous Peoples) should be triggered, as certain aspects of the project could apply to all "departments" in the country, including areas inhabited by indigenous communities . An Indigenous Peoples Planning Framework (IPPF) was prepared, consulted upon and disclosed in 2012. The IPPF has guided consultations and helped communities with benefit-sharing for the micro-projects. Indigenous Peoples Plans will be prepared during project implementation. This AF triggers OP 4.04, as some of the project activities involve or affect some natural habitats (e.g. roads in forest areas). The updated ESMF includes guidance for mitigating impacts on natural habitats.

The environmental and social mitigation measures summarized in the ESMF, PMP, and the RPF, as well as the approved specific mitigation measures, will be executed, monitored and reported in: (i) a specific

Safeguard Monitoring Report and (ii) the Environmental and Social Safeguards section of the periodic project progress reports. Follow-up responsibility for the above is vested in the PIU.

Current and Proposed Safeguard Policies Triggered:	**Current**	**Proposed**
Environmental Assessment (OP) (BP 4.01)	Yes	Yes
Natural Habitats (OP) (BP 4.04)	No	Yes
Forests (OP) (BP 4.36)	No	No
Pest Management (OP 4.09)	Yes	Yes
Physical Cultural Resources (OP) (BP 4.11)	No	No
Indigenous Peoples (OP) (BP 4.10)	Yes	Yes
Involuntary Resettlement (OP) (BP 4.12)	Yes	Yes
Safety of Dams (OP) (BP 4.37)	No	No
Projects on International Waterways (OP) (BP 7.50)	No	No
Projects in Disputed Areas (OP) (BP 7.60)	No	No

Other Changes to Safeguards

Explanation:

This Additional Financing triggers OP 4.04 Natural Habitats, as some of the project activities involve or affect some natural habitats (e.g. roads in forest areas). The updated ESMF includes guidance for mitigating impacts on natural habitats.

Covenants - Additional Financing (Additional Financing for the Agricultural Development and Rural Roads Rehabilitation Project - P1 45627)

Source of Funds	**Finance Agreement Reference**	**Description of Covenants**	**Date Due**	**Recurrent**	**Frequency**	**Action**
IDA	Article 4.01 (a) and Section I.F of Schedule 2	Effectiveness condition: The Recipient shall deposit into the Project Counterpart Funds Account an amount of 2,000,000,000 CFA Francs.	29-Apr-2014	☐		New
IDA	Article 4.01 (b) Section I.B of Schedule 2	Effectiveness condition: The Recipient has	29-Apr-2014	☐		New

		updated the Project Implementation Manual.				
IDA	Section I.F of Schedule 2	Dated covenant: The Recipient has deposited 2,000,000,000 FCFA Francs into the Project Counterpart Funds Account.	30-Apr-2015	☐		New
IDA	Section III	Dated covenant: The Recipient shall, not later than three (3) months after the Effective Date, appoint an external auditor	29-Jul-2014	☐		New
IDA	Section III	Dated covenant: The Recipient shall, not later than three (3) months after the effective date, appoint in accordance with the provision of the Legal Agreement, and thereafter maintain at all time during project implementation, a procurement specialist, a Monitoring and evaluation specialist and an accountant with qualifications, experience and terms of	29-Jul-2014	☐		New

		reference acceptable to the Association.				

Finance

Loan Closing Date - Additional Financing (Additional Financing for the Agricultural Development and Rural Roads Rehabilitation Project - P145627)

Source of Funds	Proposed Additional Financing Loan Closing Date
International Development Association (IDA)	31-Oct-2015

Change in Disbursement Estimates (including all sources of Financing)

Explanation:

The project will continue to use the transaction-based disbursement procedures. The existing DA at the Credit du Congo will also be used for the additional financing. The designated account will receive an initial advance equivalent to CFAF 150 million upon project effectiveness. In addition to advances to the designated account, other disbursement methods will be available for use under the project, such as the direct payment, reimbursement, and special commitment methods. Further instructions on the withdrawal of proceeds will be outlined in the disbursement letter.

The Program will be financed in an amount of US$10.5 million, US$2.5 million of which will be financed by IDA and US$8 million by the Government. The Government will disburse his financing part in two tranches (2,000,000,000 FCFA Francs by April 30, 2014 and 2,000,000,000 FCFA Francs by April 31, 2015) to the Project Account pursuant to a schedule specified in Section I (F.2) of Schedule 2 to the Financing Agreement, while IDA will advance funds to the Designated Account.

Expected Disbursements (in USD Million)

Fiscal Year	2014	2015	2016	2017	2018	2019	2020	2021	2022
Annual	0.50	1.60	0.40	0.00	0.00	0.00	0.00	0.00	0.00
Cumulative	0.50	2.10	2.50	0.00	0.00	0.00	0.00	0.00	0.00

Allocations - Additional Financing (Additional Financing for the Agricultural Development and Rural Roads Rehabilitation Project - P145627)

Source of Fund	Currency	Category of Expenditure	Allocation	Disbursement % (Type Total)
			Proposed	Proposed
IDA	XDR	1	200,000.00	33.00
IDA	XDR	2	650,000.00	19.00
IDA	XDR	3	500,000.00	50.00
IDA	XDR	4	350,000.00	50.00
		Total:	1,700,000.00	

