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Investing in rural people

Democratic Republic of the Congo

Country Strategic Opportunities Programme

2019-2024

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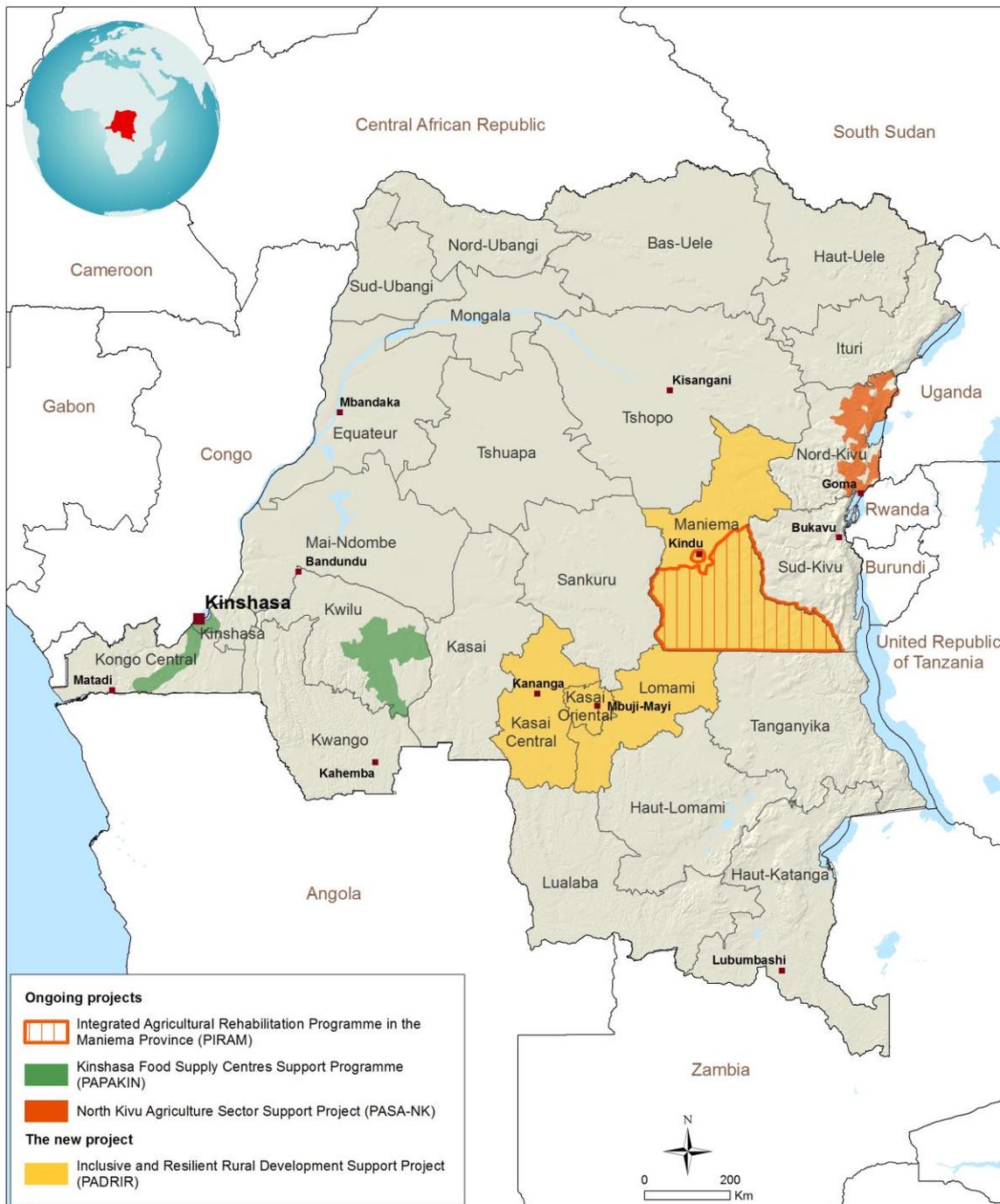
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Abbreviations and acronyms

AfDB	African Development Bank
COSOP	country strategic opportunities programme
FAO	Food and Agriculture Organization of the United Nations
FO	farmers' organization
GCF	Green Climate Fund
ICO	IFAD Country Office
M&E	monitoring and evaluation
MINAGRI	Ministry of Agriculture
NAIP	National Agricultural Investment Plan
PMU	programme management unit
PO	producers' organization
PRAPE	Programme de Relance Agricole dans la Province de l'Equateur
PRAPO	Programme de réhabilitation de l'agriculture dans le District de la Tshopo Province Orientale
SECAP	Social, Environmental and Climate Assessment Procedures
SO	strategic objective
SSADR	Agricultural Sector and Rural Development Strategy
SSTC	South-South and Triangular Cooperation
VC	value chain

Map of IFAD-funded operations in the country



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

Map compiled by IFAD | 23-08-2019

Executive summary

1. The Democratic Republic of the Congo is a country of extremes. It is the largest Francophone country and has the richest natural resource base in Africa; it also has one of the largest populations, at 80 million, making it very rich in human resources. At the same time, it is faced with acute levels of food insecurity and malnutrition – reaching up to 76 per cent in the rural areas – and has experienced very low levels of economic growth over the last two decades. A devastating civil war (1996–2002) and recurring conflicts have led to a situation of extreme fragility: 540,000 refugees and 4.5 million internally displaced persons are present in the country; more than 64 per cent of the population are poor; and the country's governance structures are extremely weak.
2. The first-ever peaceful transition of presidential power in January 2019 marked an important step forward for the country's stability. While this is promising, the potential for significant economic growth is constrained by underlying problems, including protracted conflict and the resulting destruction of the state apparatus. This has manifested itself through: (i) low capacity of administration and public services; (ii) a federal system with limited provincial government intervention capacity; (iii) destruction and dislocation of basic social and economic structures resulting in weak rural organizations; (iv) low dynamism of the private sector; (v) low capacity of civil society; and (vi) a legacy of corruption and lack of respect for human rights. These challenges are heightened in the rural sector, which is dominated by subsistence agriculture.
3. In this context, IFAD's support to the Government in the short- to medium-term must be tailored, realistic and responsive to: (i) the need for significant capacity-building and institutional support in the agriculture sector as highlighted by the country strategy and programme evaluation conducted by the Independent Office of Evaluation of IFAD in 2016; and (ii) the need for small-scale farmers to reduce food insecurity and improve their livelihoods. This country strategic opportunities programme (COSOP) covers the period 2019-2024 and has a potential resource envelope of US\$100 million in IFAD resources and US\$167 million in mobilized resources. It has three strategic objectives (SOs):
 - (i) SO1: enabling producers' cooperatives to reach markets more efficiently by improving productivity, pooling resources, adding value and accessing feeder roads and storage facilities as well as basic social services;
 - (ii) SO2: strengthening incentives for the development of rural business activities directly aimed at establishing agrifood partnerships; and
 - (iii) SO3: improving government delivery capacity in the agriculture sector through targeted technical assistance, better data and sound financial management.
4. In light of the country's institutionalized challenges and inherent risks, SO3 will be particularly important in helping the Government lay the foundation for improved institutional efficiency and effectiveness. Furthermore, the COSOP is expected to serve as a stepping stone for longer-term sustained rural transformation and economic growth in the Democratic Republic of the Congo.

Democratic Republic of the Congo

Country Strategic Opportunities Programme 2019–2024

I. Country context and rural sector agenda: key challenges and opportunities

1. The Democratic Republic of the Congo is a country of rich potential, including fertile land that could feed the entire population of sub-Saharan Africa. It is the largest Francophone country in Africa, with vast natural resources and over 80 million inhabitants, roughly 60 per cent of whom live in rural areas that are mostly inaccessible (World Bank Development Indicators). With 80 million hectares of arable land and over 1,100 types of minerals and precious metals, it could become one of the continent's richest countries and a driver of African growth. However, the country's fragility poses many challenges.
2. Recent economic performance has been tepid. After falling from 6.9 per cent in 2015 to 2.4 per cent in 2016, GDP growth accelerated to an estimated 3.4 per cent in 2017 and 3.8 per cent in 2018. The country has the potential to significantly increase this modest upward trajectory of economic growth by tapping into its abundant natural and human resources. GDP growth is expected to average 4.5 per cent over 2019-2024, primarily due to continued expansion of the mining sector. This serves as the base case; high and low cases can be found in appendix II.
3. Human development mirrors the fragile economic situation. The Democratic Republic of the Congo ranks 176 out of 189 countries in the 2017 Human Development Index. Approximately 7.7 million of the total population (some 81 million) are in an acute food crisis; 43 per cent of children under the age of five suffer from chronic malnutrition and 8 per cent from acute malnutrition.
4. Poverty has a female face. The country's Gender Inequality Index stands at 0.663, ranking it 153 out of 159 countries. Women are victims of the country's conflicts: hundreds of thousands have suffered gender-based violence, forced displacement and other forms of abuse, and experience chronic instability.
5. Malnutrition is a root cause of the country's fragility. The alarming nutritional status of women and children has severe long-term consequences. Inadequate maternal health care leads to poor nutrition for both mother and child. Approximately, 46 per cent of children under 5 years of age are chronically malnourished or stunted.
6. The adverse effects of climate change are noticeable throughout the country and pose risks to sustainable development. The country is witnessing extreme rain and flood events leading to soil erosion and degradation, a prolongation of the dry season, and an increase in drought periods during the rainy season. Small-scale farmers and the urban poor will be most vulnerable to the expected impacts of climate change.
7. Agriculture is a potential path to prosperity. Globally, the country is among those with the highest prospective agriculture value for major crops such as maize, palm oil, soybean and sugarcane. Because of the labour-intensive nature of agricultural production, investing in agriculture would undoubtedly lead to job creation and poverty reduction. Increasing women's access to agricultural inputs would improve their livelihoods and increase household food security.
8. However, the development of the agriculture and rural sectors faces multiple constraints, including: (i) inaccessibility of inputs, agricultural equipment, improved technologies and markets; (ii) weak road infrastructure and degradation of feeder roads; and (iii) the absence of an enabling environment for private investment.

II. Government policy and institutional framework

9. The country strategic opportunities programme (COSOP) is aligned with the Agricultural Sector and Rural Development Strategy (SSADR) set out in the National Strategic Development Plan (PNSD). The SSADR prioritizes family-based food-producing agriculture by smallholders and improved access to markets. The strategy envisions an inclusive and prosperous agricultural system in which farmers, women and young people practice commercial farming and have easy access to quality inputs, basic infrastructure, markets, support services and affordable financing.
10. The COSOP is also aligned with the National Agricultural Investment Plan (NAIP) 2014-2020, which outlines how family farming will gradually lead to the development of the agrifood sector, with high returns for smallholders. Under the NAIP, the private sector is being asked to contribute to the development of the agrifood industry and the Government expects the living conditions of farmers to improve through the creation of "poles of agricultural enterprises".
11. Perhaps the biggest policy bottleneck for agricultural development is land administration, which is inefficient and cumbersome. Insecure land rights affect livelihoods and hamper investment in agriculture and other sectors. Another major policy affecting the rural sector is decentralization. In accordance with the decentralization policy and law, each provincial government has the power to develop the agricultural programme of its province. However, application of the law is lagging and provinces have neither the means nor the de facto power to exercise their jurisdiction, adding to the fragility of the country.
12. The Democratic Republic of the Congo's Nationally Determined Contribution to the Paris Agreement (NDC) lays out its plans for mitigating and adapting to climate change. Similarly to the SSADR, the NDC expresses interest in sustainable agricultural intensification and increased resilience of the agriculture sector, especially for small-scale producers, and a specific focus strengthening the resilience of women and young people.

III. IFAD engagement: lessons learned

13. IFAD has a significant presence in the country, with financing amounting to over US\$180 million and a total programme valued at over US\$315 million. Three projects are currently being implemented. These have been hampered by weak management capacity and other factors such as a two-year suspension of the portfolio. Efficiency has also been negatively affected by high operating costs due to poor infrastructure, significant security concerns, the large geographic area of intervention and frequent changes in staff.
14. In its 2016 country strategy and programme evaluation, the Independent Office of Evaluation of IFAD (IOE) likewise revealed significant programme management weaknesses and made a number of recommendations. Several of these are already being addressed or are in the process of being adopted, including:
 - strengthening of the programme management units (PMUs) (capacity-building);
 - elimination of the "Bureau de liaison";
 - validation of disbursement applications by the Ministry of Finance;
 - greater involvement of provincial governments (including capacity-building); and
 - strengthening of the capacity of the IFAD Country Office (ICO) in Kinshasa for procurement and implementation support.

