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Investing in rural people

President's report

Proposed loan and grant under the Debt Sustainability Framework

Central African Republic

Project to Improve Productivity and Access to Markets for Agropastoral Products in the Savannah Zones

Project number: 2000002442

Note to Executive Board representatives

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For: Approval

Contents

| Abbr | reviations and Acronyms | ii |
|------|--|-----------------------|
| Мар | of the project area | iii |
| Fina | ncing summary | iv |
| I. | Context | 1 |
| | A. National context and rationale for IFAD involvement B. Lessons learned | 1 2 |
| II. | Description of the project | 2 |
| | A. Objectives, project area and target groups B. Components, outcomes and activities C. Theory of change D. Alignment, ownership and partnerships E. Project costs, benefits and financing | 2 3 4 4 5 |
| III. | Risks | 9 |
| | A. Risks and mitigation measures B. Environmental and social risks C. Climate risk classification D. Debt sustainability | 9 10 10 10 |
| IV. | Execution | 10 |
| | A. Organizational framework B. Planning, M&E, learning, knowledge management and | 10 |
| | communication C. Implementation plans | 11 12 |
| V. | Legal instruments and authority | 13 |
| VI. | Recommendation | 13 |

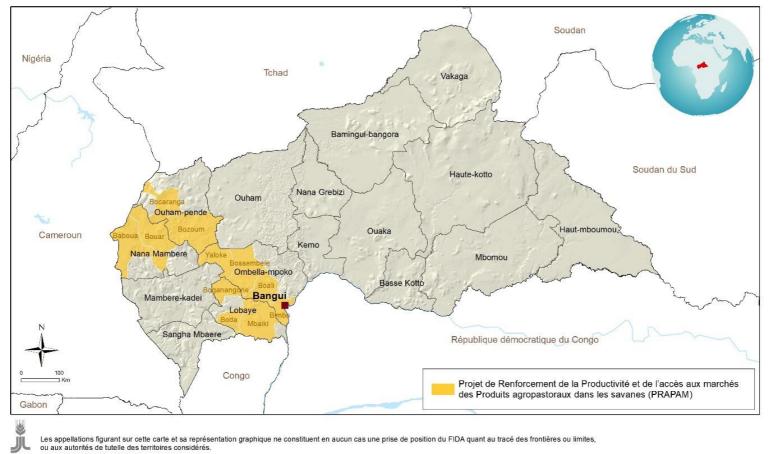
Appendices

I. Negotiated financing agreement (will be made available prior to the session)II. Logical frameworkIII. Project risk matrix

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|---|--------------------|
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Abbreviations and Acronyms

- M&E monitoring and evaluation
- PADECASSavannah-based Agricultural Value Chains Development Support ProjectPRAPAMProject to Improve Productivity and Access to Markets for Agropastoral
- Products in the Savannah Zones PREPAS Project for Revival of Agropastoral Production in the Savannah
- PREVES Project for the Revival of Food Crops and Small Livestock Production in the Savannah
- RCPCA National Recovery and Peacebuilding Plan [Relèvement et consolidation de la paix en RCA]



Les appellations figurant sur cette carte et sa représentation graphique ne constituent en aucun cas une prise de position du FIDA quant au tracé des frontières ou limites, ou aux autorités de tutelle des territoires considérés.

FIDA Source: FIDA | 13-08-2020

Financing summary

| Initiating institution: | IFAD |
|--|---|
| Borrower/recipient: | Central African Republic |
| Executing agency: | Ministry of Agriculture and Rural Development and the Ministry of Livestock and Animal Health |
| Total project cost | US\$36.85 million |
| Amount of IFAD loan: | US\$4.42 million |
| Terms of IFAD loan: | Highly concessional terms |
| Amount of IFAD Debt Sustainability Framework grant: | US\$17.76 million |
| Cofinancier: | Adaptation Fund |
| Amount of cofinancing: | US\$9.03 million |
| Terms of cofinancing: | Grant |
| Contribution of borrower/recipient: | US\$4.67 million |
| Contribution of borrower/recipient (in kind): | US\$0.46 million |
| Contribution of beneficiaries: | US\$0.5 million |
| Amount of IFAD climate finance: | US\$18.345 million |
| Cooperating institution: | IFAD |
| Parallel financing from the African Development Bank: | US\$11.9 million |

Recommendation for approval

The Executive Board is invited to approve the recommendation contained in paragraph 76.

I. Context

- A. National context and rationale for IFAD involvement National context
- 1. The Central African Republic has been enduring a severe crisis that has gone on for 12 years now and has had a devastating impact on its economy. GDP plunged by 37 per cent in 2013, and gross national income, which, at US\$600 in 2014, was already the lowest in the world at that point in time, dropped to US\$226.4 in 2017.
- 2. The poverty rate has risen by more than 22 per cent since 2003, and extreme poverty is as much of a problem in urban areas as it is in rural ones. However, rural areas are still more fragile than urban areas, where the bulk of economic activities and services are concentrated. The poorest households are the ones in which the head of household is employed in the agricultural sector (more than 60 per cent of the population).
- 3. In order to address all these constraints and challenges, in March 2016, following the country's return to a constitutional order, the Government drew up national development strategies for relaunching a dialogue and laying the foundations for sustainable economic development. The first of these documents to be prepared were: (i) the National Recovery and Peacebuilding Plan [Relèvement et consolidation de la paix en RCA] (RCPCA); (ii) the National Agricultural Policy Paper [Document de Politique Nationale Agricole] (DPAN); and (iii) the National Agricultural Investment and Food and Nutrition Security Plan [Programme National d'Investissement Agricole de Sécurité Alimentaire et Nutritionnelle] (PNIANSAN).
- 4. At the institutional level, the Ministry of Agriculture and Rural Development will be in charge of the project but will implement it in close collaboration with the Ministry of Livestock and Animal Health and other ministries responsible for natural resource management, the Ministry of Trade and producers' organizations.
- 5. Economic activity has also been hurt by the COVID-19 pandemic. According to a World Bank study, the country's economy is projected to grow by 0.8 per cent in 2020, which is 3.6 percentage points lower than the pre-COVID projection.

Special aspects relating to IFAD's corporate mainstreaming priorities

- 6. In line with the Eleventh Replenishment of IFAD's Resources (IFAD11) mainstreaming commitments, the project has been validated as:
 - ☑ Including climate finance;
 ☑ Gender transformational;
 ☑ Nutrition-sensitive;
 ☑ Youth-sensitive.
- 7. **Climate change.** The combination of risks related to climate change and the effects of the expansion of the amount of land under cultivation will put added pressure on the country's natural resources in the years to come. The Project to Improve Productivity and Access to Markets for Products in the Savannah Zones (PRAPAM) will also deploy climate-resilient agropastoral and environmentally sound rural infrastructure.

- 8. **Gender and social inclusion**. In all, 84.6 per cent of households headed by women are poor, while the corresponding percentage for male-headed households is 74 per cent.
- 9. PRAPAM will contribute to women's economic empowerment and will support activities that lighten their workload and strengthen their organizational capacity.
- 10. **The nutrition situation is alarming.** In 2019, the country's score on the Global Hunger Index was 59.6, and 46.0 percent of women between the ages of 15 and 49 were suffering from anaemia.
- 11. PRAPAM will provide support for comprehensive nutrition education and for infrastructure for increasing the production and productivity of subsistence crops and market gardens as a means of increasing the diversification of the food supply.
- 12. **Youth.** A majority of the Central African population is composed of young people (in 2017, 56 per cent of the population was under 18 years of age, with the gender breakdown of that age group being 50.1 per cent boys and 49.9 per cent girls). Nearly 108,000 young farmers in need of support live in the project area.
- 13. The project will help to provide them with access to skills and knowledge and will contribute to their economic independence by facilitating their participation in income-generating activities.

Rationale for IFAD's involvement

- 14. The farm sector in the Central African Republic is subject to constraints that have been heightened by the crisis. These constraints include: (i) insufficient support infrastructure for production activities; (ii) a shortage and the deterioration of rural roads; (iii) insufficient and unsuitable means of transportation; (iv) difficulties encountered by producers seeking to master appropriate preservation and processing techniques and to obtain the corresponding equipment; (v) disorganized marketing channels and problems with distribution; and (vi) a worrisome employment situation for rural youth.
- 15. IFAD is sought after as a source of support for family farming because of its ability to successfully boost farm output and increase food and nutrition security.
- 16. IFAD is also recognized for its technical expertise in vulnerability analysis, the development of rural support infrastructure for production, processing and marketing and the promotion of the economic empowerment of women and youth.