Components				
Change to Components and Cost				
Explanation: Geographical areas of focus Based on the current location of the parent project, an analysis of the agro-ecological potential, market demand, and accessibility to markets (road network) was undertaken to narrow the geographical targeted areas of the AF. The following areas of project concentration have been selected: • Departments of Brazzaville/Pool (Peri-urban areas of Brazzaville, Boko, Louingui, Goma Tse-Tse, Ignié and Ngabé) ; • Departments of Plateaux/Cuvette (Ngo, Gamboma, Ollombo, Abala, Oyo, Owando and Makoua); • Departments of Kouilou/Niari/Pointe Noire (Hinda, Mvouti, Dolisie, Louvakou, Peri-urban areas of pointe Noire) ; and • Departments of Bouenza/Lekoumou (Madingou, Mfouati, Mabombo, Yamba, Sibiti and Mayéyé). The following principles in designing the AF were kept in mind: - Geographic concentration of project activities (local agricultural growth areas / areas of concentration) and limitation of the number of commodities (value chains) being dealt with (2-3 per area of concentration) in order to avoid a dispersion of efforts and to have significant and visible impacts; - Selectivity of project activities to make sure that: a) there is no duplication with other donor investments but synergy with existing interventions, and b) only those beneficiaries who want to succeed in their activities are selected; - Putting the emphasis on making quality seeds/fish breeds, seedling and animal feed available to farmers and fish breeders; and - Capacity strengthening of all the actors in the public and private sector that intervene in a given value chain. The targeted commodities and value chains are: cassava, plantain, maize, banana, vegetables in rural areas, horticulture and poultry in peri-urban areas, and fish farming. However, only two to three main agricultural commodities and value chains will be supported for each targeted areas. The commodities and their value chains were selected based on the following criteria: (i) strategic importance to cover the food needs of the country; (ii) the production potential that exists for these products; and (iii) the possibilities for value addition available to small farmers and their organizations through better storage, agro-processing and marketing. There are no fundamental changes in the design of the proposed additional financing. The AF has the same four components as the parent project, which are: Component 1: Building capacity in the Ministry of Agriculture and Livestock, and the Ministry of Fisheries and Aquaculture, (Original Grant US$2.36 million, AF Credit US$2.86 million). The objective of this component continues to be the strengthening of capacities in pro-poor policy formulation, budgeting, and public expenditure management of the ministries, respectively, in charge of Agriculture and livestock and Fisheries and aquaculture, so that they can increase the efficacy and efficiency of their expenditure programs. The AF will strengthen the staff's basic skills in policy planning, budgeting, and implementation (technical capacity) as well as the public expenditure management system, including monitoring and evaluation, public finance management, and procurement. Of the total IDA funding under the AF, US$0.5 million is earmarked for this component. This Component has 2 sub-components: Sub-component 1.1: Support to Ministries' central and decentralized key services. The sub-component will				

support services in charge of planning and monitoring and evaluation at central level to ensure adequate monitoring of project activities and on the other hand, a specific and targeted support will be given to decentralized services of the Ministries to deliver agricultural services to beneficiaries. This support will especially cover the three departmental directorates of agriculture, livestock and fisheries and their decentralized services ("secteurs").
Sub-component 1.2: Support to specialized executing entities and NGOs. The sub-component will support two entities involved with research, production and distribution of seeds and cuttings, namely the CNSA (Centre National des Semences Améliorées) and the CRAL (Centre de Recherches Agricoles de Loudima). The sub-component will also finance Ministries' entities which are involved in agriculture extension services, smallholders' support and other agricultural public services, namely the CAT (Centre d'Appui Technique/Livestock), AGRI-CONGO, CDTA (Centre de Démonstration des Techniques Agricoles), the Project for the Rehabilitation and Recovery of pisiculture stations (PRSD) , and the CVTE (Centre de Vulgarisation des Techniques d'Elevage).

Component 2: Rehabilitating rural road and market infrastructure (original Grant US$7.97 million, AF Credit US$8.97million): The objective of this component continues to be the provision and maintenance of reliable all-season rural road infrastructure that connects rural communities to markets (and other social services) so that they can sell marketable production at remunerative prices and have access to affordable agricultural inputs. To achieve this objective, the project will finance two types of activities: rehabilitation of rural roads and construction and rehabilitation of rural market infrastructure. More specifically, in the selected areas of concentration, the AF will finance activities related to rehabilitation and maintenance of rural roads, construction and maintenance of market infrastructure. Under the AF, 80 km of rural roads will be rehabilitated and some four market infrastructures will be constructed or rehabilitated. Of the IDA funding under the AF, US$1.0 million is earmarked for this component.

Component 3: Supporting productive activities and sustainable livelihoods in rural areas (original Grant US$3.80 million, AF Credit US$4.8 million): The objective of this component continues to be the increase in capacity of rural producers, especially subsistence-oriented farmers, in targeted areas to raise their productivity and income. This objective will be achieved by financing complementary activities that meet the specific needs of farmers, livestock raisers, fish breeders, and selected non-farm producers. Project support will be in the form of micro-projects which will be selected according to a value chain logic, i.e., micro-projects that reinforce and benefit each other and that cover activities from production, to processing, storage, transportation, and marketing. The project will provide financial incentives through a matching grant mechanism to fund Producer Associations to ease the adoption of improved technologies. The typical bundle of complementary activities will include generating and disseminating improved production technologies (including accessing improved agricultural, fisheries and livestock inputs, dissemination and demonstration of new technologies), drying facilities, acquisition of small transformation and processing equipment, collection and distribution platforms for agricultural and fisheries products, and market information, and strengthening the capacity of Producer Associations. This component will strengthen the capacity of Producer Associations through training and easy access to ICT. It will also support the development and intensification of horticulture and poultry production in the vicinity of urban areas of Brazzaville and Pointe Noire, and also pursue the rehabilitation of centers of production and multiplication of fish breeding. To make improved seeds and planting material available to farmers and to demonstrate their benefits, and to encourage the diffusion and adoption on a large scale of these improved technologies, agricultural extension advice will be provided to select Producer Associations. The PIU will pass a contract with the Chefs de Secteur of MAE and private extension advisors if necessary to establish nurseries and demonstration plots. These sites will be used to familiarize farmers with new production technologies.