15. The remaining recommendations will be addressed during the COSOP period (2019-2024). Moreover, with the full support of the Government, the Kinshasa ICO is taking several extra measures to address the problems that have arisen (see programme management section below).
16. IFAD will do things differently by mainstreaming the following six principles:
 - (i) **Simpler and more-focused operations to counteract fragility.** More-focused operations will require better coordination with donors and maximum coordination within IFAD, particularly in financial and evaluation matters.
 - (ii) **Knowledge and data to allow for mid-course corrections.** It will be critical to draw more strongly on other donors' analytical work for policy engagement, and to make optimal use of local knowledge to better understand the political and economic issues and support the necessary far-reaching reforms.
 - (iii) **Good governance underpins good outcomes.** Transparency and delivery capacity in the agriculture sector will be the key mechanisms to guide policy dialogue and the principles underpinning IFAD's overall engagement in the country. Capacity-building and good governance will be emphasized in every interaction.
 - (iv) **Demand-side governance in rural areas must be strengthened.** IFAD will systematically embed beneficiary feedback mechanisms in all operations to facilitate tracking and implementation and to promote the good governance principle cited above. Special efforts will be made to have a robust capacity-building programme for farmers' organizations (FOs).
 - (v) **More policy engagement means better operations.** IFAD will work in close coordination with the United Nations and the United Nations Stabilization Mission in Democratic Republic of the Congo (MONUSCO) to receive appropriate information on the country context and to convey appropriate messages for high-level policy engagement.
 - (vi) **Government ownership determines results.** During implementation, systematic annual reviews of portfolio results will be undertaken at the highest ministerial levels.
17. Despite past management challenges, the projects have had significant positive impacts on agricultural productivity, food security, household income and human and social capital. However, one consistent finding is that a focus on agricultural output alone will have limited impact unless measures are taken to improve access to markets.
18. Future projects will build on past successes by continuing to invest in infrastructure, improved outputs, market connections, processing and storage facilities, rural entrepreneurship and value chain development. Support to farmers' field schools will continue, and new technologies will be introduced for application in such areas as post-harvest management, food processing and conservation. Youth and women will be encouraged to develop skills in the processing and trading of food and non-food agriculture products.

IV. Country strategy

A. Comparative advantage

19. IFAD's comparative advantage lies in its recognized ability to consolidate a package of loans and grants for assistance in the following areas: (a) improving the management and operational capacities of FOs; (b) rehabilitating roads to connect production basins to major food markets; and (c) building profitable, inclusive and sustainable value chains (VCs). IFAD has also demonstrated rich experience in

leading the policy dialogue on integrated rural development with a focus on the vulnerable, promoting the rural microfinance sector, and raising environmental and climate change awareness.

B. Target group and targeting strategy

20. **Target groups.** The target groups include: (i) as primary beneficiaries, small producers, particularly young people and rural women; and (ii) as capacity-building beneficiaries, decision-makers and central and provincial officials who will be engaged in policy dialogue, baseline studies and evaluation of existing policy instruments to improve them and create new instruments to increase the productivity and competitiveness of the agricultural sector. Special efforts will be made to reach:
- people with disabilities and physically challenged people. About 11 million people live with a disability according to the Ministry of Health;
 - indigenous peoples, who are a particularly vulnerable group that depends almost exclusively on resources of the land for their livelihoods; and
 - refugees and internally displaced persons. Conflict and instability have generated massive internal displacement and refugee flows.
21. **Targeting strategy.** The projects under this COSOP will target vulnerable rural populations living in the poorest areas where many donors do not intervene. To make interventions more inclusive, the targeting strategy will rely on the combination of different mechanisms including: (i) direct targeting entailing a transparent process with eligibility criteria defined and applied, and community participation ensured; (ii) categorization of poor households and disadvantaged/marginalized groups according to their degree of vulnerability backed by a scorecard and evaluation criteria with discriminatory weighting factors favouring the most vulnerable households; and (iii) specific facilitation, awareness and empowerment measures for the most vulnerable groups to reduce the risk of exclusion. Targeting will be strengthened with relevant indicators, disaggregated by sex, age and ethnic minority. The first project under this COSOP will target Maniema Province and be replicated in Lomami, Tanganyika and Kasai Provinces. The second project will focus on Kwilu, Kinshasa and Kongo-Central and be expanded to Kasai and Kwango Provinces.

C. Overall goal and strategic objectives (SOs)

22. The overall goal is to help the Government in its efforts to reach Sustainable Development Goals (SDGs) 1, 2, 3 and 8 through an increase in the production and diversification of nutritious staple foods, and providing opportunities for wealth creation and jobs through better infrastructure, processing facilities and logistics for marketing goods. It will also seek to advance SDGs 13 and 5. The COSOP differs from past strategies because it focuses on building the country's capacity to create a different development trajectory in the agriculture sector.
23. **SO1: enabling producers' cooperatives to reach markets more efficiently by improving productivity, pooling resources, adding value and accessing feeder roads and storage facilities as well as basic social services.** This SO will enable small producers to better integrate themselves into targeted commodity subsectors. It will do so by:
- **improving infrastructure for market access.** The severely degraded and non-functional road infrastructure is a major constraint for agricultural development;
 - **acknowledging the acute drinking water crisis.** The rehabilitation of rural roads is critical for people's access to basic social services, including drinking water of adequate quality.

- **enhancing productivity.** This objective will tackle one of the main causes of rural poverty in the Democratic Republic of the Congo: low productivity compared with other sub-Saharan African countries;
 - **strengthening capacities.** Complementing these improvements, this measure will strengthen institutional capacity for increased production and access to services, including financial services, and support the capacity-building of FOs; and
 - **reinvigorating VCs that affect nutrition.** The VCs for cassava, maize, rice, peanuts, peas and beans have been targeted because of their potential for reducing poverty and malnutrition.
24. **SO2: strengthening incentives for the development of rural business activities directly aimed at establishing agrifood partnerships.** This SO will focus on activities needed to build partnerships between FOs and input suppliers, traders, off-takers, service providers and microfinance institutions. This objective needs to be understood in the context of fragility. The private sector remains small and heavily geared towards extractives, while the majority of the population live off subsistence agriculture and/or informal sector jobs. This SO will allow for the setting up of business development services to accompany development of rural enterprises. Specific scouting activities will be implemented to select candidates for support from the Agribusiness Capital Fund.
25. **SO3: improving government delivery capacity in the agriculture sector through targeted technical assistance, better data and sound financial management.** This SO will focus on strengthening government effectiveness and accountability. IFAD will take advantage of the new Government's determination to push forward public sector management reforms to provide systematic support to strengthen delivery capacity in the agriculture sector. This will include the implementing the 100-day challenge to increase project management capacity, targeting systematic training in financial management in the agriculture sector, and supporting initiatives such as the Advancing Knowledge for Agricultural Impact (AVANTI).
26. The theory of change builds on the three core thrusts of IFAD in the Democratic Republic of the Congo: (i) agriculture productivity increases, with an enhanced focus on nutrition, natural resource management, and climate change resilience and adaptation; (ii) value chain development, with an enhanced focus on employment for youth and women; and (iii) capacity-building, with an emphasis on sound financial management and effectual FOs. The theory of change assumes that productivity increases in farming systems at the grass-roots level combined with market linkages and stronger FOs will ensure that higher surpluses are produced and marketed. Rural enterprise development will ensure that the surplus of young labour in rural areas is employed more productively.
27. The four mainstreaming themes of the Eleventh Replenishment of IFAD's Resources (IFAD11) will be addressed throughout the COSOP period as follows:
- Measures to address **climate change** will be built into project activities, such as: (i) the development of sustainable and climate-resilient VCs; (ii) promotion of renewable energy and sustainable watershed management; (iii) capacity-building for sustainable management of natural resources and climate risks; and (iv) support for more-resilient agroforestry systems.
 - **Gender mainstreaming** will be undertaken through operational mechanisms developed during project design that improve the access of women and girls to the resources and economic opportunities offered by projects, and support women's leadership in rural organizations.

- The development of VCs and associated activities for the creation of modern agricultural enterprises and rural micro and small enterprises in the new projects under this COSOP **will help reduce rural youth unemployment.**
- The **food and nutrition security** will be improved through: (i) increased production and productivity of basic foods; (ii) marketing of nutritionally enriched food products; (iii) provision of nutrition education at the household level; and (iv) training to enhance women's skills and knowledge relative to nutrition in agriculture and food security, which will contribute to a more balanced diet for children.

D. Menu of IFAD interventions

28. In addition to ongoing projects, the COSOP will strengthen IFAD's operations in the country through two new investment programmes accompanied by non-project activities. At the request of the Minister of Agriculture, each project will target long-term development in a major food basin and focus its interventions in a provincially-based, manageable area with severe and persistent food insecurity and people living in poverty.
29. **Policy engagement.** Policy discussions with the Government will focus on measures to support rural transformation through decentralization and capacity-building at the provincial level, and on addressing any factors constraining the achievement of the COSOP objectives. The four mainstreaming themes will also be important topics in policy dialogue. Above all, IFAD will prioritize access to land, working in close partnership with the International Land Coalition and other partners.
30. Access to arable land is one of the drivers of poverty reduction in the Democratic Republic of the Congo. Moreover, the persisting violence in post-conflict areas is mainly related to land disputes and has a spillover effect on food insecurity and vulnerability. While land tenure is one of the priority areas for policy engagement, the proposed operations under this COSOP will facilitate land access in partnership with the International Land Coalition.
31. **Capacity-building.** The Democratic Republic of the Congo is a country affected by fragility, with weak institutions that need strengthening at all levels. One of the COSOP strategic objectives is dedicated to this. Specifically targeted will be state structures at the national and provincial levels of the agricultural sector as well as FOs. Strengthening FOs' managerial, organizational, financial, marketing and technical capacities is a priority area, to ensure that they participate as empowered actors in agrifood partnerships with the private sector and that their members can benefit from their involvement in VCs.
32. **Knowledge management.** With the Government, IFAD will develop tools for evidence collection and analysis, and disseminate products to improve knowledge management at the project and ICO levels. Given the challenges that the country faces and the implications for regional development, documentation on successful and unsuccessful interventions and practices will be actively shared domestically and internationally through communication channels familiar to stakeholders and government officials.
33. **South-South and Triangular Cooperation (SSTC).** IFAD will seek to mobilize funding to facilitate learning and capacity-building through SSTC, utilizing the subregional hub in Addis Ababa. Potential areas include: (i) sharing of experience with countries where private extension services are well established and where the Government has taken supportive measures; (ii) knowledge related to the development of food commodity chains of high priority for the country, particularly cassava and maize; (iii) sharing of successful experiences and good practices related to IFAD-supported agribusiness partnership initiatives in countries that

have successfully transformed their agrifood sector; and (iv) the establishment of sustainable rural financial services.

V. Innovations and scaling up for sustainable results

34. **Innovations.** The COSOP envisages three innovations. The first is to add a robust nutrition lens to the VCs that are being set up through agrifood partnerships involving small farmers, FOs and other market participants. The second is capacity-building for the local road maintenance committees to enable them to access financing from the National Fund for Road Maintenance (FONER) and become eligible as future local contractors for simple works. The third is a regional grant programme to establish seed supply units through a public-private partnership involving genetic banks for varietal research, the Ministry of Agriculture (MINAGRI) for seed quality control and their certification, and the private sector for seed multiplication, storage, processing and marketing.
35. **Scaling up.** The greatest opportunities for scaling up will be through the inclusion of private sector market participants in the downstream portion of value chain activities, particularly the building of partnerships between FOs and input suppliers, traders, service providers and microfinance institutions. IFAD-financed activities will serve as the catalyst for developing similar VCs and agrifood partnerships in other products and in other regions. The ICO will also seek to scale up the development of effective FOs through platforms for exchanging experiences.

VI. COSOP implementation

A. Financial envelope and cofinancing targets

36. Based on the current performance-based allocation system (PBAS), IFAD resources for the Democratic Republic of the Congo during the IFAD11 period amount to US\$36.5 million and under a base case are projected to be US\$38.5 million during IFAD12. Under an optimistic scenario, this could reach approximately US\$100 million and result in a total investment of US\$266.75 million, factoring in cofinancing of US\$166.75 million and not including the Government's in-kind contributions. Programme activities will be adjusted in accordance with the actual amount of funding available.
37. Given the country's fragile status and the low level of domestic resource mobilization, any government cofinancing is likely to be in the form of in-kind contributions, as is the case with other donors such as the World Bank. However, international cofinancing can be anticipated, particularly if programmes have a strong environmental component. Additional domestic cofinancing is warranted if the high case scenario materializes (see appendix II). The financing terms applicable in 2019 are a combination of highly concessional loan and grant.
38. In terms of financial instruments, the country is a prospective user of the Faster Implementation Project Start-up (FIPS) product, which will finance project start-up activities as part of project design. Other potential instruments include the Facility for Refugees, Migrants, Forced Displacement and Rural Stability to deal with the presence of internally displaced persons and refugees in project areas, and the Adaptation for Smallholder Agriculture Programme to improve smallholders' adaptation to climate change and environment risks.

Table 1
IFAD financing and cofinancing of ongoing and planned projects
(Millions of United States dollars)

<i>Project</i>	<i>IFAD financing</i>	<i>Cofinancing</i>		<i>Cofinancing ratio</i>
		<i>Domestic</i>	<i>International</i>	
Ongoing projects approved during the previous two COSOP periods (2003-2016)				
1. Integrated Agricultural Rehabilitation Programme in Maniema Province (PIRAM)	23.33	5.50	20.20	1: 1.10
2. Kinshasa Food Supply Centre Support Programme (PAPAKIN)	107.40	7.25	0.26	1: 0.07
3. North Kivu Agriculture Sector Support Project (PASA-NK)	33.80	9.48	9.70	1: 0.57
Subtotal	164.53	22.23	30.16	1: 0.32
Projects planned under this COSOP (2019-2024)				
1. Project 1 in 2019 (allocation PBAS 2019-2021)	36.5	7.25	50.0	1:1.57
2. Project 2 in 2022 (allocation PBAS 2022-2024)	38.5	7.70	60.0	1:1.76
Subtotal	75.0	14.95	110.0	1:1.67

B. Resources for non-lending activities

39. The ICO/Kinshasa aims to mobilize between US\$10 million and US\$15 million for non-lending activities on themes relevant to ongoing and new programmes. Activities are expected to primarily involve policy dialogue, capacity-building, knowledge management, rural women's economic empowerment and the environment. Sources of funding could include in-kind contributions by partner institutions receiving IFAD funds, in-kind contributions by the Government, funds from the private sector, and SSTC.