B. Lessons learned

- 17. The recent experience of the Project for the Revival of Food Crops and Small Livestock Production in the Savannah (PREVES) in the Central African Republic shows that there is always a risk that institutional capacity assessments undertaken during the project concept phase may be incomplete and that capacity-building activities should therefore be planned out.
- 18. The difficulties encountered in launching phase I of the Agricultural and Rural Development Project in Gabon and the Project for Revival of Agropastoral Production in the Savannah (PREPAS) in the Central African Republic demonstrate the importance of making use of the Faster Implementation of Project Start-up (FIPS) system.
- 19. In the area of social engineering, it is clearly necessary to engage all user groups, both before and during implementation, in the management and further improvement of the resource that has been built, restored or upgraded.

II. Description of the project

A. Objectives, project area and target groups

20. The overall goal of PRAPAM is to make a lasting contribution to poverty reduction,

the improvement of the food and nutrition security of poor rural households and the economic integration of women and youth in regions 1, 2 and 3 of the Central African Republic.

- 21. Its development objective is to build rural populations' resilience and give them greater access to market opportunities. The project will work to lay the groundwork for increased crop and livestock production and to pave the way for improvements in the marketing of products of key sectors in the project area.
- 22. **Project area.** PRAPAM will work in four prefectures: Nana Mamberé, Ouam Pendé, Lobaye and Ombella Mpoko. Within these prefectures, the project will concentrate its operations in 11 sub-prefectures and production basins: Bimbo, Boali, Bossembélé, Yaloké, Boda, Boganangone, Mbaïki, Bouar, Baboua, Bozoum and Bocaranga.
- 23. **Target group**. PRAPAM's priority target groups will be: (i) small-scale crop farmers and livestock producers working at subsistence levels with small plots and herds; (ii) displaced persons, returnees and extremely vulnerable persons such as people living with HIV/AIDS, persons with disabilities, older adults, widows and widowers, youth, girls and women who are heads of household and indigenous peoples. All of the members of the target groups will be persons who are subject to structural forms of vulnerability and who lack production capital and social/economic and employment opportunities.
- 24. PRAPAM will seek to ensure that its efforts to promote key sectors (17,000 households) and its work in the area of nutrition (10,800 persons) reach approximately 20,000 households (50 per cent women and 30 per cent young people) for a total of approximately 119,000 persons.
- 25. **Targeting strategy.** PRAPAM will employ an inclusive, participatory and flexible targeting strategy that will take into account the internal dynamics of each of the targeted production basins, the project objectives, and the needs and specific characteristics of each type of beneficiary. A geographically based strategy will be used to target key production basins and a socio-economic strategy will be used to target priority groups.

B. Components, outcomes and activities

- 26. PRAPAM will be organized into the following components: (i) developing crop and livestock sectors; (ii) supporting the provision of services and the enhancement of product value; and (iii) project coordination and management.
- 27. **Component A: Developing crop and livestock sectors.** This component will focus on boosting the productivity and output of crop and livestock production systems, which will, in turn, contribute to an improvement in nutritional status.
- 28. **Subcomponent A.1: Building producers' production capacity.** PRAPAM will introduce a support mechanism for clearing and working farmland. This activity will complement the work funded by the Savannah-based Agricultural Value Chains Development Support Project (PADECAS) under this subcomponent.
- 29. Subcomponent A.2: Establishing and rehabilitating production support infrastructure. This subcomponent is aimed at developing 730 ha of irrigated cropland in the lowlands to support the intensification of rice cultivation, subsistence crops and market gardening. It will be further divided into three areas of activity: (i) rehabilitating and expanding the irrigated land area in Bozoum; (ii) rehabilitating and expanding the irrigated land area in Sakai; and (iii) constructing infrastructure for the development of lowland and market gardening sites.
- 30. **Subcomponent A.3: Supporting nutrition education and social inclusion.** This subcomponent will focus on improving the nutritional status of the most vulnerable households and on restoring and reinforcing their production capacities

and livelihoods. The activities planned under this subcomponent are: (i) supporting an integrated response to the problem of severe acute malnutrition; (ii) supporting nutrition and hygiene education; and (iii) supporting the development of economic initiatives that will strengthen households' productive capital.

- 31. **Component B: Supporting the provision of services and the enhancement of product value.** The aim of this component is to establish more successfully managed processing, marketing and market access infrastructure.
- 32. Subcomponent B.1: Supporting the provision of market access infrastructure. The aim of this subcomponent is to put in place more successfully managed service infrastructure that will provide better access to production sites, homes and markets. It will be divided into two groups of activities focusing on: (i) rehabilitating or building rural and farm roads and tracks; and (ii) setting up and outfitting road maintenance brigades.
- 33. **Subcomponent B.2: Supporting the enhancement of product value.** The objective of this subcomponent is to put in place infrastructure that will enhance the value of production activities by improving market access. The activities to be conducted under this subcomponent will focus on: (i) improving product storage and processing facilities; (ii) supporting market knowledge and access; and (iii) enhancing the supply of producer services.

34. Component C: Project coordination and management.

C. Theory of change

- 35. The activities to be pursued under PRAPAM will help to build institutional capacity for raising production levels and thus generating more revenue and creating more jobs and for strengthening households' food and nutrition security.
- 36. The project will also mainstream climate-resilient measures by: (i) deploying climate-resilient infrastructure, including irrigation systems affording full control of the flow of water; and (ii) developing climate-related capacity-building programmes.
- 37. The project will promote women's and young people's access to and control over resources and factors of production and their participation in income-generating activities while lightening their workloads and strengthening their participation in decision-making.

D. Alignment, ownership and partnerships

- 38. Since 2016, the country's economic and social development process has been governed by the National Recovery and Peacebuilding Plan 2017-2021. PRAPAM will, through its contribution to the third pillar of that strategy, be taking part in its operationalization.
- 39. The project is aligned with IFAD's Strategic Framework 2016-2025 (specifically strategic objectives 1, 2 and 3) and the country strategic opportunities programme 2020-2024. It will also contribute to the achievement of the Sustainable Development Goals (SDG), particularly SDG 1 (no poverty), SDG 2 (zero hunger), SDG 5 (gender equality) and SDG 13 (climate action).
- 40. The project will work with four types of partners: (i) technical and financial partners such as the African Development Bank (AfDB); (ii) agencies such as the International Labour Office, the United Nations Children's Fund, the Food and Agriculture Organization of the United Nations and the World Food Programme, each of which will provide support in its respective area of expertise; (iii) the private sector and banks in connection with the conclusion of commercial and financial contracts with small businesses owned by young people and/or women; and (iv) producers' organizations and NGOs in connection with the implementation

of some activities on the ground. Public services and local communities will be important institutional partners in their respective areas in the monitoring and evaluation (M&E) of project performance.

E. Project costs, benefits and financing

41. Portions of component A (developing crop and livestock sectors) and component B (supporting the provision of services and the enhancement of product value) are classified as climate finance in the project's accounts. In accordance with the methodologies used by multilateral development banks to track financing for climate change adaptation and mitigation, the total amount of IFAD climate financing for this project has initially been calculated at US\$18,345,000.

Project costs

- 42. PRAPAM will be implemented over a period of six years. Its total cost, including contingencies, has been set at US\$36.85 million (21.37 billion CFA francs [CFAF]). The base cost is US\$32.68 million (CFAF 18.96 billion). Taxes amount to 12.7 per cent of the total cost (US\$4.67 million or CFAF 2.71 billion).
- Project investments will total US\$29.21million (CFAF 17.97 billion), or 90 per cent of the total; recurrent costs will amount to US\$3.47 million (CFAF 2.012 billion), or 10 per cent of the total. Contingencies are assessed at US\$4.17 million (US\$1.07 million of physical contingencies and US\$3.09 million of financial contingencies).
- 44. The cost of component A (developing crop and livestock sectors) will be US\$14.27 million, or 38.73 per cent of the project total; the cost of component B (supporting the provision of services and the enhancement of product value) will be US\$15.99 million, or 43.40 per cent; and the cost of component C (project coordination and management) will be US\$6.58 million, or 17.86 per cent of the total cost.