The matching grants are one-time capital grants awarded to Producer Associations for the adoption of

superior technologies in the production and post-harvest areas. The matching grant is open to all eligible Producer Associations or cooperatives organized around given productive and/or commercial activity. The following criteria will guide the selection of proposals: (i) the beneficiary shall be a Producer Association organized around given productive and/or commercial activity; (ii) the proposed innovative activity must be technically viable; (iii) it must have a public good element; and (iv) it must be economically and financially viable. The formula for the matching grant will build on the existing mechanism of the parent project (with a 5-10 percent beneficiary contribution). For the introduction of new more market oriented technology like processing equipment and production of fish food, the matching grant will be a maximum of 85 percent contribution from the project, depending on the costs and economic and financial viability of the particular technology. More details on the framework and modalities of support through matching grants (and/or leasing arrangements) are described in the project implementation manual.

Component 4: Project Coordination and Management (Original Grant US$2.98million, AF Credit: allocation unchanged): The objective of this component is to finance: (i) the operating costs of the PIU and of the different project executing agencies; (ii) the monitoring and evaluation of project activities; (iii) the communication of project activities to different audiences; (iv) the hiring of staff (in addition to the existing staff), consultant services, workshops, and training.

Current Component Name	Proposed Component Name	Current Cost (US$M)	Proposed Cost (US$M)	Action
Component 1: Building Capacity in the Ministry of Agriculture and Livestock	Component 1: Building Capacity in the Ministry of Agriculture and Livestock	4.71	0.50	Revised
Component 2: Rehabilitating Rural Roads and Market Infrastructure	Component 2: Rehabilitating Rural Roads and Market Infrastructure	15.94	1.00	Revised
Component 3: Supporting Productive Activities and Sustainable Livelihood in Rural Areas	Component 3: Supporting Productive Activities and Sustainable Livelihood in Rural Areas	7.60	1.00	Revised
Project Component 4: Coordination and Management	Project Component 4: Coordination and Management	5.96	0.00	Revised
	Total:	34.21	2.50	

IV. APPRAISAL SUMMARY

Economic and Financial Analysis

Explanation:

Development impact: The economic rationale for the Project stems from the fact that investments financed under the Project will contribute obviously and directly to the Project Development Objective, following

explicit causal pathways that link Project-supported activities to targeted outcomes. The analytical work, capacity building activities, and institutional reforms financed under Component 1 will improve the ability of the Government to design and implement poverty-focused agricultural policies and expenditure programs. The rural roads and market infrastructure financed under Component 2 will allow rural households to sell greater proportions of their production at more attractive prices. And the improved farm inputs and advisory services provided under Component 3 will allow thousands of poor rural households to raise their income through adoption of improved agricultural technologies.

Rationale for public funding: The activities to be financed under the Project merit public support, although the rationale differs somewhat by component. The activities to be financed under Component 1 (analytical work, capacity building, and institutional reforms) relate directly to strengthening of government functions and can be financed only with public funding. The activities to be financed under Component 2 (construction of basic infrastructure, including rural access roads and markets) will provide services that can be expected to benefit the general public and from which non-paying users could be excluded only at considerable cost to the overall economy, making public provision desirable. The activities to be financed under Component 3 (provision of advisory services and improved farm inputs) are unlikely to attract private suppliers as long as agricultural markets remain underdeveloped and highly risky. Over time, as agriculture becomes more commercialized, more stable, and more profitable, private suppliers will be expected to come in, making continued public support unnecessary.

World Bank value added: World Bank support for the Project is justified for three main reasons. First, by allocating IDA resources to the agricultural sector, the World Bank is signaling its readiness to support with financing the priorities identified in the Country Partnership Strategy. Second, World Bank involvement has leveraged greater government commitment for rural road maintenance as indicated by the increased funding of the sector. Third, through its participation in the Project, the World Bank is able to maintain a seat at the table where the national agricultural policy dialogue takes place, allowing it to play a visible and influential role in shaping the national agricultural development strategy. Fourth, with respect to the activities being financed under Component 1, the World Bank is able to mobilize leading international experts who can bring cutting-edge global knowledge to bear on the analytical activities and institutional reform efforts being undertaken by the government.

Returns to investments: The Project supports many different types of activities—knowledge generation, institutional reform, incentive restructuring, and provision of a range of goods and services with different degrees of "public" and "private" characteristics. Evidence collected during the initial phase of the Project provides reassurance that Project-supported investments will deliver attractive returns. For example, data collected from a sample of micro-projects financed under Component 3 during the initial phase of the Project were used to assess the profitability of the investments being made in production of food staples (maize and cassava), horticultural crops (onions, cabbage, peppers), bananas, small ruminants (sheep), and aquaculture. Farm budget analysis indicates that the micro-projects have generated attractive returns on the resources invested, including the IDA financing, the Government own financing, and the beneficiaries' contributions. As for activities financed under component 2 (rural roads and market infrastructures), the final survey indicated 4-16 percent reduction in transport costs (depending on the location) between 2010 and 2013, a reduction in transportation time to evacuate agricultural produce, from 6.5 days in 2010 to 2.5 days in 2013, and a better access to markets due the construction of market infrastructures now closer to the producers.