C. Key strategic partnerships and development coordination

40. The highest priority partners are the OPEC Fund for International Development (OFID), the Green Climate Fund (GCF), the Clean Development Mechanism, the African Development Bank (AfDB), the World Bank and bilateral cooperation agencies, due to their prospective role in providing cofinancing. IFAD will seek to ensure that the new programmes under this COSOP benefit from OFID and AfDB cofinancing for the upgrading of agricultural roads, development of financial services and youth entrepreneurship, and from GCF cofinancing for support to climate change adaptation.
41. The ICO is an active participant in the Donor Coordination Group, which brings all donors together to ensure the harmonization of United Nations assistance in the country. In particular, IFAD will focus on two forums: (i) the inter-donor agricultural and rural development group; and (ii) Thematic Group 9 "Agriculture and Community Dynamics", which is a forum for consultation between the Government and technical and financial partners.
42. Collaboration among the Rome-based agencies is expected to intensify during the COSOP period thanks to two joint projects: (i) the "Mainstreaming food loss reduction initiatives for smallholders in food deficit areas", funded by the Swiss Government, which aims to improve food security and income opportunities by reducing food losses in supported VCs; and (ii) the Rome-based Agency Resilience Initiative, supported by the Government of Canada, whose purpose is to strengthen livelihood resilience in protracted crisis areas (see appendix VIII).

D. Beneficiary engagement and transparency

43. To improve development outcomes, all projects to be funded under this COSOP will integrate transparency and civil society participation in their implementation, in order to give citizens a role in decision-making and in monitoring and evaluation (M&E). This requires engaging more systematically with civil society to enhance demand-side governance. Given the history of gender-based violence in the country, special efforts will be made to address this risk in IFAD-financed projects.
44. In addition to systematic consultations with all stakeholders, citizen engagement will catalyse change through: (i) a participatory third-party M&E system at the country strategy level that will give the beneficiaries the opportunity to provide feedback during project implementation; and (ii) mechanisms for complaint handling and the use of sanctions and settlement of any claims by third parties. The capacity of FOs and other civil society actors will be strengthened to allow optimal use of these mechanisms. In addition, steering and monitoring committees will be set up at provincial level to increase local government participation in project implementation.

E. Programme management arrangements

45. Given past problems, programme oversight will be extremely robust. The COSOP will be placed under the umbrella of MINAGRI, IFAD's lead implementation partner, with the assistance of the Ministry of Finance (for issues relative to the country as borrower). These two ministries, along with the decentralized authorities at provincial and local level and the specialized agencies collaborating with IFAD are members of the steering committee that undertakes the annual review of the country programme.
46. In the field, projects will be implemented by members of the PMUs, with the technical support of the provincial inspectors of agriculture and rural development, along with agricultural auxiliary institutions including the agricultural research institutes. The Ministry of Rural Development, Ministry of Fisheries and Livestock, and Ministry of Infrastructure and Public Works will play crucial roles in planning, implementation and monitoring. The ICO/Kinshasa will:
 - hold regular meetings with the PMUs (at least three per quarter) based on a list of agreed milestones and a plan of actions that need to be taken;
 - add an extra step of validation for withdrawal applications to strengthen fiduciary controls by the Ministry of Finance;
 - ensure that representatives of the Ministry of Finance are part of the Steering Committee and the Task Force that participate regularly in implementation support and supervision missions;
 - conduct an intensive follow-up programme involving at least one supervision mission and two implementation support missions for each IFAD investment project per year.
47. An annual joint portfolio review will be convened by IFAD and the Government. Civil society organizations undertaking third-party monitoring will share findings during these reviews. A dedicated transparency and integrity adviser will be hired by the West and Central Africa Division. The Democratic Republic of the Congo will be a country of focus.
48. The country's large rural population, mainly located in very remote areas, means that the costs of implementing nationwide activities such as elections, the census, and demographic health surveys are exorbitant. Management will therefore explore innovative ways to strengthen the country office, currently staffed with only two professionals (for example through United Nations Volunteers) and build partnerships with civil society organizations (for alternative supervision arrangements) and other United Nations agencies for COSOP implementation. For

example, close partnership with The United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO) will facilitate access to project areas (normally only accessible by private planes).

F. Monitoring and evaluation

49. Monitoring progress towards the SDGs and many of IFAD core indicators is constrained by lack of trained staff, insufficient and often poorly coordinated resources and the 35-year gap since the last population and housing census and 45-year gap since the last agriculture census. The needs of the decentralized institutions cannot be met by the available statistical information. IFAD will seek dedicated grant resources to improve data availability in the COSOP's regions of focus. It will also benefit from the "50 by 2030" initiative.
50. To strengthen project evaluation, IFAD will enhance the M&E capacity of MINAGRI, the Ministry of Finance and PMUs and provincial ministries of agriculture through the establishment of delivery units by AVANTI. As mentioned above, beneficiaries will also play a role in reporting results. The PMU staff in charge of M&E evaluation will follow the Program in Rural M&E (PRiME) certification programme.
51. IFAD will partner with the Food and Agriculture Organization of the United Nations Statistical Office to assist the Government to conceptualize and budget for an agricultural census in the country. In its role of assembler of development finance, the Fund will prepare a grant and mobilize substantial cofinancing for this matter.

VII. Risk management

52. The risks most likely to undermine the COSOP objectives and how IFAD can mitigate them are presented in the table below.

Table 2
Risks and mitigation measures

<i>Risks</i>	<i>Risk rating</i>	<i>Mitigation measures</i>
Political/governance	High	Reinsertion of ex-militia fighters in rural income generating activities. Measures to strengthen project governance in PMUs, including frequency of supervision missions and strengthened oversight (e.g. performance/contract audits). Create awareness and provide training on ethics and procurement.
Macroeconomic	High	Provide opportunities for wealth creating investments in value chains.
Sector strategies and policies	Medium	Policy dialogue with government officials at the national and provincial level demonstrating the impact of inappropriate policies.
Institutional capacity	Substantial	Continuous institution building and capacity building of POs and public and private service providers. Ring-fenced PMUs.
Portfolio	High	Reinforced Finance and Procurement capacity and oversight. Explore FIPS; start-up advances.
Fiduciary – financial management ¹	High	Consolidate the recent financial supervision measure by the Ministry of Finance. Continuous financial management training and follow-up. Strengthened internal controls mechanisms, including close monitoring of contracts with service providers. Performance-based contracts for staff. Technical Assistance.
Fiduciary – procurement	High	Close follow-up and coaching of PMU staff in charge of financial management. Recruitment and training of procurement specialists in the PMUs.
Environment and climate	Medium	Mainstream resilience building into all programme activities and engage in dialogue with the Government to support climate-smart agricultural practices. The COSOP aligns with the Government's national climate change policy and adaptation strategy.
Social	High	Make social targeting more inclusive for the most vulnerable groups with the combination of different targeting mechanisms to promote their inclusion. Include in new projects specific support actions for most vulnerable.
Overall	High	

¹ Refer to appendix XI – Financial management issues summary.

COSOP results management framework

Country strategy alignment	Related SDG UNDAF Outcomes	Key results for COSOP			
		<i>Strategic objectives</i>	<i>Lending and non-lending activities* for the COSOP period</i>	<i>Outcome indicators</i>	<i>Milestone indicators</i>
<p>National Agricultural Investment Plan: PNIA 2014-2020</p> <ul style="list-style-type: none"> • Increase in agricultural production and income • Improved food security and nutritional quality • Integration of small farmers into commodity chains • Institutional capacity-building and improvement of agricultural governance • Mitigating the vulnerability of the agricultural sector to the effects of climate change 	<p>SDG:</p> <p>SDG 1: no poverty ODD 2: Zero hunger SDG 5: Gender Equality SDG 8: decent work and economic growth SDG 10: reducing inequalities SDG12: Sustainable Consumption and Productivity SDG 13: fight against climate change SDG 17: Partnerships to achieve goals</p> <p>Malabo declaration on post-harvest losses</p>	<p>SO1: enabling producer cooperatives to reach markets more efficiently by improving productivity, pooling resources, adding value and accessing feeder roads and storage facilities</p>	<p>PIRAM</p> <ul style="list-style-type: none"> •PASA-NK •PAPAKIN •New project 1 •New Project 2- Non-lending / non-project activities • Contribution to policy development • Strategic partnerships for <ul style="list-style-type: none"> } cofinancing, } the SSTC, the } capacity-building } knowledge management Reduction of losses after harvest 	<p>At least 50% increase in income of small producers</p> <p>At least 50% supported rural enterprises reporting an increase in profit</p> <p>10%young people (men and women) creating job opportunities</p> <p>100% increase in production (areas and yields)</p> <p>Reduction of 40% on current levels of post-harvest and consumer-level loss</p> <p>45% of rural producers' organizations engaged in formal partnerships/agreements or contracts with public or private entities</p> <p>75% of rural producers' organizations reporting an increase in sales</p>	<p>3600 supported rural enterprises reporting an increase in profit</p> <p>40000 permanent jobs created for young people (men and women)</p> <p>350000 households reporting adoption of new/improved inputs, technologies or practices</p> <p>150000 households reporting adoption of environmentally sustainable and climate-resilient technologies and practices</p> <p>9000 established and operational agro-food partnerships</p> <p>15000 rural producers' organizations reporting an increase in sales</p> <p>9000 rural producers' organizations engaged in formal partnerships/agreements or contracts with public or private entities</p> <p>20000 supported rural producers' organization members reporting new or improved services provided by their organization</p>

	Programmatic axes from CSI 2018-2020: - inclusive economic growth, - social protection - sustainable management of natural resources	(b) SO2: strengthening incentives for the development of rural business activities directly aimed at establishing agro-food partnerships.	PIRAM •PASA-NK •PAPAKIN •New project 1 •New Project 2 - Non-lending / non-project activities • Contribution to policy development • Strategic partnerships for \ cofinancing, \ the CSST \ capacity-building \ knowledge management	At least 75% of households reporting improved physical access to markets, processing and storage facilities 10% increase in Domestic credit to private sector (as % of Ag GDP) 25% households reporting using rural financial services 40% households reporting improved access to land, forests, water or water bodies for production purposes	6500 of kilometres of roads constructed, rehabilitated or upgraded 450 of market, processing or storage facilities constructed or rehabilitated 100000 households reporting using rural financial services 150000 households reporting improved access to land, forests, water or water bodies for production purposes Improvement in the Agriculture Law 2011 in favour of small producers
	SDG: SDG 1: no poverty ODD 2: Zero hunger SDG 5: Gender Equality SDG 8: decent work and economic growth SDG 10: reducing inequalities SDG12: Sustainable Consumption and Productivity SDG 13: fight against climate change SDG 16: Peace, justice and strong institutions SDG 17: Partnerships to achieve goals	(c) SO3: improving government delivery capacity in the agriculture sector through targeted technical assistance, better data and sound financial management.	PIRAM •PASA-NK •PAPAKIN •New project 1 •New Project 2 - Non-lending / non-project activities • Contribution to policy development • Strategic partnerships for \ cofinancing, \ the CSST \ capacity-building \ knowledge management Corporate grant programmes – AVANTI/PRIME	50% Improved supervision ratings on project management, financial management, on procurement and M&E 40% of projects with a component that enhances transparency 38% of Provinces develop and start implementation of agricultural programs 80% of targeted provinces improving their management and delivery capacity of development projects	All projects under the COSOP have moderately satisfactory or above performance on project management, financial management, procurement and M&E by the end of the COSOP period The 2 new projects designed under this COSOP have a transparency objective 10 out of 26 Provinces develop and start implementation of agricultural programs 8 out of 10 provinces improving their management and delivery capacity of development projects Improvement in the Agriculture Law 2011 in favour of small producers

The results measurement framework, established for the initial term of the COSOP, will be updated as necessary during COSOP results reviews for subsequent periods.

Transition scenarios

1. The economy of the DRC faces many challenges, despite the ubiquity of natural resources. The economy lacks diversity, with growth dependent largely on the extraction sector, which in 2017 accounted for 99 per cent of the value of exports and 34 per cent of total government revenue. Government revenues themselves are just 11 per cent of GDP with virtually all of it being used for current expenditures with little scope for public investment. As a result, the country has the highest import and export transactional costs in Africa due to the poor quality of infrastructure. It also ranked 184 out of 190 countries on the World Bank's Doing Business 2019 report. Per capita GDP in current dollars was an estimated US\$458 in 2018, the second lowest level in the West and Central Africa region. Inflation was an estimated 27.7 per cent in 2018, down from 41.5 per cent in 2017.
2. The presidential election in December 2018 was not without controversy but it resulted in a largely peaceful transition from President Kabila of the former ruling party to Félix Tshisekedi of the UDPS, which should prove beneficial to the DRC's future. Nonetheless, the new President will face a wide array of difficult issues, not the least of which are significant security problems in the central and eastern parts of the country, to a seemingly never-ending Ebola virus epidemic. On top of that are doubts about the rigour of the Chinese economy, which is the country's main trading partner and destination of most of its exports. The one problem it doesn't have is an excessive debt burden, with the share of government debt less than 20 per cent.
3. The D.R. Congo is one of the IMF Member Countries with delays in completion of Article IV Consultations or Mandatory Financial Stability Assessments over 18 Months. As of January 2019, the country totalized 24 months since the last Article IV Consultation were completed on 9/2/2015. According to IMF website, these delays were requested by the previous Government who scheduled consultation to be completed in 2016.