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

| | IFAD gra | nt | IFAD Io | 20 | Fund for ada | ntation | Governi (in kir | | Beneficial (in king | | Governr | mont | Total | |
|--|-------------------|-----------|------------|----------|--------------|---------|--------------------|----|------------------------|-----|---------|------|----------|-------|
| - | Amount | % | Amount | % | Amount | % | Amount % | | Amount % | | | | Amount | % |
| Component A: Developing crop and liv | | ,, | | ,. | | | | ,. | | ,,, | | ,. | | |
| Subcomponent A.1: Building producers' production capacity | 1 016.5 | 51.0 | 257.2 | 12.9 | 481.4 | 24.1 | - | | - | - | 238.5 | 12.0 | 1 993.6 | 5.4 |
| Subcomponent A.2: Establishing and rehabilitating production support infrastructure | 5 300.4 | 57.3 | 1 290.1 | 14.0 | 1 308.0 | 14.1 | - | | - | - | 1 347.1 | 14.6 | 9 245.6 | 25.1 |
| Subcomponent A.3: Supporting nutrition education and social inclusion | 351.5 | 11.6 | 88.3 | 2.9 | 2 352.1 | 77.5 | - | | 232.5 | 7.7 | 12.3 | 0.4 | 3 036.6 | 8.2 |
| Subtotal | 6 668.4 | 46.7 | 1 635.7 | 11.5 | 4 141.5 | 29.0 | - | | 232.5 | 1.6 | 1 597.9 | 11.2 | 14 275.8 | 38.7 |
| Component B: Supporting the provision | on of services ar | d the enh | ancement o | of produ | ct value | | | | | | | | | |
| Subcomponent B.1: Supporting the provision of market access infrastructure | 6 780.2 | 60.3 | 1 696.3 | 15.1 | 928.7 | 8.3 | - | | _ | _ | 1 840.2 | 16.4 | 11 245.5 | 30.5 |
| Subcomponent B.2: Supporting the enhancement of product value | 957.0 | 27.7 | 246.6 | 7.1 | 1 333.5 | 38.6 | - | | 267.6 | 7.8 | 645.8 | 18.7 | 3 450.5 | 9.4 |
| Subcomponent B.3: Provision of infrastructure to improve service functionality | 584.5 | 44.9 | 140.7 | 10.8 | 357.2 | 27.4 | _ | | _ | _ | 220.0 | 16.9 | 1 302.4 | 3.5 |
| Subtotal | 8 321.8 | 52.0 | 2 083.6 | 13.0 | 2 619.4 | 16.4 | - | | 267.6 | 1.7 | 2 706.1 | 16.9 | 15 998.4 | 43.4 |
| Component C: Project coordination an | d management | | | | | - | | | | | | | | |
| Subcomponent C.1: Coordination and management | 1 888.7 | 41.9 | 484.8 | 10.8 | 1 368.4 | 30.4 | 459.9 | | - | - | 301.8 | 6.7 | 4 503.7 | 12.2 |
| Subcomponent C.2: M&E and knowledge management | 889.0 | 42.7 | 217.8 | 10.5 | 908.9 | 43.7 | - | | - | - | 66.2 | 3.2 | 2 081.9 | 5.6 |
| Subtotal | 2 777.7 | 42.2 | 702.6 | 10.7 | 2 277.3 | 34.6 | 459.9 | | - | - | 368.0 | 5.6 | 6 585.6 | 17.9 |
| Total project costs | 17 767.8 | 48.2 | 4 421.8 | 12.0 | 9 038.2 | 24.5 | 459.9 | | 500.0 | 1.4 | 4 671.9 | 12.7 | 36 859.8 | 100.0 |

Table 2 Project costs by expenditure category and financier (Thousands of United States dollars)

| | IFAD gr | ant | IFAD lo | an | Fund fo adaptatio | | Governme (in kind) | | Benefici | | Benefician (in kind) | | Governn | nent | ΤΟΤΑ | AL. |
|----------------------------|----------|------|---------|------|----------------------|-------|-----------------------|-----|----------|------|-------------------------|---|---------|------|----------|-------|
| Expenditure category | Amount | % | Amount | % | Amount | % | Amount | %F | Amount | % | Amount | % | Amount | % | Amount | % |
| Civil rural engineering | 10 027.6 | 52.7 | 2 480.0 | 13.0 | 2 907.7 | 15.3 | - | - | - | - | - | - | 3 615.9 | 19.0 | 19 031.1 | 51.6 |
| Equipment and materials | 637.5 | 24.4 | 167.1 | 6.4 | 1 051.0 | 40.2 | - | - | - | - | - | - | 757.9 | 29.0 | 2 613.6 | 7.1 |
| Training workshops | 1 161.2 | 63.3 | 289.1 | 15.8 | 384.6 | 21.0 | - | - | - | - | - | - | 0.0 | - | 1 834.9 | 5.0 |
| Consultants | 3 092.2 | 51.1 | 761.5 | 12.6 | 2 196.5 | 36.3 | - | - | - | - | - | - | 0.0 | - | 6 050.1 | 16.4 |
| Vehicles | 163.8 | 53.5 | 46.3 | 15.1 | 6.1 | 2.0 | - | - | - | - | - | - | 90.1 | 29.4 | 306.3 | 0.8 |
| Goods, services and inputs | 902.4 | 49.0 | 225.5 | 12.3 | 211.9 | 11.5 | - | - | 500.0 | 27.2 | - | - | -0.0 | - | 1 839.8 | 5.0 |
| Grants and subsidies | - | - | - | - | 1 031.0 ⁻ | 100.0 | - | - | - | - | - | - | - | - | 1 031.0 | 2.8 |
| Wages and benefits | 1 556.0 | 50.9 | 394.9 | 12.9 | 1 107.4 | 36.2 | - | - | - | - | - | - | 0.0 | - | 3 058.3 | 8.3 |
| Operations | 227.3 | 20.8 | 57.6 | 5.3 | 141.9 | 13.0 | 459.9 42 | 2.0 | - | - | - | - | 208.0 | 19.0 | 1 094.7 | 3.0 |
| Total cost | 17 767.8 | 48.2 | 4 421.8 | 12.0 | 9 038.2 | 24.5 | 459.9 | 1.2 | 500.0 | 1.4 | - | - | 4 671.9 | 12.7 | 36 859.8 | 100.0 |

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

| | | | | | Total, includ | ling co | ntingencie | s | | | | | |
|--|---------------|----------|------------|-----------|---------------|---------|------------|-----|---------|-----|--------|-----|----------|
| - | 2021 | | 2022 | | 2023 | | 2024 | | 2025 | | 2026 | | Total |
| Component/subcomponent | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Total |
| Component A: Developing crop and livesto | ock sectors | | | | | | | | | | | | |
| Subcomponent A.1: Building producers' production capacity | 192.8 | 4 | 1 059.4 | 9 | 366.2 | 3 | 364.7 | 6 | 7.0 | 0 | 3.6 | 1 | 1 993.6 |
| Subcomponent A.2 : Establishing and rehabilitating production support infrastructure | 504.3 | 11 | 2 044.1 | 18 | 2 640.4 | 24 | 2 494.1 | 38 | 1 552.4 | 58 | 10.2 | 2 | 9 245.6 |
| Subcomponent A.3: Supporting nutrition education and social inclusion | 1 015.5 | 21 | 676.1 | 6 | 1 034.2 | 9 | 283.3 | 4 | 21.8 | 1 | 5.7 | 1 | 3 036.6 |
| Subtotal | 1 712.6 | 36 | 3 779.6 | 33 | 4 040.7 | 36 | 3 142.1 | 48 | 1 581.3 | 59 | 19.5 | 4 | 14 275.8 |
| Component B: Supporting the provision of | f services ar | nd the e | enhancemer | nt of pro | duct value | | | | | | | | |
| Subcomponent B.1 : Supporting the provision of market access infrastructure | 547.2 | 11 | 4 757.0 | 42 | 3 997.2 | 36 | 1 915.4 | 29 | 17.5 | 1 | 11.1 | 2 | 11 245.5 |
| Subcomponent B.2: Supporting the enhancement of product value | 341.1 | 7 | 881.3 | 8 | 1 824.7 | 16 | 300.2 | 5 | 98.7 | 4 | 4.5 | 1 | 3 450.5 |
| Subcomponent B.3 : Providing infrastructure to improve service functionality | 59.4 | 1 | 843.3 | 7 | 188.9 | 2 | 210.8 | 3 | - | - | - | - | 1 302.4 |
| Subtotal | 947.6 | 20 | 6 481.7 | 57 | 6 010.8 | 54 | 2 426.4 | 37 | 116.2 | 4 | 15.6 | 3 | 15 998.4 |
| Component C: Coordination and managem | nent | | | | | | | | | | | | |
| Subcomponent C.1: Coordination and management | 1 325.3 | 28 | 703.6 | 6 | 708.7 | 6 | 729.1 | 11 | 615.4 | 23 | 421.5 | 85 | 4 503.7 |
| Subcomponent C.2: M&E and knowledge management | 773.9 | 16 | 331.9 | 3 | 344.5 | 3 | 235.1 | 15 | 359.3 | 13 | 37.2 | 8 | 2 081.9 |
| Subtotal | 2 099.2 | 44 | 1 035.5 | 9 | 1 053.2 | 9 | 964.3 | 4 | 974.8 | 36 | 458.7 | 93 | 6 585.6 |
| Total project cost | 4 759.5 | 100 | 11 296.8 | 100 | 11 104.7 | 100 | 6 532.8 | 100 | 2 672.3 | 100 | 493.81 | 100 | 36 859.8 |