Technical Analysis

Explanation:

The revised project strategy and approach under the AF has been developed jointly with the Government

of Congo and was supported by a FAO/CP preparation mission. The objective was to arrive at greater geographic concentration, greater synergy between the project components and to encourage emergence of micro-projects within the framework of a few selected value chains. Together, these measures will address the weaknesses in the parent project. Care was taken to fully involve stakeholders in Congo in all preparation stages. For the agricultural production aspects, staff of the national directorates of the two ministries, from various specialized agencies such as the agricultural research center at Loudima (CRAL) for production of basic seeds, the National Center for Improved Seeds (CNSA) for seed multiplication, and AGRI-CONGO for vegetable growing and the Project for the Rehabilitation and Recovery of Pisciculture Stations (PRSD) was directly involved in project formulation. These institutions are technically competent to provide the services and technologies expected from them. Also, the direct involvement of the decentralized services of the Ministry of Agriculture and Livestock and the Ministry of Fisheries in supervising field activities will ensure that the necessary technical support to farmers and their organizations will be available. Concerning the micro-projects related to the development and promotion of market access and value addition, the PIU has accumulated several years of experience with this approach. For the construction and maintenance of rural roads, the PIU has learned how to manage all the necessary contracting and supervision. As part of the preparation of the AF, the elaboration of a strategy for rural road maintenance has been launched and will be finalized in early phase of project implementation. For training needs of farmers and small entrepreneurs, the PIU will resort to external operators for the implementation of training programs.

Social Analysis

Explanation:

The project objective of raising poor people income by making them more productive and making their activities more remunerative continues being by itself an important determinant of social stability. But the contribution of the AF to social development goes beyond the strategic development objective that it pursues. Over two thirds of the AF financing supports community-based productive investments and access to basic road, marketing, and agro processing infrastructure. Selection of micro-projects with a value chain orientation is on a demand basis that allows the local population and community organizations to fully participate. In addition to increasing the cost-effectiveness and sustainability of project activities, this approach also fosters social integration and stability by highlighting the socioeconomic benefits of collective action. Finally, the AF was designed to address the specific needs of female farmers and fishers. Agricultural extension advice will be specifically targeted towards women farmers and their needs. Through its contracts with extension providers the PIU will encourage the use of female extension advisors and the work with women groups.

Environmental Analysis

Explanation:

The AF does not include activities that aim specifically to meet predetermined environmental or natural resource management objectives. However, the agricultural advisory services will include the promotion of low-cost integrated crop and soil fertility management farming practices (such as intercropping and cover crops) that increase yields, while preserving the productivity of the natural resource base. For all micro-projects for the processing of agricultural products there will be an environmental screening and mitigation plan. Details of this will be elaborated in the project implementation manual.

Risk

Explanation:

Key risks associated with the AF and proposed mitigation measures are described in the Operational Risk Assessment Framework (ORAF) worksheet. Three main key risks for the AF are worth singling out. They are: (i) the slow release of counterparts' funds due to the Congo lengthy process of the budget cycle which

could substantially impact the project objectives. One of the mitigation measures for this risk will be to make the initial deposit of a substantial advance of the counterpart funds a condition of effectiveness. (ii) The limited capacity of the Ministry staff at the central and decentralized levels could also lead to implementation difficulties and delays. Investing in training, on-job training, demonstration sessions and other means of building capacity will limit the risk. And (iii) selection of limited focused areas for AF interventions may raise equity issue. To address this risk, the Ministry of Agriculture, at the Bank recommendation, has appointed a task force (comprising representatives from Ministries of Agriculture, Fishery, Plan and Finance, respectively) to further develop the rationale for and endorse the balance in the choice of areas of focus for the proposed AF. The project areas under the AF have been identified and endorsed by the Government. The Government ownership of this process will be part of mitigation of the risk.

22. The revised financing plan and project costs by component for the AF are shown below:

Table 1: Revised Financing Plan (US$ million)

Source	Original Project	Additional Financing	Total Revised Project
Recipient	20.00	8.00	28.00
IDA	20.00	2.50	22.50
Total	40.00	10.50	50.50

Table 2: Revised Project Costs by Component (US$ million)

REVISED PROJECT COSTS BY COMPONENT					
Components	**Original Costs**	**Changes with AF**	**Revised costs**		
	(US$m)	**(US$m)**	**(US$m)**	**US$**	**US$**
	IDA	**IDA**	**IDA**	**Gov.**	**Total (IDA+Gov.)**
1. Capacity building for MAE and MPA	2.36	0.50	2.86	3.35	6.21
- Support to Ministries' central and decentralized key services					
- Support to specialized executing entities and NGOs					
2. Rural roads rehabilitation and market infrastructur	7.97	1.00	8.97	12.47	21.44
- Rural roads rehabilitation					
- Market infrastructure					
3. Support to productive activities and sustainable livelihood in rural areas	3.80	1.00	4.80	4.80	9.60
4. Project coordination and management	2.98	-	2.98	4.48	7.46
Project Preparation Facility	0.29		0.29	0.30	0.59
Total baseline costs	17.40	2.50	19.90	25.40	45.30
Contingencies	2.60		2.60	2.60	5.20
Total project cost	**20.00**	**2.50**	**22.50**	**28.00**	**50.50**

4. Lessons learned and reflected in the design of the Additional Financing

23. Although PDARP achieved its intended objectives which are appreciated by beneficiaries and the authorities, there is limited synergy between the project's components and between the micro-projects that were financed. This shortcoming limited the impact on the ground. The specific actions under each component were scattered over large areas of the country and did not constitute a coherent development program. Component 1 on capacity building of the Ministries enabled the elaboration of the agriculture sector strategy and implementation of the fisheries strategy. Technical assistance was also given on procurement and monitoring and evaluation. However, the impact on executing entities and decentralized agencies of the ministries were limited since these were only oriented to specific activities. The realizations under component 2 on rehabilitation of rural roads and market infrastructure were very appreciated by the different stakeholders as it helped unlock about 300,000 inhabitants from 221 villages and ease access to markets to more than 50,000 people. Activities under component 3 on supporting productive activities and sustainable livelihoods in rural areas generated income increase for participating project beneficiaries and a 56 percent yield increase for the targeted commodities. The micro-projects were standalone investments that did not reinforce each other along a value chain. It is therefore the aim of the AF to scale up the activities of the PDARP by introducing the approach of focused interventions in specific and high potential agricultural areas and increase synergy between the components in order to achieve more development impact on the ground. At the same time, the AF seeks to support micro-projects along selected value chains that reinforce each other and allow to tackle bottlenecks from agricultural production to storage, transportation, processing and up to marketing.