Table 1
Projections for key macro-economic and demographic variables

Case	Base	High	Low
Av. GDP growth (2019-2024)	4.5	7.0	1.0
GDP/capita (2024) ppp 2011 \$	790	900	680
Public debt (% of GDP) (2024)	20.0	30.0	15.0
Debt service ratio (2024)	3.0	5.0	3.0
Inflation rate (%) (2019-2024)	5.0	5.0	20.0
Rural population	2018: 45 500 000		
	2024: 51 500 000		
	Annual growth rate: 2.1%		
Investment Climate for rural business	Rating: 2/6 The development of the agricultural and rural sectors faces multiple constraints, including: (i) inaccessibility to inputs, agricultural equipment, improved technologies and markets, (ii) weak road infrastructure and degradation of feeder roads; (iii) the absence of an infrastructure, institutional, legislative and incentive environment conducive to private investment in rural areas, (iv) the lack of integration of small farmers into the agricultural value chains; (v) declining national budgets for the agricultural sector, (vi) difficulties in accessing credit due to the virtual absence of rural financial institutions, and (vii) the absence of an agricultural tenure system which recognizes the right of ownership of agricultural holdings.		
Vulnerability to shocks	Rating: 5/6 The DRC is a fragile country subject to a variety of economic, political, and social shocks. As a commodity exporter, it is vulnerable to commodity shocks. Although the presidential transition has been peaceful, the east and central parts of the country are still subject to extreme political instability. And the risks associated with pandemics, such as the Ebola virus, are very high due to lack of adequate health infrastructure.		

1 World Bank, Systematic Country Diagnostic, Report No. 112733-ZR, March 2018.

1 African Development Bank, African Economic Outlook 2019.

1 <http://www.doingbusiness.org/en/rankings>

1 International Monetary Fund, World Economic Outlook, October 2018

4. We consider three possible trajectories for the 2019-2024 period:

- a. **Base case:** Under the base case, derived from the African Development Bank's economic prospects, real GDP growth gradually accelerates to 4.8 per cent over the COSOP period on the back of increased mineral production and export prices while inflation declines to a more sustainable five per cent level. Due to the peaceful transition, relations with the IMF improve, leading to agreement on a series of policy reforms that improve the investment climate and increase domestic revenues. Debt levels remain sustainable. Internal security threats diminish and the Ebola virus is contained.
- b. **High case:** Under the high case, the new government takes a series of bold measures to attack corruption, improve the investment climate, and remove constraints to increased agricultural productivity such as deteriorating infrastructure. A financial assistance program with the IMF is put in place and the government meets all the conditions for a series of disbursements. Both internal security threats and the Ebola virus fade away. The world economy accelerates, leading to increased mineral export prices and economic growth reaches 7.5 per cent by 2024.
- c. **Low case:** Under the low case, security in the eastern and central areas of the country worsens and economic activity diminishes due to increased violence. The Ebola virus cannot be contained. The government fails to

contain inflation and the falling purchasing power of households provokes a social crisis. The country fails to enact any economic or governance reforms. The government lacks money for spending on capital investments and relations with the international donor community deteriorate rapidly. In this case, the economy is likely to come to a standstill, at best.

Implications for IFAD's country programme

5. The DRC is truly at a pivotal moment in its history. The new President has an opportunity to establish a constructive relationship with the international community – both private sector investors and traditional assistance providers – by enacting a series of long-awaited reforms that would enhance the business climate, improve infrastructure, and make significant inroads in the fight against poverty. We project that progress will be slow but steady, consistent with the base case, allowing for successful agro-food partnerships that promote the employment and integration of small farmers, women and young people in the subsectors of food products upstream and downstream of production.
6. The success of IFAD's support for value chains will be constrained by poor infrastructure. Under a high case scenario, significant improvements to infrastructure would occur and the outcomes and impacts of IFAD supported projects would immediately benefit. There could also be increased interest in international cofinancing for IFAD projects. Conversely, under the low case, the entire IFAD pipeline would be threatened due to instability and lack of government funds. Under any of these cases, the terms of financing are unlikely to change, although they could soften in the case of high debt distress. Practically, the implication would be as follows:

Lending Terms and condition

7. The DRC is currently provided loans on highly concessional terms with 50 per cent of the financing provided as a grant in accordance with the Debt Sustainability Framework (EB/2007/90/r.2). Given its low level of per capita income and state of fragility, it is highly unlikely to transition to less concessional terms. Terms and conditions could soften in case of deterioration of the current moderate debt distress assessment.
8. Pertinent to the base case scenario, DRC would remain in the current DHC category which is a combination of highly concessional loan and grant. However, the grant element would be increased to meet the country's fragile situation as well as the DRC's potential eligibility under the "Special Programme for Countries with Fragile situation". In both scenario, the Government should avoid SDR/USD depreciation by borrowing in USD, as the current lending terms allow to do so.

PBAS Allocation

9. Based on the current PBAS allocation, IFAD resources for the DRC during the IFAD11 are estimated at 36.5 million dollars and 38.5 million dollars during IFAD12. Under a high case scenario, a doubling of the PBAS to reach 63.0 million under the IFAD 12 is expected as a result of improvement in the portfolio management framework as well as the measures taken by the Government and ICO Kinshasa after the lifting of the suspension. In the worst case scenario, IFAD and the Government would make efforts to maintain the current IFAD 11 PBAS.

COSOP Priorities and Products

10. The proposed instruments of engagement in this COSOP investment projects and policy dialogue focusing on increasing productivity along the value chain and supporting growth and poverty reduction by providing more income and jobs at the household level while improving nutrition and creating more opportunities for women and youth – are unlikely to differ under the base or high case scenarios.

Under the low case, the entire IFAD pipeline would be threatened due to instability and lack of government funds.

Cofinancing opportunities

11. Some bilateral donors are taking a cautious approach to the DRC under the new president. However, under the base case this cautious approach should diminish rapidly establishing fertile ground for cofinancing opportunities and the development of other partnerships. Under the high case there could also be increased interest in both domestic and international cofinancing for IFAD projects, particularly in the latter part of the COSOP period.
12. Under the assumption that the base case scenario materializes, IFAD would be able to secure at least 50 million USD during the IFAD 11, namely from OFID, AfDB and GCF. In case this scenario improves, IFAD 12 will probably be able to allocate USD 100 million to the DRC. In both cases, it is likely to increase the limited symbolic in-kind contribution from the Government, but not sufficiently enough to cover substantial projects components.

Agricultural and rural sector issues

13. Rural poverty. Despite the richness of its natural resources, its immense agricultural potential and the reduction of the poverty rate to 64% in 2012 compared to 71% in 2005, the DRC remains one of the poorest countries in the world and is located at 176 ranked in 187 countries in the latest Human Development Index (HDI 2015). According to UN estimates dating from January 2018, the DRC is home to 540,000 refugees and 4.5 million internally displaced people. Demographic pressure is a challenge with a high growth rate of 3.3%. The population grows by about two million people each year and life expectancy at birth is 58 years. The number of people under the age of 20 is estimated at about 61% of the total population.
14. High levels of food insecurity. The level of food and nutrition insecurity remains alarming with about 43% of children under five suffering from chronic malnutrition and 8% suffering from acute malnutrition and underweight one in four children. The incidence of food poverty predominates in rural areas with 54% of rural households suffering from food insecurity.
15. The years of conflict and looting and the absence of the State and funding outside major cities, have caused damage to the economic fabric and a sharp deterioration of infrastructure and socio-economic services. In 2015, only 52.4 % of the population had access to a source of drinking water and 28% to a public toilet. According to the 2014 report of the National Institute of Statistics, there is a doctor for 11,570 inhabitants and a doctor every 402 km².
16. Gender equality and youth issues. The DRC's Gender Inequality Index is 0.663, ranking the country 153 out of 159 countries. According to the 2015 United Nations Population Fund (UNFPA) report, the DRC has one of the highest maternal mortality rates in the world, with 850 deaths per 100,000 births. The Gender Inequality Analysis also highlights persistent gender imbalances in all areas of development: economic, social, cultural and political. The presence of women at the decision-making levels of the administration remains weak. Active women are mainly concentrated in agriculture (70% in traditional agriculture) and in the informal sector (60%), especially trade.
17. In the DRC, women are among the main victims of conflict and chronic instability in the country. Many hundreds of thousands have suffered sexual violence, forced displacement and other forms of abuse. In order to combat this scourge and coordinate the actions undertaken, the Government adopted in 2009 a Comprehensive Strategy to Combat Sexual Violence, in consultation with the United Nations and the development partners involved in the issue.
18. The situation of unemployed youth in rural and peri-urban areas is described as worrying in the DRC. With the trend of high population growth, 50% of the population of the supposedly active age group of 15-64 years old would be young and would aggravate the situation of the labor market. Employment statistics, although not regularly updated, show a particularly high incidence of unemployment among young people aged 15-35, three to four times higher than the national average.
19. Evolution and characterization of fragility. The situation of greater fragility of the DRC is the result of a cumulative process since the independence of the country on June 30, 1960 following a long period of Belgian colonial rule.
20. Low governance and civil wars. The authoritarian regime that has been in place since 1965 has led to a profound disintegration of the Congolese economy and state and left an inefficient public sector marked by corruption and patronage. The economy has reached record levels of recession since 1990, following institutional instability, the suspension of most bilateral and multilateral cooperation programs, and looting in the years 1991 and 1993. Civil wars triggered in 1996, which

officially ended in 2003, only worsened the fragility of the DRC and an already deteriorated economic situation. The growth rate of the real gross domestic product increased from -6.6% in 1990 to -14% in 1999. It is estimated that more than 3.5 million deaths, to which are added 2.66 million displaced persons, 450,000 refugees and several million people affected. The humanitarian emergency is still relevant in the most unstable areas of the DRC mainly in the east of the country, where armed groups and militias, Congolese or foreign, engage in fighting and spread terror among civilian populations.

21. Dysfunctional state, political crisis and recurrent conflicts. The severity of the DRC's fragility is characterized by the dysfunction of the state apparatus and of all social and economic services, and the resulting disruption of the social and economic fabric. This fragility has been aggravated by armed conflict mainly between 1996 and 2002. Despite the signing in 2002 of the Sun City Agreements leading to the reunification of the country and the organization of the elections in 2006, it is not right now, to consider that the DRC has truly emerged from the situation of political crisis and conflict. Indeed, even after the democratic elections of 2006, the national scene has remained marked by various hostilities that can be classified into three categories according to their objects, namely:
 22. The **legitimacy of power**: questioning the legitimacy of the ruling power (challenges and clashes in 2007 in Kinshasa, and challenges after the 2011 elections, the question of constitutional revision and electoral calendar);
 23. Control **of the National Territory**: activities of armed groups in the eastern part of the country despite the successive integrations of former rebels and militiamen in the regular army and disarmament, democratization and reintegration (DDR) programs in favor of the latter;
 24. **Consensus on the country's political future**: uncertainty about the presidential elections originally scheduled for November 2016 and the holding and outcome of the political dialogue announced by the ruling power and a number of political actors;
25. Consequences **of the major and persistent fragility of the DRC**. In summary, the complexity of the recurrent situation of conflict in the DRC has led to a major and persistent fragility manifested in particular by the following failures of the state apparatus:
 - The weak capacity of the administration and public services in general;
 - The destruction and dislocation of basic social and economic structures;
 - The weak dynamism of the private sector;
 - The weak capacity of civil society;
 - Low state budget and low share for the agricultural sector;
 - The poor performance of the state from the point of view of governance, the fight against corruption, respect for human rights; and
 - Failure of the state to cope autonomously and quickly with the above failures.
26. Constraints to increased production and farm incomes The agricultural and rural sector employs 64% of the labor force and generates 33.4% of GDP and has an annual growth rate of no more than 3%, largely below the population growth. As national agricultural production covers only a third of the food consumed in the country, the DRC is a net importer in each category of agricultural product. Food imports would have risen from \$ 140 million a year between 1994-96, to \$ 500 million in 2007 and \$ 1.5 billion in 2013. Decades of poor governance and conflict

have shattered the agricultural sector. The increase in agricultural production and its flow are exposed to multiple constraints including:

27. Natural **hazards**, including the most common: rising water levels in rivers and lakes, and sudden floods during the rainy season, pest-borne diseases, erosion and drought. These risks can lead to starvation. For example, in 2012, about 50% of households living in agricultural subsistence areas reported deaths from food insecurity caused by drought and famine. The impact of these risks on well-being is suffered by the most vulnerable rural households whose income and assets (social, physical and economic capital) are chronically low.
28. **Significant losses of food commodities** related to poor post-harvest management capacity: studies carried out under the project jointly implemented by the three Rome-based agencies (FAO, IFAD and the World Food Programme) funded by the Directorate Swiss Development and Cooperation (SDC) have shown that the maize and rice value chains suffer significant losses. These losses are largely caused by insufficient capacity and equipment and post-harvest infrastructure available, effective, and accessible to farmers and stakeholders in these sectors. In the case of maize, studies in the joint project areas on selected supply chains have shown that the most critical point of loss is storage, where indicative levels of quantitative losses are estimated to be between 5 and 23% at the village level, and between 16 and 22% at the level of the terminal depots in Kinshasa. Significant losses also occur during harvesting, transportation and retail. In the case of rice, the greatest losses occur in drying, storage and transport, and dehulling where losses can reach 80 per cent.
29. **Access to improved technologies**, inputs, equipment and markets is made difficult by the vast territory, the degradation of road infrastructure.
30. The **lack of integration** of small producers into product chains that does not lead to their good valuation.