Financing and cofinancing strategy and plan

45. The financing for the project will come from the following sources: (i) a US\$17.76 million grant and a US\$4.42 million loan from IFAD; (ii) US\$9.03 million in climate adaptation funds; (iii) US\$500,000 from project module beneficiaries; (iii) US\$4.67 million from the Government of the Central African Republic in the form of exemptions from various taxes on goods and services and US\$450,000 corresponding to the cost of making offices available for the project coordination unit and two field units. The FIPS system will be mobilized to speed project start-up.

Disbursements

46. IFAD funds will be disbursed in accordance with the provisions of the IFAD Loan Disbursement Handbook. The Fund's disbursement procedures will be set out in detail in the letter that will be sent to the borrower/recipient after the financing agreement has entered into force.

Summary of benefits and economic analysis

- 47. The project's base internal rate of return is 19.3 per cent. Its net present value (NPV) is estimated at US\$34.65 million. The figures would be higher, however, if the benefits to be derived from such activities as nutrition education and the knowledge acquisition resulting from training activities were taken into account.
- 48. The sensitivity analysis based on increases of 10 per cent, 20 per cent and 30 per cent in project costs yields rates of return of 16.8 per cent, 15.4 per cent and 14 per cent, respectively, which demonstrates that project outcomes are robust to the risk of increases in the cost of project activities. The NPVs corresponding to those higher cost levels are US\$29.2 million, US\$25.4 million and US\$21.7 million, respectively.
- 49. The sensitivity analysis based on decreases of 10 per cent, 20 per cent and 30 per cent in project revenues yields rates of return of 16.8 per cent, 15.4 per cent and 14 per cent, respectively. If the economic benefits were to be delayed by one or four years, the rate of return would be 15.60 per cent and 9.6 per cent, respectively.

Exit strategy and sustainability

- 50. PRAPAM will: (i) develop the necessary synergies and complementarities with PADECAS; (ii) ensure a smooth transfer of skills to stakeholders (producers' organizations, technical committees, users associations, decentralized technical services, etc.); (iii) ensure the proper management of collective infrastructure by the relevant communities from the time they are identified onward; (iv) ensure the presence of linkages and the formation of a relationship of trust between producers and their organizations, on the one hand, and their trading partners, decentralized technical services and development agencies, on the other; and (v) help to build the central service capacity of the two ministries in charge of the project.
- 51. The project will be implemented in three phases: a fast start-up in year 1; investments in years 2, 3, 4 and 5; and consolidation, the promotion of ownership and disengagement in year 6.

III. Risks

A. Risks and mitigation measures

52. The risks identified by PRAPAM deal with: the political and security situation; climate-related factors; the weakness and lack of capacity of the firms involved in the construction/rehabilitation of the planned infrastructure works; fiduciary and governance aspects of project management; ineffectuality of PADECAS/PRAPAM synergies and complementarities; (vi) the recurrence of debt arrears and ineligible expenditures as factors requiring the suspension of the portfolio.

- 53. With respect to the project's cash flow, a quarterly plan for disbursements from the designated account should be prepared and updated on a regular basis. Implementing partners must also be familiarized with the procedures for disbursement of project funds and the justification and documentation of those disbursements, and the disbursements to be made under agreements with the Fund's partners must be based on a quarterly activities plan that may then be adjusted in line with the sums documented by the partner.
- 54. The project is required to submit a disbursement schedule along with its annual workplan and budget (AWP/B).

Table 4 Risks and mitigation measures

| Type of risk | Inherent risk | Residual risk |
|--|---------------|---------------|
| National context | High | High |
| Sectoral strategies and policies | Substantial | Medium |
| Environmental and climate-related context | High | Substantial |
| Project scope | Substantial | Medium |
| Institutional capacity for project execution and viability | Substantial | Medium |
| Financial management | High | Substantial |
| Procurement | High | Medium |
| Environmental, social and climate impact | Substantial | Medium |
| Stakeholders | Medium | Low |
| Overall risk | Substantial | Medium |

B. Environmental and social risks

- 55. The environmental and social risks potentially posed by PRAPAM could range from low to significant levels, especially in the case of works for water source and soil reclamation and for farm production that cover areas greater than 100 ha. This is also the case for infrastructure works for tracks and stretches of roads greater than 10 km in length and other works such as dams.
- 56. Most of these impacts could be rectified and/or greatly reduced by appropriate mitigation plans.

C. Climate risk classification

57. The project is classified as entailing a high climate risk. Climate change adaptation measures will assist vulnerable communities to lower that risk and to mitigate the effect of climate change in a sustainable manner in the project area.

D. Debt sustainability

58. The latest country report (April 2020) issued by the International Monetary Fund (IMF) for the Central African Republic confirms that the country is at a high risk of external debt distress and, with a score of 2.44 for its composite indicator, indicates that its debt-carrying capacity is weak. The report concludes that the country's debt will remain sustainable in the medium term once the effects of the COVID-19 crisis have faded. The IMF has revised the country's economic growth projection for 2020 downward to 1.0 per cent and projects that the inflation rate will rise from its

pre-pandemic level of 3.0 per cent to 3.5 per cent.

IV. Execution

A. Organizational framework Project management and coordination

59. In order to ensure the effectiveness and efficiency of the project, the institutional scheme for PRAPAM will entail the following: (i) the establishment of a central

steering committee; (ii) the establishment of two separate field offices that will work in tandem with each other; (ii) the use of the PADECAS and PREPAS field offices for regional consensus-building and coordination functions; (iii) the pooling of selected management tasks; and (iv) the coordinated implementation of field activity programming exercises and the preparation of the AWP/B. The relevant manuals will establish management guidelines and rules and will act as repositories for the project's institutional memory.

Financial management, procurement and governance

- 60. Project funds will be managed in accordance with the financial management and project administration procedures of the Central African Republic and IFAD. Administrative and financial management procedures will be set out in detail in the letter sent to the borrower/recipient and in the project's financial management and administration manual.
- 61. National procurement procedures will be used for PRAPAM provided that they do not run counter to the revised version (December 2019) of IFAD's Project Procurement Guidelines.
- 62. The governance of PRAPAM is aligned with IFAD's revised policy on the prevention of fraud, sexual harassment and corruption, and all available means will be used to ensure adherence during the project's execution. Any and all such practices that are observed will immediately be reported to the corresponding IFAD offices (<u>https://www.ifad.org/en/anti-corruption</u>) and to the fraud prevention service of the Central African Republic.

Engagement of the project's target group, target group feedback and handling of complaints

- 63. The project's impact will be leveraged through the use of mechanisms for ensuring transparency and public engagement with a view to increasing accountability and improving the performance of key actors (e.g. project personnel, service providers, producers' organizations, cooperatives, the private sector and youth networks that include project beneficiaries) and the effectiveness of the public-private partnerships that are established. The project will have a mechanism for the periodic evaluation of its results by a third party belonging to civil society.
- 64. The process for handling complaints.
- 65. In order to deal with any conflicts of interest that may arise, as soon as the project is launched it will set up a mechanism for persons seeking recourse and/or wishing to lodge complaints. This mechanism will thus give a voice to the different parties concerned.

B. Planning, M&E, learning, knowledge management and communication M&E system

- 66. Each project office will establish M&E measures and procedures as required by IFAD for PRAPAM and by the AfDB for PADECAS. These measures and procedures will be aligned with each other, however, so that a single mechanism can be used for presenting the two projects' development outcomes.
- 67. PRAPAM's M&E system will be closely linked to the relevant provisions being developed at the national level, including those used by the ministries in charge of the project (Ministry of Agriculture and Rural Development and the Ministry of Livestock and Animal Health) and the RCPCA secretariat.