24. PDARP started in an operating environment characterized by the absence of a government strategy for rural roads maintenance. Successive supervision missions emphasized the need for the Government to pay specific attention to the maintenance of the rehabilitated rural roads to avoid losing the investment at the following rainy season. The project is the first one to have had a significant intervention in the rehabilitation of the rural network transportation since 1996. Through this project, 20 percent of 5,708 km rural roads network identified by the Ministry of Agriculture have been rehabilitated. During the past three years, through the policy dialog around rural roads maintenance, the government earmarked FCFA 450 million (almost US$1 million) in the 2013 budget, and has allocated FCFA 5 billion (US$10 million) for rural roads upgrading and maintenance in the 2014 budget.

25. A study conducted on the maintenance of rural roads during the identification mission showed the devastating effect on the rural road network due to lack of proper maintenance. The study found out that of the total 5,708 km priority rural roads identified by the Ministry of Agriculture, about 20 percent have been rehabilitated by the project. In addition, only 45 percent of this priority network is practicable throughout the year, 55 percent experience regular cuts, of which 23 percent cuts all year round.

26. The envisioned rural roads maintenance strategy aims to entrust the departmental councils (decentralized entities) with the management of the rural roads maintenance as established by the National Transport Plan adopted by the National Assembly since 2003, but yet to be implemented. In the short term, this transfer cannot be performed because the councils are not ready yet to take over this responsibility as they lack necessary resources and skills. To ensure proper maintenance in the future, the study suggests a strategy based on a progressive approach around three main axis: (i) assign the management of the maintenance of the priority rural roads network to the Ministry of Agriculture with a gradual transfer to the departmental councils as they become capable; (ii) adoption of a technical approach adapted to the transport demand to minimize maintenance burden and costs; and (iii) securing the required funding for rural road maintenance as planned through the Roads Maintenance Funds.

27. To achieve the objective of the strategy which aims at ensuring a sustainable level of service of the entire priority network, it is necessary to rehabilitate the entire network with permanent maintenance. The AF will consider financing initial steps towards implementation of this strategy through: (a) the assessment of the capacities of the ministry (i.a. its department of rural engineering) and the departmental councils, and elaboration of a capacity building program for these entities; (b) the consolidation of the rural roads network rehabilitation and catching up with the maintenance delay ; (c) piloting of a permanent manpower maintenance at the level of the departmental councils; and (d) implementation of a "on-the-job" training operation to maintain rural roads through “chantiers-écoles” supported by SMEs involved in rural roads construction/rehabilitation.

5. Policy exceptions and readiness

28. No exceptions are envisaged. The Project is fully operational so that the proposed activities can start being implemented as soon as the AF becomes effective.

ANNEX 1: REVISED PROJECT RESULTS FRAMEWORK

Project Name:	Additional Financing for the Agricultural Development and Rural Roads Rehabilitation Project (P145627)			Project Stage: Additional Financing	Status: DRAFT
Team Leader:	Amadou Oumar Ba	Requesting Unit:	AFCC2	Created by:	Marie Jeanne Uwanyarwaya on 19-Jul-2013
Product Line:	IBRD/IDA	Responsible Unit:	AFTA2	Modified by:	Marie Jeanne Uwanyarwaya on 30-Dec-2013
Country:	Congo, Republic	Approval FY:	2014		
Region:	AFRICA	Lending Instrument:	Investment Project Financing		
Parent Project ID:	P095251	Parent Project Name:	Agricultural Development and Rural Roads Rehabilitation Project (P095251)		

Project Development Objectives

Original Project Development Objective - Parent:

The primary objective of the project is to assist the Republic of Congo to increase the ability of the rural poor to raise their income through the generation and promotion of improved agricultural technologies, the provision of market infrastructure, and the formulation and implementation of poverty-focused agricultural policies and expenditure programs.

Proposed Project Development Objective - Additional Financing (AF):

The primary objective of the project is to assist the Republic of Congo to increase the ability of the rural poor to raise their income through the generation and promotion of improved agricultural technologies, the provision of market infrastructure, and the formulation and implementation of poverty-focused agricultural policies and expenditure programs.

Results

Core sector indicators are considered: Yes

Results reporting level: Project Level

Project Development Objective Indicators

Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
New	Direct project beneficiaries	☒	Number	Value	0.00	314614.00	321600.00
				Date	30-Apr-2008	15-Nov-2013	31-Oct-2015
				Comment		New indicator for AF. Baseline data collected by June 2013 project survey	
New	Female beneficiaries	☒	Percentage Sub Type Supplemental	Value	0.00	51.60	51.60
Revised	Increased in income of project beneficiaries participating in micro-projects by end of project	☐	Percentage	Value	Agr: 635,365 Horticulture: 1,992,366 Livestock: 374,987 Fisheries/Aqua: 1,466,844 Processors: 2,013,864	45%	50%
				Date	30-Apr-2008	15-Nov-2013	31-Oct-2015
				Comment		This is the result of the end survey published in June 2013	
Revised	Increased productivity of key agricultural products (cassava, banana and maize)	☐	Ton per hectare	Value	cassava: 5.6 ton/ha banana: 40 ton/ha maize: 1.6	cassava: 8.4 ton/ha banana: 60 ton/ha maize: 2.5 ton/ha	cassava: 10.6 ton/ha banana: 75 ton/ha maize: 3.5