The small size of farms

31. The governance of the sector suffers from a lack of legislation, a lack of planning and harmonization of actions, a poorly organized institutional framework that results in a bloated civil service and a dispersion of activities between several departments and services, and between the competing national and provincial level, the lack of a human resources management strategy; and widespread demotivation of agents due to poor working and pay conditions.
32. Financing of the sector does not meet the needs owing to the low national budget allocation and private investments and the difficulties in accessing financial services in rural areas, where financial institutions are almost completely lacking. Budget resources allocated to the agricultural sector remained under the 2% mark over the last decades. For the 2014-2016 period, provisional budgets for the sector have grown significantly and now represent 5.82%, but budgets are only partially committed.
33. Agricultural policies and decentralization. Decades of conflict have not facilitated the formulation, adoption and implementation of coherent agricultural policies. From 1966 to 2003, the Government formulated a succession of six agricultural policies, all of which failed. From 2006 to 2015, agriculture was identified as one of the levers of economic development in two successive GPRSPs through the construction of modern services to support production and improve rural incomes through crop development. In April 2009, an Agricultural Policy Note identifies small producers and vulnerable groups as a priority target. In continuity, the SSADR formulated in March 2010 gives priority to family-based and industrial food-producing agriculture practiced in areas with high agricultural potential, densely populated and open to markets. Taking into account the objectives of

decentralization The 2011 agricultural law integrates the diversities and agroecological specificities of the different provinces.

34. As part of the continental CAADP process, launched in the DRC in 2010, a National Agricultural Investment Plan for the period 2014-2020 is drawn up in which family farming gradually gives way to the development of agribusiness. , specifically mentioned in the priority axes. The private sector is being asked to contribute to agricultural development and the improvement of the living conditions of the peasants is now going through the creation of Poles of Agricultural Enterprises, supposed to allow the dynamisation of the sectors. This approach remains controversial. No reference is made to so-called family farming in the objectives and strategic approach of the NAIP, which is a change of direction from previous policies.
35. In 2006, the "egalitarian decentralization" was enshrined in the Constitution, but the evolution of the process is slow and its cost poorly controlled. A new territorial division has been effective since June 30, 2015 and the country now has 26 provinces against 11 previously. These new provinces are subdivided into territories, sectors and chiefdoms.
36. In accordance with the implementation of the decentralization policy, the 2011 Farm Bill grants the Provincial Government the power to develop the agricultural program of its province. This power was reinforced by the Skills and Resources Transfer Roadmap for Provinces and Territorial Entities, adopted on November 7, 2013, which gives the province "exclusive jurisdiction" for Agriculture and Rural Development, among other sectors. The NAIP for the 2013-2020 period provides for the "valorization of the comparative advantages of each province through the implementation of the Provincial Agricultural Investment Plans, the development of which will be the responsibility of the provincial authorities". However, beyond the legal texts, the effective implementation of this transfer of powers is dragging on and the provinces, to date, have neither the means nor the powers to exercise their jurisdiction and the Provincial Agricultural Investment Plans have not yet seen.

SECAP background study

37. Climate change, environmental degradation and social exclusion are key challenges for the GRC agricultural sector development, poverty reduction, food security and nutrition, employment creation particularly for youth and women, peace building and conflict prevention. Risk-informed public policy and investment in agriculture in the context of climate change to design a robust country cooperation framework between IFAD and the DRC requires scientific evidence, environmental, and climate risk profiles and trends, institutional and context analysis for optimum future investment and policy reforms to strengthen resilience.
38. The main objectives of the SECAP for the DRC results based COSOP are: i) To evaluate scientifically and strategically the impact of current and future trends of climate change and environmental degradation on the performance of the DRC agricultural development to reduce rural poverty while building the country's resilience ii) To propose effective and efficient adaptation and mitigation climate change policy and strategic options for the COSOP and to inform potential policy reforms on national development planning, budgeting processes (national and sector plans; national budget, investments frameworks as well as Nationally Determined Contributions (NDCs) in agriculture and forest in the second's World largest forest country.
39. The SECAP Preparatory Study was undertaken following literature reviews and in-country consultations. The study clearly demonstrated the importance of taking into account sustainable management of natural resource and climate change into IFAD future investments in DRC.

Overview of the national context

40. Socio-Economic Context: The Democratic Republic of Congo is the largest Francophone country (2,344,858 km²) in Sub Sahara Africa, with vast natural resources. With 80 million hectares of arable land of which only 10% are under cultivation and over 1,100 minerals and precious metals, the DRC has the potential to drive inclusive and sustainable rural transformation in a peaceful and prosperous society. Today, the country is involved in economic reconstruction in all the regions where there is no unrest.
41. As of 2017, the DRC has nearly 81.3 million inhabitants of whom 30% live in urban areas. Despite improving economic conditions, high positive growth has not yet translated to corresponding reductions in nutritional poverty and the majority of the population remains in a fragile situation. The DRC remains one of the poorest countries in the world with a GDP per capita of only USD 288 (constant 2000 USD) in 2013 (World Bank 2016). Based on national consumption poverty lines, 71 per cent of the population was poor in 2005 compared to 63 per cent in 2012 (UNDP 2015). A disaggregation of the 2012 poverty rates reveals that the situation is worse in rural areas (65 per cent) compared to urban areas (60 per cent) (UNDP 2015). Despite this reduction in consumption poverty, basic welfare continues to lag behind especially in rural areas. Worsening socio-economic conditions, political instability and civil war have contributed to increased migration from the rural areas towards the cities over the last past years which has impacted on the agricultural sector development.
42. The DRC economy is heavily dominated by the exploitation of natural resources (land, water, forest and mineral and oil). Since 2010, agriculture and logging have made the biggest contributions to the DRC's economy. Today, agriculture accounts for nearly 40 percent of the national GDP and employs 70 percent of the population. Between 2006 and 2010 the Congolese agriculture sector grew by an average of about 4.4 percent and by an average rate of 4.6% between 2011 and 2015. Congo's agriculture sector, however has been rebuilding from a number of years of stagnation and degradation. Significant nationalization during the 1970s and the fact that two wars have been fought in the country since 1990 caused a

major decline in the nation's economic activity, particularly the agricultural sector. Many of the DRC's rural communities live in poverty and struggle economically because there is limited access to markets.

43. The main food crops are cassava, plantains, maize, groundnuts and rice. Commercial agriculture in the country is relatively limited as most producers are small-scale farmers and subsistence food producers because of the deterioration of market infrastructure caused by recurrent civil wars. The main agricultural products in terms of value are: cassava, plantains, game meat, maize and mangoes/mangosteens, and the main agricultural exports in terms of value are unmanufactured tobacco, green coffee, sugar raw centrifugal, bran of wheat and natural dry rubber. The main agricultural imports in terms of value are wheat, maize, wheat flour, palm oil and chicken meat.
44. The DRC is endowed with considerable natural resources, vast hydropower potential and an annual rainfall of 1000 mm ideal for agriculture production. According to the national investment promotion agency, ANAPI, the country has over 120 million ha of land suitable for farming or breeding, but only an estimated 10 percent of the land is currently being used (3 percent for agriculture; 7 percent for breeding). The DRC's flora and fauna are among the richest on the continent and the Congolese Forest comprises 45 percent of Africa's total forest area: the largest reserves in the world of tropical timber. Most of the available arable land is found in the plateaus of the Katanga region in the south-eastern part of the country. The DRC's main crops vary by region, but maize and cassava are major staples, and most areas support livestock production. Wheat, beans, potatoes and cash crops (coffee, tea and quinine) are grown in the eastern regions (Ituri and North Kivu provinces).
45. Rice, grain legumes, cereals and cotton are cultivated in Maniema and other central provinces. Shifting cultivation is practiced in the northern provinces with gold and coffee additionally found in Oriental and North Kivu. The mountainous areas in the east and northeast of the country, which benefit from a temperate climate, lend themselves to livestock production and the cultivation of sugar cane, potatoes, tea and coffee. In the north-central forest-savannah region (Tshopo, Bas-Uele, and Haut-Uele), farmers grow rice, bananas and groundnuts. Instead, the south-western provinces of Kinshasa, Kongo Central, and Kwango, each serving the capital markets, produce fruits, vegetables and beef.
46. A 70 per cent of the economy is informal, and dominated by rural sectors; industrial development remains embryonic. Insecurity persists in the east of the country and continues to hinder the development of the agricultural sector and rural development. Substantial environmental damage and degradation has been one of many results of the country's past and present conflicts. Rural population in some provinces face with multiple shocks of diverse nature and intensity, including conflicts, disasters, illnesses and lack of employment opportunities, climate change which impact on household livelihoods system.
47. The secondary sector is dominated by oil production, the mining industry and factory sector. Mines produce the copper, cobalt and mineral ores that accounted for more than 80% of export revenues in 2015. Oil is produced offshore and all of the country's crude output is exported. The tertiary sector includes large retail, transport and communication components. Container stores and kiosks dominate the retail environment. Transport in the country is challenging due to barriers to land transport created by terrain and climate change. Copper, mineral ores and cobalt mattes account for around 80% of the DRC's exports. The country's mining industry is supported by large reserves of high-grade mineral reserves that has resulted in a strong mining sector project pipeline. The government intends to promote an economic diversification and industrialization policy that attaches greater importance to growth-generating sectors especially the agricultural sector with priority to special economic zones (SEZs).

From Millennium Development Goals (MDGs) to Sustainable Development Goals (SDGs) in the DRC

48. The DRC's Millennium Development Goals Report reveals that the country did not achieve any of the eight Millennium Development Goals (MDGs) by 2015 (UNDP 2015) including the MDGs 7 'Ensure environmental sustainability'. The DRC has made progress in addressing pressing political, economic and social challenges since the end of the civil war and has subscribed to the SDGs and to leave no one behind in a stable and prosperous countries. A first national report establishing targets and indicators with respect to the 17 Sustainable Development Goals (SDGs) has been completed.
49. Key policy focus under the SDGs and as stated in the National Development Plan (The Plan National Stratégique de Développement (PNSD 2017-2021) include sustainable governance of natural resources to reduce rural poverty for peace building and conflict prevention. The agricultural investment plan gives attention to sustainable management of natural resources (forest, land, water, minerals...) while combating climate change domesticating the SDGs especially SDG1 (no poverty); SDG 2 (no hunger); SDG 6 (Gender); SDG 13 (climate change), SDG 15 (life on land); SDG 17 (partnership). The DRC has signed the Paris Climate agreement and made a commitment to reduce its emissions by 17% by 2030 compared to business-as-usual emissions (430 Mt CO₂e), or a reduction of slightly more than 70 Mt CO₂e avoided (Ministry of the Environment, 2014).

DRC's Biodiversity, Agro Ecological Zones and Natural Resources

50. The DRC is the second largest country on the African continent, with a total land area of 2.3 million km², nearly 60 percent of which comprises 125 million hectares of tropical forest, the second largest such forest in the world. Centrally located on the continent, the DRC is nearly landlocked, with the exception of 36 km of Atlantic coastline that allow for maritime commerce. Sharing extensive borders with nine surrounding countries, including Angola, Burundi, Central African Republic (CAR), Congo-Brazzaville, Rwanda, South Sudan, Tanzania, Uganda, and Zambia, the DRC is vulnerable to regional political and natural resource-based conflict. The DRC is endowed with numerous natural resources, such as mineral wealth (including but not limited to gold and diamonds) and abundant arable land which only 10 % is exploited. The DRC also benefits from fresh water reserves that comprise nearly half of Africa's fresh water supply. Water bodies, including several large lakes (Tanganyika, Kivu, Edward, and Albert) and the DRC's extensive river network (which includes the Congo and various tributaries), account for 3.5 percent of the national territory and provide an estimated 12,700 km of navigable waterways for transportation, commerce, livelihoods, and drinking water. The DRC's combined water resources are equivalent to an estimated potential water resource potential of 19,967 m³/year per inhabitant (African Development Bank 2014).
51. The DRC also faces significant exposure and vulnerability to both manmade and natural hazards. The eastern region of the country is located within the Eastern Rift of the Great Rift Valley, and has experienced several geologic shocks, such as the eruption of Volcanoes Nyiragongo and Nyamulagira in 2002, 2006, and 2010, as well as earthquakes in 2005 and 2008. The highly populated eastern provinces are more prone to conflict-related shocks and environmental crises (volcanic eruption, mudslides). Crop disease is a persistent threat to agricultural production in largely agrarian communities, particularly Cassava Mosaic Disease (CMD) and Banana Xanthomonas Wilt. The DRC spans a vast and complex group of climate systems, with abundant rainfall that is constant in some areas, and its fertile land supports multiple agricultural cycles. Rainfall patterns in the DRC allow for two agricultural cycles in nearly 75 percent of the country. Average accumulation of rain can range from 800 to 1,800 mm according to the time of year and geographic location.
52. The forest also plays an important role in regulating the regional and global climate, while commercial logging generates a great deal of state income. The forest contains an enormous amount of the world's biodiversity, and the DRC ranks

as fifth among countries for its rich flora and fauna diversity. The forest represents nearly half of Africa's rainforest and comprise 11 forest types: swamp forest, tropical lowland rainforest, tropical sub-montane rainforest, three types of Afromontane forest, Zambezi forest, Zambezi woodland, Sudanese woodland, coastal sclerophyllous forest and mangroves. The DRC forests contain vast plant and animal diversity and include five national world heritage sites. It contains four different floristic regions (MECNT, 2009b). The Guineo-Congolian forest biomass covering the central basin • A band of woody savannah that connects the Guineo-Congolian region with the Zambezi zone south of the equator: i) a narrow band of woody and herbaceous savannah in the north, ii) The Afromontane forest region with a number of big lakes in the east of the country, iii) The Afromontane forest is a biodiversity hotspot, harboring the largest numbers of endemic bird, mammal and amphibian species on the continent.