Knowledge management and communications strategy

68. This strategy will be used by the project for the following purposes: (i) to provide a permanent gateway to technical knowledge for producers and cooperatives; (ii) to generate knowledge based on the project's experiences; (iii) to share knowledge

with the technical departments of the Ministry of Agriculture and Rural Development and the Ministry of Livestock and Animal Health, IFAD and other funding agencies via various media.

Replicating innovation on a larger scale

- 69. The implementation of previous projects has resulted in a considerable number of lessons and achievements that should be carried forward and leveraged by this new project.
 - (i) Approach to producers' organizations: This approach has fostered social cohesion at the community level and has paved the way for the achievement of a mutual understanding that can serve as the foundation for the implementation of social and economic activities and projects. These organizations will be supported as they further develop and master various management and organizational tools.
 - (ii) Value chain approach: The initiation of this approach by PREVES has shown that its introduction in a traumatized rural environment such as that existing in the Central African Republic takes time and that the approach must be adapted to the local context. The rate of return of economic activities needs to be bolstered by a package of cross-cutting measures. This approach will be pursued by PRAPAM.
 - (iii) Consideration of the environmental dimension: The mainstreaming of environmental considerations in the development work of PREVES has demonstrated that rural populations are receptive to innovations that will help to protect the environment and to mitigate the adverse effects of climate change that they witness on a daily basis.
 - (iv) Need for an effective exit strategy: The absence of such a strategy in PREVES has brought to light how fragile its achievements were, since its beneficiaries were not well prepared to take over the investments left in place by the project. A well-designed exit mechanism was devised by PREPAS, and that mechanism will be scaled up by PRAPAM.
 - (v) Downstream trade relations between producers' organizations and private actors: This experimental approach is still quite new but is promising. It has been used for the development of value chains by PREPAS and PADECAS and will be consolidated by PRAPAM.

C. Implementation plans

Preparatory plans for project start-up and implementation

70. A rapid start-up of PRAPAM with FIPS support from IFAD is called for.

Supervision, midterm review and completion plans

- 71. PRAPAM will be supervised directly by the IFAD subregional office for Central Africa in accordance with IFAD procedures. Two joint missions will be conducted by the Government, IFAD and the AfDB each year.
- 72. A midterm review will be organized during the third year of project execution in order to evaluate the results achieved up to that time and the outlook for the attainment of project objectives. An evaluation will be conducted upon project completion that will round out the assessments of the operation and will provide an objective basis for appraising its outcomes and lessons learned.

V. Legal instruments and authority

- 73. A financing agreement between the Central African Republic and IFAD will constitute the legal instrument for extending the proposed financing to the borrower/recipient. A copy of the negotiated financing agreement will be made available prior to the session.
- 74. The Central African Republic is empowered under its laws to receive financing from IFAD.
- 75. I am satisfied that the proposed financing will comply with the Agreement Establishing IFAD and the Policies and Criteria for IFAD Financing.

VI. Recommendation

76. I recommend that the Executive Board approve the proposed financing by means of the adoption of the following resolution:

RESOLVED: that the Fund shall provide a loan on highly concessional terms to the Central African Republic in the amount of US\$4.42 million upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

RESOLVED FURTHER: that the Fund shall provide a grant to the Central African Republic in the amount of US\$17.76 million upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

Gilbert F. Houngbo President

Accord de financement négocié

(Le document sera mis à disposition avant la séance.)

Cadre logique

| Cadre logique | | | | | | | | |
|--|---|---------------------------|--------------------|----------------|---|--------------------------------------|--------------------|--|
| Chaîne logique | Indicateurs | | | | Moyens de vérification | | Hypothèses | |
| | Nom | Situation de référence | Mi-parcours | Cible Finale | Source | Fréquence | Responsabilité | |
| Portée | 1.b Estimation corresp | ondante du no | ombre total des | membres des | | | | Contexte socio |
| | ménages | | | | | | | économique e |
| | Membres des | | 54500 | 119 000 | | | | politique favorables |
| | ménages - Nombre de | | | | | | | |
| | personnes | | | | | | | |
| | 1.a Nombre correspond | | 10.000 | SSE du projet | Trimestrielle | UGP | | |
| | Ménages dirigés par une femme - Nombre | | 4542 | 10 000 | _ | | | |
| | Ménages autres que | | 4542 | 10 000 | | | | |
| | ceux ayant une femme | | | | | | | |
| | pour chef - Nombre | | | | | | | |
| | 1 Nombre de personne par le projet | s recevant des | services promu | is ou soutenus | Enquête de référence, Evaluation à mi- | Trimestrielle | UGP | |
| | Femmes - Nombre | | 27250 | 59500 | parcours | | | |
| | Hommes - Nombre | | 27250 | 59500 | Evaluation d'impact | | | |
| | Jeunes - Nombre | | 16350 | 35700 | | | | |
| | Personnes autres que | | 38150 | 83300 | | | | |
| | les jeunes - Nombre | | | | | | | |
| Objectif du projet | Nombre de personnes l | bénéficiaires d' | une mobilité éco | onomique | | | | Contexte |
| Contribuer d'une manière durable à la éduction de la pauvreté, à l'amélioration de | Males - Nombre | | | 44475 | _ | | | sociopolitique favorable à la mise e |
| a sécurité alimentaire et nutritionnelle des | Femelles - Nombre | | | 44475 | | | | œuvre du projet |
| ménages pauvres en milieu rural et à | Nombre de personnes a | ayant amélioré | leur sécurité alir | nentaire | | | | |
| 'insertion économique des femmes et des | Males - Nombre | | 27250 | 49500 | | | | |
| eunes dans les régions 1, 2 et 3 de la | Femelles - Nombre | | 27250 | 49500 | | | | |
| Centrafrique | Ménages - Nombre | | 9084 | 20000 | | | | |
| Objectif de développement | Pourcentage de ménag | ges soutenus d | léclarant une au | igmentation de | Enquêtes de référence | Annuelle à | UGP & partenaires | Bonne capacités |
| Renforcer la résilience climatique des | revenus | | | | et enquêtes d'impact | partir de | | techniques et |
| populations rurales, améliorer leur accès aux opportunités de marché, et soutenir l' | Ménages - Pourcentage | | 30 | 75 | | l'année 3 | | managériales de l'équipe du Projet et |
| insertion économique durable des femmes et des jeunes dans les régions 1, 2 et 3 de la | 1.2.8 Femmes décla (MDDW) | rant une div | versité aliment | aire minimale | COI enquête, MDDW méthodologie | Baseline Mi-parcours et | UGP & partenaires | des partenaires |
| Centrafrique. | · · · | | 38 | 75 | mounouologio | fin de projet | | |
| | Femmes (%) | | | - | | | | |
| | 3.2.2 (Nombre) pour l'adoption de pratiques changement climatique | s et technolog | | | Enquêtes de référence et enquêtes d'impact | Annuelle à partir de l'année 3 | UGP & partenaires | |
| | Ménages Pourcentage | | 30 | 75 | - | Tannee 5 | | |
| | ° ° | ant una amália | | - | | Basalina | LICD & portopoiros | |
| | IE.2.1 Individus présent Hommes-Pourcentage | ant une amello | auon de rauton | iomisation | 4 | Baseline Mi-parcours et | UGP & partenaires | |
| | | | | | 4 | fin de projet | | |
| | Femmes-Pourcentage Jeunes-Pourcentage | | | | 4 | in ac projet | | |
| Effet direct 1: Les filières végétales et | 1.2.4 (Nombre) pource | ntado do nore | onnes/ménagos | déclarant uno | Enquête sur les effets | Annuelle à | | Conditions climatiqu |
| animales ont accru leurs productivités et | augmentation de la pro | | onnes/menages | | directs conduite auprès | partir de | | favorables |
| contribué á la nutrition | Hommes - Nombre | | 20 437 | 44 625 | d'un échantillon de | l'année 2 | | |
| | Femmes - Nombre | | 20 437 | 44 625 | bénéficiaires du projet | | | |
| | Jeunes - Nombre | | 13 000 | 25 000 | 1 | | | |