					ton/ha		ton/ha
				Date	30-Apr-2008	15-Nov-2013	31-Oct-2015
				Comment		The productivity for cassava has increased for 32%, banana for 50% and maize 56%	
Intermediate Results Indicators							
Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
Revised	Increase rate of annual sectoral budget execution/use of the MAE and MPA	☐	Percentage	Value	45	MAE: 62%; MPA: 55.1%	MAE: 80% MPA: 70%
				Date	30-Apr-2008	15-Nov-2013	31-Oct-2015
				Comment		As recorded from the ministries own sources	
Revised	After PY2, the Ministry of Agriculture and Livestock has prepared and adopted result-based sub-sector programs to guide the preparation and execution of the sectoral annual budget.	☐	Text	Value	0	3 documents available	3
				Date	30-Apr-2008	15-Nov-2013	31-Oct-2015
				Comment		Agriculture Sector Note; Agriculture Policy Note; and MTEF adopted at the end of June 2013	
Revised	At least 60% of farmers are satisfied with the services received from the extension workers and the Ministry of Agriculture by the end of the	☐	Percentage	Value	Agr.: 2.7% Livestock: 8.9% Fisheries: 24% Horticulture:	trad. Agr.: 10.4% Livestock: 16.5% Fisheries: 47.6% Horticulture: 43.5%	Agric. 20% Livestock: 20% Fisheries: 50% Horticult.: 50%

	project (EOP)				13%		
				Date	30-Apr-2010	15-Nov-2013	31-Oct-2015
				Comment	results of the 2010 baseline survey	As determined by the end survey published in June 2013	
Revised	By EOP, at least 80% of the procurement of goods and services is handled by the Ministry's procurement unit in conformity with public procurement guidelines.	☐	Percentage	Value	0	28%	80%
				Date	30-Apr-2008	15-Nov-2013	31-Oct-2015
				Comment		As recorded from the Ministry's records	
Revised	50% of the annual budget of the Ministry's regional offices is transferred to regional offices	☐	Percentage	Value	5%	33.6%	50%
				Date	30-Apr-2008	15-Nov-2013	31-Oct-2015
				Comment		This is the result of the end survey published in June 2013	
Revised	Percentage of farmers associations/groups receiving agricultural extension services from MAE and MPA	☐	Percentage	Value	5.00	32.2%	40%
				Date	30-Apr-2008	15-Nov-2013	31-Oct-2015
				Comment		This assessment was done for all producers which also include fisheries households.	
Revised	Roads rehabilitated, Rural	☒	Kilometers	Value	0.00	1251.00	1331.00
				Date	30-Apr-2008	15-Nov-2013	31-Oct-2015
				Comment		A total of 1251 km of rural roads	

						have been rehabilitated and handed over, almost 95% of target by EOP.	
Revised	Number of market infrastructure rehabilitated	☐	Number	Value	0	36	40
				Date	30-Apr-2008	07-Feb-2013	31-Oct-2015
				Comment			
Revised	At least 90% of built market infrastructure is properly used and maintained by beneficiaries	☐	Percentage	Value	0	90%	90%
				Date	23-May-2008	15-Nov-2013	31-Oct-2015
				Comment		As per end project survey results published in June 2013	
Revised	At least 50% of upgraded rural roads are maintained at appropriate standards	☐	Kilometers	Value		26.00	50.00
				Date	03-Apr-2008	15-Nov-2013	31-Oct-2015
				Comment		per end survey	
Revised	Number of producers with access to rehabilitated market infrastructure	☐	Number	Value	0	84396	88343
				Date	30-Apr-2008	15-Nov-2013	31-Oct-2015
				Comment		The number was revised according to the end survey published in June 2013 (the previous one was project estimates that includes all populations)	
Revised	Percentage of beneficiaries	☐	Percentage	Value	5%	48%	60%

	adopting production and processing advice/technology package			Date	30-Apr-2008	15-Nov-2013	31-Oct-2015
				Comment		These are direct project beneficiaries, of which almost 52.6% are women (Source: Project end survey)	
Revised	Number of farmers associations/households benefitting from matching grants (% of which are female and youth)	☐	Number (Percentage)	Value	0	10247 of which 51% are female	11247 of which 51% are female and 25% are youth
				Date	30-Apr-2008	15-Nov-2013	31-Oct-2015
				Comment		As per end project survey results published in August 2013	
Revised	Number of micro-projects financed by the project	☐	Number	Value	0	814	914
				Date	30-Apr-2008	15-Nov-2013	31-Oct-2015
				Comment			
Revised	Periodic progress reports and IFRs are produced and submitted timely	☐	Text	Value	0	3	4
				Date	30-Apr-2008	15-Nov-2013	31-Oct-2015
				Comment		This is the case in 2013	
Marked for Deletion	Project Steering Committee meets at least twice a year	☐	Text	Value	0	2	2
				Date	30-Apr-2008	15-Nov-2013	31-Dec-2013
				Comment		Complied with	
Marked for	At least 95% of procurement	☐	Percentage	Value	70%	100	95%

Deletion	(goods, services and work) processes are in compliance with IDA procedures.			Date	30-Apr-2008	15-Nov-2013	31-Dec-2013
				Comment		Complied with	

ANNEX 2: DISCLOSABLE OPERATIONAL RISK ASSESSMENT FRAMEWORK (ORAF)

Congo, Republic: Additional Financing for the Agricultural Development and Rural Roads Rehabilitation Project (P145627) Stage: Additional Financing

<table>
<tr><th colspan="7">Project Stakeholder Risks</th></tr>
<tr><td>Stakeholder Risk</td><td colspan="6">Rating Moderate</td></tr>
<tr><td rowspan="3">Risk Description:
Selection of limited value chains and focused areas for AF interventions may raise equity issue. Stakeholders, including farmers, political leaders, and agro-industries in areas or value chains not selected for AF intervention could express discontent or frustration.