53. The DRC has Multiple agro-climatic zones and intersecting bimodal and unimodal rainfall patterns preclude generalization about rainfall and dry periods on a national level.
54. The southern region (primarily Katanga Province): is unimodal, much like neighboring Zambia, with a six month rainy season and six months of seasonal dryness. Though climatology is complex in the DRC, similar seasonal trends are characteristic of four major climate zones.
55. The Equatorial Zone comprises the bulk of the forested central basin that covers approximately 48 percent of national land area.
56. The remaining climate zones include the Tropical Humid Zone, the Tropical with Extended Dry Season Zone, and the Coastal Zone. In general, the equatorial center of the country is hot and humid, and extends to a more tropical climate system northward and southward, transitioning to savanna plateaus at an elevation of 700 to 1,200 meters. Humidity begins to dissipate outside of the equatorial center, becoming cooler and drier in the southern highlands, and cooler and wetter in the eastern highlands, which include high-altitude (1,500 to 5,000 meters) mountainous and volcanic zones that comprise the eastern region, including North and South Kivu Provinces.

Agro ecological zones

57. The country has with six key agroecological zones guiding livelihoods and agricultural production across the country. Agroecological zones overlap with climate zones, creating additional complexity and also agricultural potential. These zones include: the Central Basin, which consists primarily of evergreen forests; the Centre South, with humid and dense evergreen forest as well as semi-deciduous forest and savannah; the East/Eastern Highlands, characterized by savannah and low- and high-altitude mountain forests (both equatorial and bamboo); the Northern Zone, characterized by plains; and the Southeast Zone, dominated by a combination of plateau and rift areas, forested areas, and grassy areas.
58. With forest cover of 232.9 million hectares, the DRC has the second largest tropical forest area in the world. As such, it plays a key role in the management of carbon stocks and the reduction of deforestation in the Congo Basin, which will affect wider climate mitigation efforts beyond its boundaries. The country is part of the Congo Basin Forest Partnership. The Congo Basin Forest Fund, associated with this partnership, is one of the major financing mechanisms that supports sustainable forest management.

The agricultural sector

59. Agriculture is the principal source of livelihood for the rural population and for the majority of households below the poverty line. The agriculture sector is entirely informal, with 90 percent of the sector driven by informal, small-scale activities. Modern farming is less prone but mainly used for the production of export goods. However, while modern farming was dynamic in the 1970s and 1980s, it

continuously decreased and recently the DRC is committed to modernize the sector through special economic zones (SEZs).

60. The country has vast potential for domestic food production given its expansive and underdeveloped arable land, favorable climate and soil conditions, and a permissive agro-climatology that allows for multiple growing seasons of staple foods. However, poor regulatory frameworks, limited reach of government policies and resources, antiquated technologies, and the dominance of micro-scale subsistence farming in national food production are all limiting factors to staple food cultivation. Significant potential for agricultural production, particularly in the Eastern “bread basket” areas, is prohibited by a series of systemic and environmental constraints, including: conflict and insecurity, poor seed and input quality, small-scale production, restrictive land tenure practices, lack of credit and investment capacity, the pervasive threat of plant diseases to staple foods (especially cassava and bananas), outdated growing and cultivation practices, inability to market produce effectively, and lack of education and technical support to household-level producers.
61. With tremendous untapped agricultural potential, less than 10 percent of a possible 75 million hectares of suitable agricultural land are under cultivation in the DRC (MADR 2012), a contributing factor to structural national and provincial-level food deficits. About 70 percent of Congolese derive the majority of their food from subsistence-level agriculture, although domestic agricultural production contributes nearly 10 percent to the national gross domestic product (GDP) overall (Banque Centrale du Congo 2014). Agricultural production is almost entirely informal, with 90 percent of the sector driven by informal, small-scale activities. Exceptions to this national average include Equateur, Bandundu, Kasai Occidental, and Maniema Provinces, where formal (commercial) production exceeds 10 percent of provincial yields (Ministère du Plan et Suivi de la Mise en oeuvre de la Révolution de la Modernité 2014). Commercial plantation agriculture was widely practiced for cash crop production during the colonial and post-colonial period in some of the country’s most fertile areas. Today, while many plantations have either not been maintained or have been abandoned altogether the land has not been repurposed or redistributed due to unclear or weak local land tenure laws.

Key environmental challenges/treats and effects on agricultural development and rural poverty

62. Unsustainable extraction and management of natural resources from forest ecosystems by rural households are increasingly resulting in reduced agricultural production. Inadequate farming methods leading to soil degradation, limited transportation and storage infrastructure or badly adjusted land tenure systems are some of the weaknesses that are challenging food security and the agricultural development sector in the DR Congo. Also the dual structure of agriculture contributes to insufficient food supply. The agricultural sector consists of traditional and modern farming. Traditional farming accounts for 80 percent of total farming and is highly vulnerable to climatic, geologic or market-related changes.
63. With agricultural practices identified as a key driver of loss in forestland in DRC, there is a need to support agricultural development to increase productivity and production, and demonstrate the integration of food security into emissions reduction targets. The DRC estimated annual deforestation for 1990–2000 at 0.22 per cent and the current rate to be around 0.27 per cent per year (DRC, 2012). The large forest biomass holds about 17 billion tons of carbon, making it the largest carbon stock in Africa. Causes of deforestation vary across the country. Direct causes include agriculture expansion as a result of shifting cultivation, firewood collection, and charcoal production to meet urban demand, unsustainable commercial logging and illegal artisanal logging, as well as industrial mining and road construction in dense forest areas.

64. The impact of these factors varies greatly in accordance with geographic and demographic patterns. For instance, Kisangani, Kinshasa, Lubumbashi and Mbandaka have far higher population densities than their surrounding areas. They are thus more prone to intense shifting cultivation and firewood collection than commercial logging. As firewood and charcoal provide 85 per cent of the DRC's energy needs, the harvesting of trees for these uses becomes increasingly problematic as population density rises. Legal and illegal artisanal logging and cross-border trade linked to industrial logging concessions also has a direct impact on forest degradation in particular.
65. Forests Monitor report estimates that 8000 small-scale logging companies, known as "chainsaw operators"³, are currently working in the DRC. Most artisanal loggers operate at the edge of forests and therefore do not necessarily increase access to forests. Compared with neighboring countries, artisanal operators in eastern DRC harvest timber in dense forests. Smallholder farmers often clear these areas once artisanal loggers have removed the largest trees and as such artisanal operations, followed by shifting agriculture, are now considered as major causes of forest loss (DRC, 2012). Impact from industrial logging on the DRC's tropical forests appears minimal.
66. Rapid depletion and degradation of the natural resource base including also shifting cultivation. Many indigenous communities practice shifting agriculture (shifting cultivation). This process involves cutting and burning small patches of forestland to be used for agriculture for a few seasons and then left to grow fallow, in a cyclical pattern. This form of subsistence, practiced for generations, has placed little burden on the land and forest, yet is often scapegoated as a major cause of deforestation. In a traditional shifting cultivation system, only a small percentage of community agriculture lands are cultivated in any given year. Besides allowing for the regeneration of tree cover, fallows restore soil fertility and reduce weeds from croplands. Increased population density in certain areas, coupled with high urban demand for food and restricted access to land in logging concessions and protected areas has, however, reduced or eliminated fallows. This process is occurring around Kinshasa and the densely populated areas in eastern DRC.
67. Restricting the rights of indigenous groups that have had open access to areas for innumerable generations also presents normative, as well as moral and ethical issues. Moreover, such restrictions are environmentally harmful and detrimental to their wellbeing. Therefore, criminalization of extraction of natural resources for subsistence may not be effective and often fosters corruption and lawlessness.
68. Large-scale agriculture has also direct impact on deforestation and driven largely by the expansion of palm oil plantations into forest regions. Additionally, industrial mining activities—without adequate environmental and social safeguards – continue to threaten the DRC's forests, agricultural lands and biodiversity, given the overlap between the mineral resources and tropical forests and protected areas. Infrastructure Connecting producers and consumers is an important part of development. Infrastructure is therefore necessary to enable access to services including markets. However, without the establishment of environmental and social safeguards, forests and agricultural lands are at particular risk.
69. The key underlying causes of natural resources degradations (deforestation and forest Degradation; agricultural land;) in the DRC include: corruption and the lack of good governance, weak institutional capacity, weak law enforcement and insecure land and resource; Weak law enforcement is a major challenge facing environmental protection and management in the DRC. Insecure land and resource tenure is also cited as a major underlying cause of deforestation of natural resources. Unequal access to, and ownership of land and other resources have contributed significantly to economic and political inequities and environmental degradation throughout the DRC's history, and have exacerbated tensions and conflict.

Key Climate challenges/treats and effects on agricultural development and rural poverty

70. Vulnerability to climate change: Most of DRC's economic sectors are highly climate sensitive such as the agriculture sector especially in the north of the country. While poverty and conflict prevail, agriculture is the main source of income for 90% of DRC's population, and continues to be almost exclusively rain-fed. With the change in rainfall, especially through shorter rainy seasons, and variability during the rainy seasons, or with the increase in average soil temperature (affecting crop growth), harvests will be unreliable, and people, who depend on rain-fed agriculture, will be extremely vulnerable. This increasing uncertainty threatens food security and social development among the poor and vulnerable communities. Therefore, agriculture and rural development, in addition to energy, transport and water and sanitation, conservation of ecosystems, forests, and biodiversity and coastal zone management are under risks. The Congo basin is predominately forested and due to their immense potential in storing carbon as well as through their impact on the global water cycle via local water recycling, they are supposed to have a substantial impact on the climate system. Changing climate and climate inclusive of extremes (droughts, floods, storms) on human health and labor force is still difficult to quantify because of poor reporting and paucity of research into secondary and delayed impacts. The low productivity of the agropastoral sector, exacerbated by the climate crises and frequent natural disasters (drought, flooding, sand storms, and diseases, among others), has made the conditions of the poorest rural households even worse, leaving a large part of the population in situations of chronic vulnerability.
71. The greater Congo basin is characterized by either unimodal or bimodal rainfall regimes, caused by the north/south movement of the ITCZ during the course of the year. The unimodal regime is mainly limited to the northern parts of the basin and shows a maximum in the late boreal summer season (July to August). In the north-western parts this unimodal rainfall regime is often connected to the monsoon circulation. Also the southern parts of the Congo basin show unimodal rainfall behavior, however receiving the maximum rainfall in the boreal winter season (November to January). The majority of the Congo basin is characterized by a bimodal rainfall regime with a lower rainfall peak in the boreal spring season (March/April) and the main peak in October/November. However within the regions showing a bimodal regime, a clear difference in the rainfall occurring in-between the two main rainy seasons is visible. In the central parts the main dry season is from November to February, but the situation in the southern parts is reversed, resulting in a main dry season in the boreal summer (see Figure 2, bottom rows).
72. The spatial climate variability in the DRC can be taken into account by defining five subzones. The northern most Zone 1 represents the semi-arid Sahel region (mainly classified as desert (BWh) and Steppe (BSh)). Zones 2 and 4 can be classified as predominantly tropical wet and dry climates (Aw) with a dedicated rainy season. The central Zone 3 spans around the tropical rainforest climates (Af) with large areas having a bimodal rain regime. Finally the Zone 5 represents the subtropical climates in the southern parts of the greater Congo basin region. Climate assessment reveals that surface air temperature; from all assessed models agree on a substantial warming towards the end of the century in all seasons of the year regardless of the underlying scenario. On an annual basis a warming in the range of +1.5 and +3°C for the low and in the range between +3.5 and +6°C for the high emission scenario can be considered to be likely towards the end of the 21st century.
73. In general projected temperature increase is slightly above average in the northern parts of the region and slightly below average in the central parts. Also for temperature extremes (frequency of cold/hot days and nights) all models agree on a decrease/increase in the future. Especially the hot days and nights are projected

to occur much more frequently in the future, particularly in the case of the high emission scenario.