| Produit Produit 1.1 | 1.1.4 Nombre de persor techniques de produ | nnes formées aux iction | pratiques et/ou | SS&E | Semestrielle | UGP | Disponibilité des services d'appui |
|---|--|----------------------------|---------------------|---|------------------------|--------------------------------------|---|
| Les capacités techniques des producteurs sont renforcées en matière de production agricole et animale | Hommes formés à la production végétale et animale - Nombre | 9850 | 16250 | | | | |
| | Femmes formées à la production végétale et animales - Nombre | 9850 | 16250 | | | | |
| Produit 1.2 Les meilleures technologies et pratiques climato résilientes y compris la | 3.1.2 Nombre de personnes bér le climat | néficiant de services | d'information sur | Rapport d'activités | Annuelle | Prestataires de services | |
| sélection variétale intégrée des filières | Femmes - nombre | 20 000 | 36 625 | | | | |
| résilientes aux CC sont mises en cultures et | Hommes – nombre | 20 000 | 36 625 | | | | |
| adoptées | Jeunes – nombre | 13 000 | 18 000 | - | | | |
| Produit 1.3 Des espaces de production agricole sont | 3.1.4 Nombre d'hectares de ter au climat | res soumises à une | gestion résiliente | | | | |
| aménagées et disponibles pour les | Superficie en hectares | 450 | 850 | Rapport d'activités | Annuelle | PAM | Disponibilité des |
| producteurs | - Superficie (ha) | | | - | | | entreprises qualifiées. Mobilisation des |
| | 1.1.2 Nombre d'hectares de ter | | d'infrastructures | | | | bénéficiaires |
| | hydrauliques construites/remis | | 700 | _ | | 1 | |
| | Superficie périmètres aménagées (ha) | 400 | 730 | | | | |
| Produit 1.4 Les ménages ruraux, | 1.1.8 Ménages recevant un sou | tion aiblé nour améli | oror lour putrition | | | | |
| notamment les femmes et les enfants de moins de cing ans, ont amélioré leur situation | Ménages - Nombre | 480 | 910 | _ | | | |
| | Homme – Nombre | 2 856 | 5 415 | _ | | | |
| nutritionnelle | Femme - Nombre | 2 856 | 5 415 | _ | | | |
| Effet direct | 2.2.6 (Nombre) pourcentage d | | | Enquête sur les effets | Annuelle à | | |
| Effet 2 : Les productions sont mieux valorisées et les jeunes et femmes mieux | amélioration de l'accès physiqu transformation et de stockage | ue aux marchés et au | x installations de | directs conduite auprès d'un échantillon | partir de l'année 2 | UGP | |
| insérés au tissu économique grâce aux | | 04 745 | 40,405 | représentatif de | | | |
| infrastructures pour la valorisation des | Femme - Nombre | 21 715 | 43 435 | bénéficiaires du projet | | | |
| productions mises en place et mieux gérées | Homme - Nombre | 21 716 | 43 435 | _ | | | |
| par les populations | Jeunes - Nombre | 13 030 | 26 061 | | | | |
| Produit 2.1 Des infrastructures de transformation et de conservation sont | 2.1.6 Installations de commerc construites ou remises en état | ialisation, transforma | ation et stockage | | | | |
| fonctionnelles | Nombre total d'installations | 20 | 37 | SSE | A | | Utilisation efficiente |
| | Unités de micro-projets indivi commercialisation des produits | | ransformation et | | Annuelle | Ministère/prestataire de services | des ressources du projet |
| | Unités de microprojets installées | 50 | 100 | _ | | | , -, |
| Produit 2.2 Les sites de production et villages sont reliés aux centres et voies | 2.1.5 Nombre de kilomètres améliorées | de routes constru | ites, refaites ou | Système | Annuelle | Ministère/ prestataire de service | |
| d'écoulement des produits | Longueur des pistes réhabilitées et/ou construites- (km) | 375 | 525 | S&E | | | |
| Produit 2.3 : Les femmes et les jeunes sont intégrés aux chaines des valeurs | 2.1.2 Nombre de personnes for revenus ou à la gestion des ent | | s productrices de | | | | |
| | Femmes - Nombre | 50 | 150 | Système | Semestrielle | UGP | |
| | Nombre d'emplois créés pour le | S&E | | | | | |
| | Nombre d'emplois | 300 | 600 | | | | |
| | | | | | | | |

Matrice intégrée des risques du projet

| Catégorie de risque / Sous-catégorie | Risque inherent | Risque résiduel |
|---|-----------------|-----------------------|
| Contexte national | Élevé | Élevé |
| Engagement politique | Substantiel | Substantiel |
| Gouvernance | Élevé | Élevé |
| Macroéconomie | Substantiel | Substantiel |
| Fragilité et sécurité | Élevé | Élevé |
| Stratégies et politiques sectorielles | Substantiel | Moyen |
| Alignement des politiques | Substantiel | Moyen |
| Élaboration et mise en œuvre des politiques | | Aucun risque anticipé |
| Contexte environnemental et climatique | Élevé | Substantiel |
| Vulnérabilité du projet aux conditions environnementales | Substantiel | Moyen |
| Vulnérabilité du projet aux impacts des changements climatiques | Élevé | Substantiel |
| Portée du projet | Substantiel | Moyen |
| Pertinence du projet | | Aucun risque anticipé |
| Solidité technique | Substantiel | Moyen |
| Capacités institutionnelles d'exécution et de viabilité | Substantiel | Moyen |
| Modalités d'exécution | Substantiel | Moyen |
| Suivi-évaluation des dispositifs | Substantiel | Moyen |
| Gestion financière du projet | Élevé | Substantiel |
| Organisation et dotation en personnel du projet | Substantiel | Moyen |
| Budgétisation du projet | Élevé | Substantiel |
| Flux de fonds et procédures de décaissement du projet | Élevé | Substantiel |
| Contrôles internes du projet | Élevé | Substantiel |
| Information comptable et financière du projet | Substantiel | Moyen |
| Audit externe du projet | Moyen | Moyen |

| Passation des marchés relatifs au projet | Élevé | Moyen |
|---|-------------|-------------|
| Cadre juridique et réglementaire | Élevé | Substantiel |
| Responsabilité et transparence | Élevé | Moyen |
| Capacités en matière de passation des marchés publics | Substantiel | Moyen |
| Processus de passation des marchés publics | Substantiel | Moyen |
| Impact environnemental, social et climatique | Substantiel | Moyen |
| Conservation de la biodiversité | Élevé | Substantiel |
| Efficience des ressources et prévention de la pollution | Moyen | Faible |
| Patrimoine culturel | Substantiel | Moyen |
| Peuples autochtones | Élevé | Substantiel |

| Catégorie de risque / Sous-catégorie | Risque inherent | Risque résiduel |
|---|------------------------|-----------------|
| Conditions de travail | Substantiel | Substantiel |
| Santé et sécurité communautaires | Élevé | Substantiel |
| Réinstallation et réinsertion économique des populations | Élevé | Substantiel |
| Émissions de gaz à effet de serre | Substantiel | Moyen |
| Vulnérabilité des populations cibles et des écosystèmes aux fluctuations et aléas climatiques | Élevé | Moyen |
| Parties prenantes | Moyen | Faible |
| Coordination/participation des parties prenantes | Moyen | Faible |
| Doléances des parties prenantes | Moyen | Faible |
| Risque global | Substantiel | Moyen |
| Contexte national | Élevé | Élevé |
| Engagement politique | Substantiel | Substantiel |
| Risque: | Substantiel | Substantiel |
| Upcoming presidential elections in the country in December can have affect on stability and possible turn over in Government composition. This may lead to delay in PRAPAM agenda | | |

| Mesures d'atténuation: - Adequate awareness and ownership of ongoing agenda with Ministries services - - Early effectiveness of FIPS | | |
|--|-------------|-------------|
| Gouvernance | Élevé | Élevé |
| Risque: The country's territory is not under Government's full control. Instability still exist and threats are permanent. Even though the project areas are among the less affected of the country, National condition can have considerable effects. | Élevé | Élevé |
| Mesures d'atténuation: Avoid High risk areas Take steps if necessary to address security situation Close monitoring of the security situation in the country and in theproject areas | | |
| Macroéconomie | Substantiel | Substantiel |
| Risque: Impact of economic situation of the country can affect project results. | Substantiel | Substantiel |