PDARP has experienced slow release of counterparts' funds due to the Congo lengthy process of the budget cycle. This could substantially impact the AF's objectives especially because the Government is co-financing the AF at 80 percent.</td><td colspan="6">Risk Management:
As a result of the identification mission wrap up meeting, the Ministry of Agriculture, at the Bank recommendation, has appointed a task force (comprising representatives from Ministries of Agriculture, Fishery, Plan and Finance, respectively) to further develop the rationale for and endorse the balance in the choice of areas of focus for the proposed AF. The project areas under the AF have been identified and endorsed by the Government. The Government ownership of this process will mitigate the risk. Also, the PDARP, and subsequently the AF, has invested substantially in strengthening the weak links of the value chains (namely farmers' organizations) to enhance their negotiation capacity and their role along the activities of the value chains.</td></tr>
<tr><td>Resp:
Both</td><td>Stage:
Preparation</td><td>Recurrent</td><td>Due Date:
09-Dec-2013</td><td>Frequency</td><td>Status:
Completed</td></tr>
<tr><td colspan="6">Risk Management:
Release of a substantial amount of counterpart funds will be a condition of effectiveness.</td></tr>
<tr><td></td><td>Resp:
Both</td><td>Stage:
Both</td><td>Recurrent</td><td>Due Date:
29-Apr-2014</td><td>Frequency</td><td>Status:
In Progress</td></tr>
<tr><th colspan="7">Implementing Agency (IA) Risks (including Fiduciary Risks)</th></tr>
<tr><td>Capacity</td><td colspan="6">Rating Moderate</td></tr>
</table>

Risk Description:	Risk Management:
The PDARP PIU, which will oversee the implementation of the AF's activities, has lost some of its fiduciary staff (FM, M&E and Procurement) to other appointed public functions. The recruitment of new and inexperienced staff could impact the speedy implementation of AF activities.	The PIU has initiated the recruitment of departing staff to ensure that replacements are on board before the end of the calendar year 2013. To even mitigate further this risk, the PIU has ensured that a handover process is undertaken between departing staff and those who are still around to avoid disruption of implementation of activities in the field.

Resp:	Stage:	Recurrent	Due Date:	Frequency	Status:
Client	Both				In Progress

	Risk Management:
Past experience with ineligible expenses in PDARP and possibility of recurrence.	For the past two years, the PDARP PIU, which will also implement activities of the AF, has shown noticeable improvements in fiduciary matters especially in (i) recruiting an internal auditor who has helped in improving PIU's accounting system and internal control resulting in the production of good quality quarterly financial reports which meet Bank requirements; and (ii) in procurement with a more reliable and organized hard and electronic archiving system which allows easy and transparent access to information related to past and ongoing procurement contracts. Implementation support missions and regular contacts with PIU staff have been monitoring closely all aspects related to fiduciary. These frequent checks and discussion will continue in order to mitigate this risk.

Resp:	Stage:	Recurrent	Due Date:	Frequency	Status:
Client	Both				In Progress

Project Risks

Design	**Rating**	**Moderate**

Risk Description:	Risk Management:
A change in the Ministries' leadership or configuration	The project team and Bank country leadership has invested in sustained dialogue and active consultation with, not only implementing ministers of Agriculture and Fishery, but also at the level of the Ministry in charge of Plan, Finance and Integration. This has resulted in a national awareness of the benefits of the PDARP achievements and has raised Government interest in investing in the Agriculture sector. Such a dialogue will be continued through the AF to further mitigate this risk.

	Resp: Both	Stage: Both	Recurrent	Due Date:	Frequency	Status: In Progress
Absence of Government strategic, long term and data supported development agenda for the Sector. Such guidance could provide detailed information on current state of the sector and help determine most appropriate and sound policy needed to achieve targeted goals as well as enlighten further the AF's contribution to the sector development.	Risk Management: WB/PDARP and FAO have financed the elaboration of few analytical studies in the Agriculture sector (Agric. Sector Note, MTEF exercise, Agric. Policy note, FAO study on Cassava Commercialization ...). The AF will finance a restitution workshop, to review and evaluate the conclusions and outcomes of these studies, which could help shape and inform a longer term development agenda for the Agriculture sector in Congo.					
	Resp: Both	Stage: Both	Recurrent	Due Date:	Frequency	Status: In Progress
Social and Environmental	**Rating** **Low**					
Risk Description: Overall safeguard performance of parent project of the AF is currently satisfactorily. AF activities trigger one additional safeguards policy – OP 4.04 (Natural Habitats) – as some of the project activities are taking place in or near natural habitats. These risks are addressed in the updated ESMF.	Risk Management: An ESMF, RPF, and PMP were prepared, consulted upon, and disclosed in October/November 2006; they were subsequently updated, following the project mid-term review in January 2011. At this same review, the Indigenous Peoples policy (OP/BP 4.10) was triggered, as project investments of components II and III included and affected areas inhabited by indigenous communities. An Indigenous Peoples Planning Framework (IPPF) was consequently prepared in 2011 –2012, cleared and disclosed in 2012. To date 46 ESMPs have been prepared (26 for road segments and 20 for market infrastructures). The project has also undertaken 12 environmental audits. ESMPs, RAPs, and/or IPPs will be prepared as and when necessary during project implementation; the project will undertake additional environmental audits. The project implementation unit supported the safeguards training of the agronomist and the monitoring and evaluation unit, to strengthen project safeguards capacity and compliance. Such training will be continued.					
	Resp: Both	Stage: Both	Recurrent	Due Date:	Frequency	Status: In Progress
Overall Implementation Risk: Moderate						

ANNEX 3: INSTITUTIONAL AND IMPLEMENTATION ARRANGEMENTS

1. The current institutional and implementation arrangement under PDARP will be maintained with an improvement towards the use of country institutions. The same steering committee composed of representatives from the private sector, beneficiary organizations, selected ministries, public institutions, and civil society will be maintained and chaired by the Ministry of Agriculture and Livestock (MAE). It will have the same mandate including approving annual work plans and budgets, and approving annual progress reports. The Ministry of Fisheries and Aquaculture (MPA) will be in charge of direct supervision of activities related to the fisheries sector in close collaboration with the MAE.