74. For total precipitation in all zones, some models project an increase in annual total precipitation and some case a decrease, which may affect the agricultural production. If the full range of projected changes in annual total precipitation is considered, all models agree on a change not higher than $\pm 30\%$ towards the end of the 21st century for most parts of the domain with a general tendency of a slight increase in future annual total precipitation. However, in the dryer northern part, a larger increase in annual total precipitation (full range up to about $+75\%$) is projected, mainly related to the northward expansion of the tropical convection zone. Although the annual total precipitation amounts might not change dramatically, the rainfall characteristics are projected to undergo some substantial changes. An example for this is the likely increase in the intensity of heavy rainfall events in the future (likely range for most parts positive, up to $\sim +30\%$). Also the frequency of dry spells during the rainy season is projected to substantially increase in the future over most parts of the domain. This indicates a more sporadic rainfall distribution in the future.
75. Generally the tropics can be separated into humid tropics (more than 2.000 mm rainfall a year), the intermediate tropics (between 1.000 and 2.000 mm rainfall a year) and the dry tropics with less than 1.000 mm a year. The rainfall is generally of convective nature. The greater Congo basin region is mainly classified as intermediate tropics, showing rainfall in the order of about 1.000 to 1.750 mm a year. Higher rainfall amounts are observed in the equatorial regions in the centre of the Congo basin with rainfall as high as 2.000 mm a year on average, including the coastal areas of Cameroon, where the highest rainfall amounts of the whole African continent are recorded (e.g. more than 11.000 mm a year at the slopes of Mount Cameroon; Wanji et al., 2003 - see Figure 2, upper right). However available observations in the region are sparse and also uncertain. To illustrate this, we included annual total precipitation amounts measured at several stations in the analysis. Compared to the gridded dataset (Watch Forcing Data (WFD); Weedon et al., 2011) a large discrepancy is visible in observed precipitation amounts along the coastal areas of the greater Congo basin region. In this region, the gridded data set shows at least 50% higher annual total precipitation amounts than the station data. Therefore, this uncertainty in the available observations should also be kept in mind, while evaluating the quality of the model simulations described in section 4.
76. Climate change impacts on agriculture with effects on the recharge of aquifers (water resources), hydropower, water for agriculture, carbon vegetation forestry. Elevated atmospheric CO₂ concentrations are expected to increase crop yields, but higher temperatures and water shortages may act to counterbalance this beneficial effect. Recent experiments have shown that crop response to elevated CO₂ is relatively greater when water is a limiting factor. Well-fertilized crops respond more positively to CO₂ than less fertilized ones and thus the contrary is true for nitrogen.
77. As the natural capital is the basis of agriculture, the changes in temperature and rainfall are adversely affecting natural resources such as forests. The DRC 's forest may be affect by both degradation of natural resources and climate change. As the temperature becomes warmer, rainfall decreases and potential evapotranspiration increases, forest cover will be approximately subdivided into tropical very dry forest and tropical dry forest, the warmer BMRC climate scenario having the highest percentage of tropical very dry forest.

Future Changes in Temperature

78. Due to climate change, temperatures will increase throughout the region. Globally temperature increases are the highest in the arctic and lowest in the tropics. Under the low emission scenario B1 the temperature increase in the region will be between 1 and 2°C by 2050 and between 1.5 and 3°C by 2100 (Figure 3). Under

the high emission scenario A2 the temperature increases are much more dramatic. Already by 2050, the temperatures are increasing by 2.5°C in the Northern and Southern edges of the region. By the end of the century the temperature increases are between 3 and 5 °C under the high emission scenario. Temperature increases are the lowest in the tropical climatic central part of the region. In the regions with a more semi-arid climate such as Chad the temperature increases are much higher. Temperature increases also tend to be higher in the highland compared to the lowlands.

Future Changes in Precipitation

79. On average the rainfall is likely to increase in the Congo Basin . This increase is especially observed in the Central and Western part of the region. Especially near the mouth of the Congo River the Rainfall is projected to increase. By the end of the century an average increase of rainfall between 20 and 30% is projected. At Southern, Northern and Easter edges of the region the impacts of climate change on precipitation are much more uncertain. Especially for Central and Northern Chad a reduction of precipitation is projected.
80. It is expected that as a result of climate change, the Congo basin is unlikely to see a decline such as is sometimes predicted for the Amazon basin, but instead will see a moderate increase in ecosystem carbon, a moderate expansion to the North and South of Evergreen forests, associated by similar shifts in savannahs and grasslands. Much more research is needed, however, to substantiate the underlying model assumptions and reduce uncertainty in these simulations. The potential in the region to implement UNFCCC-REDD+ projects is still very uncertain, but probably sustainable and feasible. The risks for climate-induced losses of carbon in a REDD+ project are small. At the same time, models also suggest that especially the seasonal forests (savannahs) are at risk near their climatic boundaries. Combined with the generally recognized risks for uncontrolled deforestation, which was not accounted for in our simulations, this calls for well-planned and strong investment in conservation and sustainable management. The region clearly has a big potential to serve as an important carbon sink, and at the same time there seems to be scope for investments into forest-related biofuel production (from firewood to energy from forestry waste).

Key social challenges/treats and effects on agricultural development and rural poverty

81. Poverty is widespread and unchecked across the 26 provinces of the Democratic Republic of the Congo. The average annual income is only \$785 US dollar https://en.wikipedia.org/wiki/Poverty_in_the_Democratic_Republic_of_the_Congo - cite_note-Nag-2 In 2016, the UN HDI ranked the DRC as the 176th least-developed country out of 188 countries with an HDI of 0.435. More than 80% of Congolese people live on less than \$1.25 a day, defined as the threshold for extreme poverty. The rural poor are essentially engaged in agricultural production. Poor women headed households are slightly more prevalent than poor male headed households. Farmers remain the poorest socio-economic group and represent more than 60% of people living below the poverty line. The contribution of the agricultural sector to the creation of wealth and the acceleration of growth remains below the potential of the sector. The low productivity of the agropastoral sector, exacerbated by the climate crises and frequent natural disasters (drought, flooding, sand storms, and locusts, among others), has made the conditions of the poorest rural households (women and youth) even worse, leaving a large part of the population in situations of chronic vulnerability.
82. Targeting: has been a key challenge to reach the most vulnerable people in communities and regions as stated in the last COSOP. Recent supervisions projects of IFAD revealed that the targeting tool needs to be strengthened with that all relevant indicators, disaggregated data by sex, age and ethnic minority, the head of household, small and medium-sized enterprise owner or group leader.

83. **Nutrition:** According to the World Bank, The Democratic Republic (DR) of Congo has higher rates of stunting than its immediate neighbors in the Africa region. Other countries with similar per capita incomes such as Somalia and Liberia exhibit lower rates of child stunting, which demonstrates the ability to achieve better nutrition outcomes despite low income. Under nutrition is not just a problem of poverty. Children are undernourished in 26 percent of even the richest households. This is typically not an issue of food access, but of caring practices and disease. Vitamin and mineral deficiencies impact wellbeing, and are pervasive in the DR Congo. The new IFAD COSOP should ensure that the portfolio is nutrition sensitive especially in the Kasai, Katanga, Ituri where food insecurity is at the highest.
84. **Gender equality and women's empowerment:** Gender inequality remains a challenge that hinders efforts to achieve inclusive human development and economic growth especially in post conflict countries. Women in the DRC form a large proportion of the labor force in the agricultural and non-agricultural sectors and are responsible for guaranteeing their family's nutrition and food security. The gender gap in agricultural productivity is linked to unequal access to essential agricultural inputs such as land, labor, techniques and seeds, but also social institutions and norms. This gender gaps is still very significant and that traditional gender norms remain tenacious, (the result being that women and girls are at a disadvantage in both the public and private spheres), including land ownerships which were exacerbated by years of conflicts. This limit opportunity for investments in women.
85. **Indigenous people:** Traditionally, Indigenous peoples particularly Pygmies in the Democratic republic of Congo have been closely attached to the rain forest, land the source of their spirituality, livelihood, and protection. Today their lifestyle is in danger, as they become more sedentary, lose access to the forest, and face a deteriorating relationship with Bantu farmers. The project should work on targeting these groups, which are mostly excluded from development interventions.
86. **Youth:** The population of the DRC is young and rejuvenating over 68 % of people aged less than 25 years, a majority of whom live in rural areas (over 60 %). The median age is 21 years passes in 1984 and 15,5 years in 2009. This situation reflects a high degree of dependence of the persons responsible for creating the inability of workers to save. In addition, it causes a significant pressure on social and health infrastructure and the environment. Job insecurity and unemployment hit 90% of the active population, particularly young people and women, who are in the informal sector, which was 60% during the year ended 80 represent over 80 % of GDP in the early years 90. For many years, the war has attracted many young people, many of them coming from the rural areas. Without jobs, rural youth is highly vulnerable to radicalization, extremist groups and human traffickers, militias, early pregnancies and the spread of STIs / HIV / AIDS, migration to cities and outside the country.

The long term Solutions and opportunities for agriculture development and rural poverty reduction

87. To address the identified challenges and threats and achieve the SGDs, The DRC must continue to improve its capacity to manage the environment and natural resources, particularly with regards to the nexus forest, agriculture, and mining. However, a number of barriers exist to implementing this consolidation and strengthening of the country's sustainable development efforts, as described below.
- ❖ Inadequate land use and land right policies and lack of institutional capacity for land use planning, lack of capacities, both institutional and human level, to mainstream;
 - ❖ Environment, climate and social inclusion issues into national planning processes, budget and investment and build the technical capacities of all

actors; absence of planning processes and local capacities/support to enable integrated application of sustainable natural resource management measures;

- ❖ Lack of experience and models for integrated natural resources use planning, climate change management that reduces negative impacts on key ecosystems and biodiversity habitat from adjacent productive landscapes especially in forest areas;
 - ❖ Lack of climate information's systems and infrastructures limit people awareness on climate information's for crop calendar and planning; inadequate protection of the largest areas given the intense pressure on these vulnerable ecosystems.
88. Therefore and in accordance to the national agricultural investment plan; the DRC must focus on the following adaptation and mitigation opportunities/options in the agricultural sector. As the DRC conventional long-term agricultural structure and patterns will change due to climate warming, the land suitability crops for rain-fed and options are presented below.

Policy responses and institutional framework

89. Country responses to climate change and environmental degradation are compounded in the following policies:
90. The revised and updated DRC Poverty Reduction Strategy Paper (PRSP 2) which sets as a Headline Goal that by 2015 a significant improvement should have been made in the living conditions of the population. This improvement should lead to achieving an annual average economic growth rate of 7.2% and a reduction in the incidence of poverty by about 11 points.
91. DRC Sector Strategy for Agriculture and Rural Development (SSADR): The National Agricultural Investment Plan (NAIP) which is the DRC's national planning framework for domestic and foreign investment in the agriculture sector and rural development sphere.
92. DRC Sector Strategy: for Agriculture and Rural Development (SSADR) DRC which was adopted in April 2010 and seeks to promote the: (i) improvement of access to markets and the development of improved rural and commercial infrastructure, (ii) development of the crop, livestock, fisheries, and smallholder farming sub-sectors, (iii) strengthening of governance, institutional capacity and human capacity development, and (iv) improved structuring.

Strategic and operational priorities

93. COSOP Priorities on Environmental Sustainability, Climate Change for Social Development: The proposed COSOP is underpinned by the logic of accelerating inclusive, sustainable economic growth, reinforced by a holistic resilience-building approach to climate change that promotes sustainable management of natural resources, and the environment, through capacity-building of national institutions and communities, focusing on two strategic objectives areas with multiplier effects. To achieve these objectives; the SECAP COSOP recommend the following:
94. Seizing opportunities to create impact on the poorest while building their resilience to climate: The DRC COSOP will contribute to make the on-going process of rural transformation inclusive and sustainable by specifically supporting smallholders in remote and marginalized areas with a focus on excluded. To contribute to this goal, the IFAD-supported country program will focus on pursuing two strategic objectives, which have been chosen on the basis of IFAD strategic vision and comparative advantage, its global and in-country experience, and taking into consideration the shift in emphasis in the last COSOP and the national context. This COSOP should promote better targeting focusing on women and youth and indigenous people.
95. Safeguarding and De-risking IFAD future investments in the DRC: Climate Risk informed policies and investments must be promoted to address climate

vulnerability. Future IFAD investment opportunities and project interventions in the DRC should not have significant adverse environmental or social impacts or contribute to the climate change. However, because of climate change risks and impacts on the country and agriculture, which is still heavily dependent on rainfall and in accordance with IFAD SECAP, ***the future project have been classified under category B for the preliminary environmental and social impact assessment*** and moderate Preliminary classification of climate risk. However, the Savanah areas may be at high risk in the next coming years.

96. As a LDC and country in post country and fragile situation, and second largest tropical forest area in the world, the DRC plays a key role in environmental and climate benefits. The country could mobilize various sources of climate and environmental finance to address climate change to build the resilience of smallholder farmers. The country is one of the most vulnerable to climate change with ecosystems with international importance could mobilize environmental and climate funding from the GCF, GEF and AF, UN REDD, Payment for Ecosystems Systems and private sector. Because of the importance of the mining sector, corporate social responsibilities funds could be also mobilize to support the agricultural sector in a more sustainable way. Under this new country, The DRC should mobilize at least 25% of IFAD investment in terms of climate funds to build the resilience of the portfolio.
97. Non lending activities and Policy dialogue, agricultural policy reform for resilience development: As a post conflict country, and working towards building peace and sustainable development, policy dialogue between all parties (government, private sector, civil society) is extremely important to support an inclusive and climate resilience agricultural sector. IFAD should support the country dialogue in key reforms (agricultural/ environment) to boost growth in the sector. IFAD should therefore contribute to country policy planning processes with evidence-based policymaking, coordination with sectors ministries to implement the Paris Climate Agreement and report the NDCs, support the mainstreaming of climate into agricultural sector plan, national development and implementation of innovative portfolios of climate-resilient and low emissions investments. IFAD investments should focus on Integrated climate risk management in agriculture which combine, risk assessment and management; risk preparedness with development of early warning systems; risk reduction with the right adaptation options along the selected value chain and risk transfers to reduce vulnerability across key sectors.

Other operational considerations

98. Alignment on Government policies: The climate change and poverty alleviation, jobs creation both for youth and women are at the Centre of the DRC NAIP. Cross coordination will be need to design a series of policies, master plans and action plans to carry out the strategies. The Ministry of Agriculture and other ministries including the ministry of environment, forest and mining should design action plans/ projects to deal with the rural development and agricultural environment protection.
99. Beneficiaries interests in participation: Smallholder farmers including youth, women and indigenous people are interested in high income and good environment, but the challenge is how to organize them for collective action. Citizen engagement and shadow reporting must be adopted under this COSOP to ensure a full participation of youth/ women and indigenous people in all design investments process and implementation of activities.