| Mesures d'atténuation: Increase agricultural output will help the country improve its overall trade balance Close monitoring of macroeconomic indicators in the country withspecialized institutions (World Bank, UNDP) can insure safeguard measures. Project costs and financing categories can be reviewed at mid-term | | |
|---|-------|-------|
| Fragilité et sécurité | Élevé | Élevé |
| Risque: Weaker capacity in coordination of activities at national level and in the regions. Poor involvement and ownership from government services. | Élevé | Élevé |
| Mesures d'atténuation: - Tailoring all activities and implementation procedures to provision of adequate solutions (design with NGO based in Bangui,) - Capacity development through training and provision of tools to essential government services | | |

| Stratégies et politiques sectorielles | Substantiel | Moyen |
|---|-------------|--------------------------|
| Alignement des politiques | Substantiel | Moyen |
| Risque: | Substantiel | Moyen |
| Development partners are slowly coming back to the country with strategies insufficiently coordinated. Coordination mechanism is weaker at the Ministries level. | | |
| Mesures d'atténuation: | | |
| Measures include : Seek to ensure consistency of interventions in the field Establish frameworks for consultations between national development agencies in Bangui and in the project areas. Support to policy Dialogue and better aid coordination to the keysMinistries. Support to the national monitoring and evaluation system | | |
| Élaboration et mise en œuvre des politiques | | Aucun risque anticipé |
| IL n y a pas de risque a ce sujet | | |
| Contexte environnemental et climatique | Élevé | Substantiel |
| Vulnérabilité du projet aux conditions environnementales | Substantiel | Moyen |
| Risque: | Élevé | Substantiel |
| Construction of 100km rural roads Rehabilitation of existing Dams (above 15 meters high) | | |
| | | |

| Mesures d'atténuation: An environmental and social management framework has been developed. In addition, the project will produce site/activity specific ESMF/ESIA in accordance with national policies and frameworks and IFAD guidelines. Contractors will employ Health, Safety and Environment officers and be guided by Job Hazard Analysis for every construction activity. These measures are integrated in the ESMF to be implemented | | |
|--|-------|-------|
| Risque: Depletion of the Aquifer and Soil degradation | Élevé | Moyen |

| Mesures d'atténuation: In the case of surface layers, they can be reconstituted whereas; plant cover created will enable soil conservation. Irrigation will be done in accordance with International technical guidelines and standards. The developments will be carried out by contour line, which will reduce land degradation. These measures are integrated in the ESMF to be implemented | | |
|---|-------|----------|
| Risque: Deforestation of land for construction, hydro-agricultural development and then erosion | Élevé | Moyer |
| Mesures d'atténuation: The beneficiaries will benefit from training on erosion control in the framework of market gardening and Farmer Field Schools. With respect to rain-fed agriculture, the project plans to train on better use of available water as well as in the use of rain-crop residues. In terms of raising awareness on environmental issues, the project provides for the creation of "Open Days" which will promote the exchange of information, discussions and debates on themes of interest to the whole community, notably environmental, and with the various categories of actors, including waters and forests. | | |
| Risque: Depletion of the Aquifer, Conflicts and competition for access to developed areas and Land tenure insecurity in developed areas | Moyen | Faible |
| Mesures d'atténuation: The beneficiaries will be trained in sustainable land and water management integrated into the environmental monitoring system, in addition to other monitoring systems set up by PRAPAM | | |
| Risque: Lack of appropriate consultation and compensation connected to clearing and loss of agricultural land due to the construction of new tracks/roadways. | Élevé | Moyen |
| Mesures d'atténuation: | | <u> </u> |

| Mesures d'atténuation: | | |
|---|-------|-------|
| The project will comply with the compensatory provisions in force in CAR and IFAD requirements and follow the principle of free, prior and informed consent of all stakeholders | | |
| Risque: | Élevé | Moyen |
| Soil degradation, landscape modification and green cover destruction. | | |

| Mesures d'atténuation: | | |
|---|-------------|--------------------------|
| The activities will be carried out in compliance with the regulations on construction of works. A "green" environment is planned around this infrastructure, notably by planting trees. | | |
| Risque: | Moyen | Faible |
| Water and land pollution by pesticides and fertilizers | | |
| Mesures d'atténuation: | | |
| The integrated pest and management plan training will focus on the rational use of inputs in an environmental, economic and healthy manner. Soil enrichment with organic matter will improve water retention in the plot as well as soluble inputs. It will also look at aspects relating to the rational use of water, the use of manure and more generally the techniques, which limit the recourse to chemical products. Exchanges on crop diversification will also help to ensure the sustainability of production by not impoverishing the soil. It will also promote water-saving watering systems as well as the creation of compost bins to enrich the soil. | | |
| Vulnérabilité du projet aux impacts des changements climatiques | Élevé | Substantiel |
| Risque: | Élevé | Substantiel |
| Exposure to droughts, overflowing of rivers leading to flooding, high temperatures, which promote wilting, increase in the prevalence of pests and diseases, and reduction in aquaculture activities because of drought. | | |
| Mesures d'atténuation: | | |
| The project will invest in climate information and robust early warning systems to provide aaccurate, reliable and timely climate information needed to reduce losses and damages resulting from climate-related extreme weather events, increasing the resilience of vulnerable populations and enhancing the capacity of local rural communities to adapt to future changes in climate. At the agro-pastoral CEP level, the project will introduce short-cycle seeds that are more resilient to the effects of climate change. | | |
| Portée du projet | Substantiel | Moyen |
| Pertinence du projet | | Aucun risque anticipé |
| Le projet est tres pertinent dans le context du pays ou les | | |

| Solidité technique | Substantiel | Moyen |
|---|-------------|-------------|
| Risque: Concurrent management of two operations, PRAPAM and PADECAS, | Substantiel | Moyen |
| financed by different institutions, may be a cause for bottlenecks. | | |
| Mesures d'atténuation: | | |
| Institutional arrangement put in place has defined many safeguardmeasures. Special AWBP procedures are defined and will be further elaboratedin project manuals. | | |
| Provision of technical Assistance to the PMU for the management of the project. AfDB will provide its expertise in Infrastructures projectimplementation | | |
| Capacités institutionnelles d'exécution et de viabilité | Substantiel | Moyen |
| Modalités d'exécution | Substantiel | Moyen |
| Risque: | Substantiel | Moyen |
| Weakness in Ministry's ability to coordinate two projects with complementary goals | | |
| Mesures d'atténuation: | | |
| Set up dedicated committee to review AWBP for the two projectsprior to steering committee Set up coordination mechanism at the regional level, in the field | | |
| Suivi-évaluation des dispositifs | Substantiel | Moyen |
| Risque: | Substantiel | Moyen |
| Inability of ministries and institutions in charge of monitoring and evaluation (M&E) to ensure timely assistance, follow up and effective M&E. | | |
| Mesures d'atténuation: | | |
| Capacity training for the RPCA secretariat, the ministry in charge ofplanning, and the implementation ministries Support provided to national coordination mechanism for theagricultural sector. | | |
| Gestion financière du projet | Élevé | Substantiel |
| Organisation et dotation en personnel du projet | Substantiel | Moyen |

| Risque: The overall project coordinator will be the PRAPAM AfDB coordinator which is a key risk in case of disagreement. In the past, the recruitment of skilled financial management personnel has proved difficult in Bangui, and significant fiduciary risks have materialised in the relationship with implementing partners. Unsatisfactory performance of implementing partners in the past associated with weak internal controls and governance. | Substantiel | Moyen |
|--|-------------|-------------|
| Mesures d'atténuation: A clear separation between the roles and responsibilities of the PRAPAM Project Implementation Unit staff should be defined at design. The common Project Implementation Manual to be prepared in the design process needs to respect IFAD guidelines and policies. High attention should be paid to the text of MoUs with implementing partners concerning, reporting, governance and fiduciary clauses. The COSOP 2020-2024 highlighted the need for project design to consider internal audit arrangements for projects and instil an anticorruption culture. | | |
| Budgétisation du projet | Élevé | Substantiel |
| Risque: Risque que les dépenses budgétisées ne soient pas réalistes, qu'elles ne soient pas préparées ou révisées en temps voulu et qu'elles ne soient pas exécutées de manière ordonnée et prévisible, ce qui se traduit par des fonds non disponibles au moment voulu, des coûts non admissibles, une réaffectation des fonds du projet et une lenteur d'exécution. | Élevé | Substantiel |
| Mesures d'atténuation: Ensure the disbursement plan is linked to and correlated with the AWPB Ensure the AWPB is finalized with IFAD's non objection by December 31 | | |
| Flux de fonds et procédures de décaissement du projet | Élevé | Substantiel |
| Risque: Risque que les fonds provenant de plusieurs bailleurs de fonds soient décaissés en retard en raison de la lourdeur des mécanismes de trésorerie ou de l'incapacité des centres de coût du projet et des prestataires de services à justifier les avances antérieures, entraînant ainsi des retards d'exécution. | Élevé | Substantiel |