2. The Project Implementation Unit currently in place will ensure effective coordination of project activities while implementation on the ground will continue to be executed by the technical directorates of the MAE and MPA and by these implementing agencies whose capacities are strengthened under component 1 of the project including; CRAL, CNSA, Agri-Congo, CDTA, and CVTE[1]. These agencies will provide critical agricultural services such as foundation seeds/cuttings, commercial seeds, technical advice to farmers and livestock breeders to support project activities. The current PIU is comprised of an experienced team of professionals, with technical and engineering skills, who have been involved in the PDARP activities for the past 5 years. PIU staff also demonstrated strong commitment and improved managerial and coordination skills, which will be of great value for the implementation of the AF. As some staff (Procurement, M&E and Accountant) left in anticipation of the initial closing date of the project, internal arrangements have been made to fill the few gaps by using the assistants who remained in place. However, these essential positions will be appointed during the first three months following Board approval. The recruitment process has been launched.

3. At the same time, the implementation capacities and skills of public services and executing agencies that participate under the project will need to be reinforced as part of project's component 1. In the framework of improving country systems and institutions, the following adaptations will be made in the existing arrangement:

- Strengthening of the collaboration between the four Regional Implementation Support Units and the decentralized entities of the MAE and MPA to progressively integrating of and mainstreaming their functions and roles within these units taking into account the defined areas of concentration of activities;

- Capacity building of the decentralized units of the two ministries which will implement the project activities on the ground; and

- Better integration of specialized national institutions that have played only a limited role in the past.

4. Details on the operating procedures have been revisited to adapt to the AF specificities and are included in the Project Implementation Manual.

[1] These are technical government institutions under the authority of the MAE and Ministry in charge of scientific research.

5. **Reporting and quality control.** The AF will continue to produce monthly, quarterly, semiannual, and annual monitoring and evaluation reports of differing scope and depth. Staff from the Project Coordination Unit, selected regional units, and staff from involved non-governmental organizations will be trained in monitoring and evaluation and other project management aspects. The Project Implementation Unit will support community-based monitoring and evaluation as a means of strengthening community skills and ownership of project interventions and of creating a space for positive questioning that will enhance accountability and governance in project management. Complete monitoring and evaluation procedures (data collection, processing, reporting formats, and the like) are spelled out in detail in the revised Monitoring and Evaluation Manual.

6. **Financial management.** The project management (including financial management) has been rated Satisfactory over the past twelve months. Quarterly financial reports are of good quality, audit reports are being completed on time, recommendations are largely complied with, and the accounting system has been also improved. Existing financial management arrangements will be used under the AF. The IFR and audit arrangements will build on the foundation of the original project.

7. **Auditing.** The AF will also require an external auditor. A firm of qualified independent auditors with terms of reference acceptable to IDA will be selected on a competitive basis to carry out an external audit of the AF's financial statements on an annual basis. In addition, an internal auditor function already exists within the PIU and will continue to ensure that the AF's fiduciary procedures and requirements are adhered to by all implementing units.

8. **Disbursements.** The project will continue to use the transaction-based disbursement procedures. The existing DA at the Credit du Congo will also be used for the additional financing. The designated account will receive an initial advance equivalent to CFAF 150 million upon project effectiveness. In addition to advances to the designated account, other disbursement methods will be available for use under the project, such as the direct payment, reimbursement, and special commitment methods. Further instructions on the withdrawal of proceeds will be outlined in the disbursement letter.

9. The Program will be financed in an amount of US$10.5 million, US$2.5 million of which will be financed by IDA and US$8 million by the Government. The Government will disburse his financing part in two tranches (2,000,000,000 FCFA Francs by April 29, 2014 and 2,000,000,000 FCFA Francs by April 31, 2015) to the Project Account pursuant to a schedule specified in Section I (F.2) of Schedule 2 to the Financing Agreement, while IDA will advance funds to the Designated Account.

10. The disbursement schedule will be as follows:

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, consultants' services, and non-consulting services Training and Operating Costs under Part 1 of the Project	200,000	33 percent
(2) Goods and works and non-consulting services under Part 2 of the Project	650,000	19 percent
(3) Matching Grants under Part 3(c) of the Project	500,000	50 percent
(4) Goods, Works, consultants' services, non-consulting services, Training and Operating Costs under Part 3 (a), (b) and (d) of the Project	350,000	50 percent
TOTAL AMOUNT	1,700,000	

11. **Procurement** performance has been rated Satisfactory during the past twelve months. For the proposed AF project, procurement for goods, works and non-consulting services will be carried out in accordance with the World Bank's "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" published by the World Bank in January 2011 (Procurement Guidelines"). In the case of consultancy services, the World Bank's "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credit and Grants will apply. Furthermore, the World Bank's "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006, and revised in January 2011 will apply. For each contract financed by the AF Credit, the different procurement or consultant selection methods, the need for pre-qualifications, estimated costs, prior review requirements and time frame will be agreed between the Recipient and the Bank as part of the Procurement Plan. This plan will be updated as least annually, and as required to reflect the actual project implementation needs and improvements in institutional capacity.