| Mesures d'atténuation: | | |
|--|-------|-------------|
| A trimester-based disbursement plan will be set up on the designated account Trainings will be held on service providers and implementation partners on procedures regarding justification of advances | | |
| Contrôles internes du projet | Élevé | Substantiel |
| Risque: Risque de non-contrôle des fonds du projet, ce qui entraîne une utilisation inefficace ou inappropriée des ressources du projet. | Élevé | Substantiel |
| Mesures d'atténuation: An internal audit system will be set up which must be handled by a firm for year 1 and year 2 of the project implementation to set the correct standards Sepration of responsibilities and tasks will be laid out in the PIM and monitored | | |

| Information comptable et financière du projet | Substantiel | Moyen |
|--|-------------|-------|
| Risque: | Substantiel | Moyen |
| Risque que les systèmes comptables – notamment les politiques et les normes – ne soient pas intégrés et fiables, entraînant des inexactitudes dans les documents financiers, et que des dossiers raisonnables ne sont pas préparés, publiés et stockés, ce qui entraîne un manque de prise de décision éclairée. | | |
| Mesures d'atténuation: | | |
| Rapid installation of FM software at startup and training of users Provision of technical assistance in the contract with software manager The proper calibration of the software will be ensured in order to generate appropriate independent finance reports | | |
| Audit externe du projet | Moyen | Moyen |
| Risque: | Moyen | Moyen |
| Risque qu'un contrôle indépendant et compétent des états financiers du projet ne soit pas mis en place ou effectué en temps utile, ce qui pourrait entraîner une présentation inexacte des résultats financiers, une suspension ou encore d'autres mesures pour non-respect des règles. | | |

| Mesures d'atténuation: | | |
|---|-------|-------------|
| Selection of audit firms with high experience at regional level as early as possible Ensure the verification of at least 2 contracts with implementation partners during each annual audit exercise | | |
| Passation des marchés relatifs au projet | Élevé | Moyen |
| Cadre juridique et réglementaire | Élevé | Substantiel |
| Risque: Procurement Monitoring - Lack of viable monitoring mechanism for procurement (No data available on procurement activities in terms of number of bidding process by methods and category from the National Directorate in charge of procurement monitoring and control. Only 2010 PEFA is available and does not allow assessment). | Élevé | Substantiel |
| Mesures d'atténuation: At the project level, ensure that all data and information related to procurement (including methods and category) is processed and made available to the public. | | |
| Responsabilité et transparence | Élevé | Moyen |
| Risque: - Lack of information on procurement process. (2010 PEFA for CAR, which is available, does not contain information on eligibility criteria. These data must be available on Pillar 19 of the PEFA which gives an A rating but this does not reflect the current situation and publications have stopped.) - Lack of data on procurement competition and results | Élevé | Moyen |

| Mesures d'atténuation: - At project level, ensure the recourse mechanism adheres to national procedures and IFAD rules, and results are publicly disclosed At project level, ensure a disclosure system is put in place for procurement of goods, services and works, including with respect to cases of fraud and corruption. Ensure application of IFAD policy on fraud and corruption. | | |
|---|-------------|-------|
| Capacités en matière de passation des marchés publics | Substantiel | Moyen |

| Risque: | Substantiel | Moyen |
|---|-------------|-------------|
| there are very weak capacity in the Government institutions coupled with corruption practices. | | |
| Mesures d'atténuation: | | |
| The UCP will be reinforced with adequate capacities and partnerships with well established organisations such as WFP and UNOPS will help in the procurement. IFAD will accompany the teams with appropriate tools. | | |
| Processus de passation des marchés publics | Substantiel | Moyen |
| Risque: | Substantiel | Moyen |
| Risque que les processus de passation de marchés et les structures de marché (méthodes, planification, appels d'offres, attribution et gestion des marchés) soient inefficaces ou anticoncurrentiels, entraînant une mauvaise utilisation des fonds du projet ou une mise en œuvre non optimale du projet et une réalisation insuffisante de ses objectifs. | | |
| Mesures d'atténuation: | | |
| A PPM will be elaborated and implemented with support of adequate expertise | | |
| Impact environnemental, social et climatique | Substantiel | Moyen |
| Conservation de la biodiversité | Élevé | Substantiel |
| Risque: | Élevé | Substantiel |
| Biodiversity loss of endangered and vulnerable plant and animal species because of deforestation | | |

| Mesures d'atténuation: The project will implement the country's policy and strategy in this regard in line with IFAD guidelines. It will design and implement activities to improve information sharing, education and communication strategy, knowledge of biodiversity, promotion of new and renewable energies. The capacity of the beneficiaries will also be built to identify endangered and vulnerable species to enhance conservation. | | |
|--|-------|--------|
| Efficience des ressources et prévention de la pollution | Moyen | Faible |

| Risque: | Moyen | Faible |
|--|-------------|-------------|
| Water and land pollution by pesticides, fertilizers and use of propagation methods which lead to waste of inputs | | |
| Mesures d'atténuation: | | |
| The climate and environment training will focus on the rational use of inputs in an environmental, economic and healthy manner. Soil enrichment with organic matter will improve water retention in the plot as well as soluble inputs. The CEP with a vegetable vocation will integrate the questions of CES as well as the aspects relating to the rational use of water, the use of manure and more generally the techniques, which limit the recourse to chemical products. Exchanges on crop diversification will also help to ensure the sustainability of production by not impoverishing the soil. It will also promote watersaving watering systems as well as the creation of compost bins to enrich the soil. In addition, the beneficiaries will also be trained on more efficient propagation methods other than broadcasting of seeds. | | |
| Patrimoine culturel | Substantiel | Moyen |
| Risque: | Substantiel | Moyen |
| Such activities could lead to communal and religious conflicts and destruction of | | |
| Mesures d'atténuation: | | |
| In addition to the cultural and religious sites in the communities, the project will not implement in areas which are of cultural significance including; the 3 National Parks, the 7 Wildlife Reserves, the Biosphere Reserve, 4 Ramsar Sites, 4 Hunting Areas, and the World Heritage Site. | | |
| Peuples autochtones | Élevé | Substantiel |
| Risque: | Élevé | Substantiel |
| Forceful migration, exclusion of the most vulnerable communities including the pygmees | | |
| Mesures d'atténuation: | | |
| The project will comply with the compensatory provisions in force in Chad as a mitigation measure and following the principles of free, prior and informed consent of all stakeholders | | |
| Conditions de travail | Substantiel | Substantiel |

| Risque: | Substantiel | Substantiel |
|---|-------------|-------------|
| Migration as a result of the effects of climate change and the employment of underage persons as well as child labor and child soldiers | | |
| Mesures d'atténuation: | | |
| The project will not invest in areas with high likelihood of experiencing this type of migration and will not employ child labour. Provisions will be made for appropriate personal protective equipment, while the beneficiaries will be trained on health, safety and environment. | | |
| Santé et sécurité communautaires | Élevé | Substantiel |
| Risque: | Élevé | Substantiel |
| Exposure to epidemics and pandemics which could lead to sickness, death, loss time injury, loan default and in extreme cases, project closure. With the COVID -19 exposure is very high | | |
| Mesures d'atténuation: | | |
| Beneficiaries will be trained on WASH, and the use of Personal Protective Equipment. Health emergency reporting structures and channels will be setup to mitigate this risk. | | |
| Réinstallation et réinsertion économique des populations | Élevé | Substantiel |
| Risque: | Élevé | Substantiel |
| Forced migration because of work on infrastructure | | |
| Mesures d'atténuation: | | |
| In the event that such situations occur, the project will comply with the compensatory provisions in force as a mitigation measure following the principles of free, prior and informed consent of all stakeholders | | |
| Émissions de gaz à effet de serre | Substantiel | Moyen |
| Risque: | Substantiel | Moyen |
| Increase in GHG from Rice production and Animal production | | |

| Élevé | Moyen |
|-------|----------------------------------|
| Élevé | Moyen |
| | |
| Moyen | Faible |
| Moyen | Faible |
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| Moyen | Faible |
| Moyen | Faible |
| | Élevé Moyen Moyen Moyen |

| Mesures d'atténuation: | |
|--|--|
| Targeting strategy focused to marginalised people Project network for consideration of complaints Set up project Antennas in the field | |