Fragility assessment note

100. According to the World Bank (WB), countries are considered fragile when their average Country and Policy Institutional Assessment (CPIA) score is 3.2 or less. The average CPIA for the DRC was 2.8 as per last WB score (2017). In addition, DRC has a UN peace keeping mission in place since 1999 – the United Nations Organisation Stabilisation Mission in the DR Congo (MONUSCO) - to further confirm the fragility of the country. The Fund for Peace, an organisation that ranks fragile countries through the "Fragile States Index" gives the DRC 110.7 points, placing the country on "very high alert." The assessment made using a methodology of political, social and economic indicators put DRC at the 6th position of most fragile state (2018).
101. For IFAD, fragile states are defined at country level using a mix of the two above classifications and have identified two main indicators: i) weak institutional capacity; and ii) conflict. The DRC is a clear case living with weak institutional capacity as well as protracted conflict and can be classified as a very fragile state. As per IFAD's strategy for engagement in countries with fragile situations (2016), IFAD in its strategies and investments should give careful attention to risk management and resilience addressing root causes of conflict and fragility where possible and building on its comparative advantage or partnering with other organisations. Activities should also concentrate on institution building and have a flexible response to the fragile situation.

The Nature of DRC's fragility

102. Since its independence in 1960, the DRC has known turmoil, political instability, civil war, repeated armed conflict and corruption. In the more recent past, the DRC suffered a civil war from 1997 to 2003. During this time, dozens are armed groups involving neighbouring countries in the Great Lakes area were fighting in the Eastern part of the Country. In order to ease these tensions in the area following a ceasefire in 1999, a UN mission (MONUSCO) entered the country. These forces are still present in 2019.
103. In terms of governance and capacity, the DRC has attempted to implement a Federal system which is a relevant choice to decentralise power in a country whose area is about 2/3 of Western Europe (BBC) or approximately 2.3 million km². Unfortunately, weak capacity at Federal level and endemic corruption have led to very low budgets and funds never reaching Provincial Governments, who have never been able to carry out their roles and achieve their mandates.
104. In addition to conflict and weak capacity, there are also many risks led to climate change, as the country is prone to excessive flooding during the rainy season and droughts which were not known in the past. Furthermore, the presence of many minerals in DRC (diamonds, gold, copper, cobalt) make the country more fragile as these sectors attract people to work for hopes of higher incomes and with devastating work conditions and abandoning farms.

Fragility in the agriculture Sector of the DRC

105. The best indicator of the effects of fragility on the agriculture sector in the DRC is the results of IFAD previous projects. One does not have to go very far from the airport to see how the lack of investments in infrastructure effect the country. In the provinces, this lack of infrastructure can be categorised by inexistent or very difficult to access roads, rudimentary technologies on farms that have low production, little or no access to markets. Populations live in very precarious living conditions, have no access to clean water nor health care. Children are highly malnourished and women and young people (also indigenous people) are not fully integrated into society. In fact, violence towards women is widespread and

women's working conditions are difficult and often, women's contribution to a household is not recognized.

106. The situation is so destitute, that any small investment in the DRC has immediate impact on the populations. In fact, when analysing the results of past IFAD investments in the DRC, the quantitative data may not be of best quality, but the life changing stories that clean water and access to basic medical care can bring. Furthermore, the results of rehabilitating and building roads has been exponential, reducing travel times and reducing transportation costs, opening up entire region to the influx of goods and the possibility of selling agricultural surpluses. On the institutional side, Provincial governments and their services exist in theory but do not have the knowledge nor the means to do their jobs and support operations. As a result, they have become beneficiaries in the project as well. Institution and capacity-building is also essential to any operation in the DRC, even when it comes to roads. As it stands all infrastructures are at risk as Provincial governments will not do the maintenance work. With the difficulty in making communities understand the importance of social goods, the maintenance by the communities is at risk.
107. Another major consequence of weak capacity and corruption in the country has been poor financial management and ineligibles that lead to a two year suspension.

Risk mitigation for the DRC fragile situation

108. The main risks posed to the IFAD portfolio in the DRC are the following:

- Possible outbreak of armed conflict
- Low capacity of institutions and government
- Low capacity of project teams
- Lack of women empowerment and inclusion
- Low attractiveness of agriculture and mining sector

109. The mitigating strategy for this COSOP is to include at all levels institution and capacity-building for Governments, project teams, organisations as well as some private sector operators.
110. The agriculture sector needs to be modernised at the COSOP suggests in order to attract young people to farming and give them employment opportunities as well as increase yields, profitability and livelihoods, which will also have an effect on nutrition and peace.
111. Further, flexibility is important in designing any new operation for the DRC, the changing political scene and overall fragility and vulnerability of the country make it important to have activities that can be adapted as things change.
112. Finally, partnerships such as the RBAs and others should be mobilised and pooled so that efforts can be concentrated in areas where each agency has a comparative advantage and can work together towards achieving the SDGs.

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Agreement at completion point

Preamble

113. The previous COSOP (2012-2016) has not been the subject of a completion report itself. However, the simultaneous analysis of the performance of this COSOP and its predecessor for the period 2003-2011 was an integral part of the Country Strategy and Program Evaluation (ESPP) report conducted in 2017 by the Independent Office. (IBE). This annex presented in lieu of Completion Report is an excerpt from Chapter VI titled "Synthesis of the Performance of the Country Program Strategy" ESPP Report 2017.

Synthesis of the performance of the country program strategy

Strategic Relevance

114. This section of the report assesses the relevance of the strategic objectives and COSOP design for the 2003-2011 and 2012-2016 periods.
115. **Extent of COSOPs.** After a long period of suspension of IFAD assistance to the DRC since 1993, in view of the ongoing peace process in the country and following an arrears settlement agreement approved by the IFAD Governing Council in April 2003, the first COSOP was prepared and approved by the Board of Directors in September 2003. This COSOP was initially to cover a period of "three to five years" but was extended until 2011. This extension was justified in particular by the delays in the elaboration of the National Agricultural Policy and Sectoral Strategy for Agricultural and Rural Development, and the alignment of the PIRAM project development objectives identified in mid-2007, approved in December 2008 and funded by the 2007-2009 budget allocation cycle with those COSOP 2003. The current COSOP was prepared during 2011 and approved in December 2011, covering the period from 2012 to 2016. The preparation of the new COSOP is just in time for the project pipeline, as its approval preceded by a few months the formulation of the PPAKIN project which is part of this new strategic direction. Its timing also brought it in line with the objectives and orientations of the new Growth and Poverty Reduction Strategy Paper (GPRSP-2 for 2011-2015, which was being prepared in parallel with the COSOP) and the Sectoral Strategy for Agriculture and Rural Development (SSADR for 2010-2015, published March 2010).
116. **Process.** As IFAD procedures have evolved in the meantime, the two COSOPs have not followed an identical process. It is difficult to evaluate the participatory approach of the COSOP 2003 because its development process is not documented, and the document itself does not mention the methodology adopted for the formulation of the COSOP. Overall, the lessons learned mentioned in the 2003 COSOP are very sparse and do not reflect the extent of the risks but also the opportunities that arise for IFAD's work in the DRC. The strategy draws on IFAD's "substantial experience" in post-crisis contexts and merely lists, as useful lessons, the areas of intervention mentioned in IFAD's regional strategy for Africa. West and Central, from 2002.
117. With regard to the 2012 COSOP, there are several documents that can be used to retrace the formulation process, which has been, as a whole, a participatory process involving the Congolese authorities, beneficiary representatives and development partners. Three workshops (in Rome, Kinshasa and Kisangani), in the presence of the Government and development partners, were organized and the document was peer reviewed externally (FAO, World Bank) and internal ". Overall, the comments were taken into account in the final version of the document. In this COSOP, lessons learned from IFAD's experience in the country during the past 8 years are frankly identified. The questions related to the supervision and the implementation of the activities are detailed and axes of interventions are proposed.

118. **Internal logic of the COSOPs.** The Theory of Change in the Country Strategy and Program (Annex VII) was used to analyze the internal logic of the COSOPs since they, including their results management frameworks, are not very clear on the causal relationships between the different levels of change expected by the program (overall objective, strategic objectives, institutional objectives, key results). The results management framework of the 2003 COSOP is too sketchy and does not seem to have been formulated to serve as an M & E tool. For the COSOP 2012, the chains of change between strategic objectives and general objectives are too long and the raising of the professionalization of the POs to the level of strategic objective, risks to make it a goal in itself rather than a means to reach the other objectives of the COSOP. In addition, objectively verifiable indicators of results management frameworks present several problems. This important focus on FOs could explain why the capacity-building of state services or private services has very often been left out by "putting the package" on the structuring of FOs. A more detailed critical analysis of the internal logic of COSOPs is presented in Annex VII.
119. **Relevance of strategic objectives to IFAD's strategic frameworks.** The strategic objectives of the two COSOPs are presented in Table 7. The 2003 and 2012 COSOPs are broadly aligned with IFAD's strategic frameworks. The regional strategy for poverty reduction in West and Central Africa in 2002 strongly inspired the formulation of the COSOP 2003 both in the choice of its strategic axes and in cross-cutting approaches (gender, participation, local know-how).) that it advocates. However, the fully justified focus of the COSOP 2003 on support for health and nutrition services (Specific Objective 4) is not reflected in the objectives of the Regional Strategy or in those of IFAD's Strategic Frameworks 2002-2006. and 2007-2010. On the other hand, the specific objective 4 of the COSOP 2003 is highly relevant to the 1998 IFAD guidelines for post-crisis interventions.
120. Renewed in 2008, the COSOP 2003 is broadly relevant to the IFAD Strategic Framework 2007-2010, although it provides for two dimensions that are almost absent from IFAD's strategy in the DRC: access to financial services and promotion rural entrepreneurship (business creation in rural areas). Similarly, the 2012 COSOP strategic objectives align with those of IFAD's strategic framework for 2011-2015.
121. **Relevance of strategic objectives to DRC policies and strategies.** At the time of preparation of the 2003 COSOP, there was no specific policy or strategy for the agricultural or rural development sector in the DRC. The strategic objectives of the COSOP, however, are largely consistent with the "actions" proposed in the Interim Poverty Reduction Strategy Paper (2002) aimed at restoring the agricultural and fisheries sectors in order to improve productivity and food security. The 2003 COSOP has also remained largely relevant to the July 2006 Growth and Poverty Reduction Strategy Paper (GPRSP-1). However, a number of important elements mentioned by this strategy could not be integrated into the three projects under the COSOP 2003, nor indeed in the COSOP 2012, such as the revival of the seed centers (the option chosen by projects being the multiplication of seeds within producer organizations).
122. The 2012 COSOP broadens IFAD's strategy in the DRC towards supporting agricultural production and marketing to supply the growing city of Kinshasa and promote the employment of young people who are crammed into its periphery, while pursuing the support for the revival of the agricultural economy in more isolated provinces, suffering from a serious degradation of the socio-economic fabric and the productive apparatus through the three projects in progress at the time of its preparation. At the portfolio level, this implies an increase in the diversity of the issues addressed.

123. The 2012 COSOP aligns with the objectives of the SSADR and the National Program for Food Security (PNSA) which aim to "revive agricultural production in areas with high potential while developing a net of complementary food security actions in needs in all food insecure localities ". The priority in these strategic documents is given to family and industrial agriculture practiced in areas with high agricultural potential, high labour availability and open markets. The new COSOP also supports several strategic areas of the SSADR, namely: access to markets, improvement of crop production, institutional capacity-building and organization of the rural world into self-managed structures.
124. However, some elements do not receive the necessary attention in the new COSOP, or, in any case, are not translated into concrete support by his first PPAKIN project (nor in PASA-NK for that matter). These are the financing of the rural sector, the governance and revival of livestock, and the integrated regional approach advocated in the 2003 COSOP, which is still an important part of the Government's strategies.

Geographical targeting

125. The 2003 COSOP considered the use of poverty criteria "hardly feasible" given the acute poverty of rural areas throughout the country. Yet the choice of the provinces of Ecuador, Oriental and Maniema could well be justified on the basis of poverty criteria. For the selection of intervention zones within the provinces, the COSOP 2003, seeking a rapid impact of the interventions, proposed to favor the areas having: a considerable agricultural potential, a certain ease of access to the markets, an acceptable level of security , and received little help so far. In practice, the choice of areas of intervention within the projects corresponded well to these criteria. The PRAPO intervention zones could, moreover, be considered as an extension of those of the PRAPE upstream of the Congo River, connecting the cities of Bumba and Kisangani, two important ports on the River. The decision to go to the Province of Maniema was taken to create with PRAPE and PRAPO a large production area that can supply large cities and especially Kinshasa by river.
126. **The geographical focus of the 2012 COSOP** is very general in targeting "geographical areas structurally affected by the incidence of chronic food security and/or poverty" which could therefore include virtually the whole territory in the light of the realities of the country. Thus, it urges IFAD to continue its support in the areas covered by the three ongoing projects (Ecuador, Orientale and Maniema). However, the COSOP adds more defined areas: the outskirts of big cities, with the dual objective of reaching young unemployed people who have left more isolated rural areas, and supplying large cities with foodstuffs. PPAKIN straddles a zone of chronic and very poor food insecurity (food-producing district in the Bandundu Province) and the outskirts of Kinshasa, the largest city in the country (market gardening pole in Bas-Congo and just outside the city). Both areas have a high density of agricultural and rural development projects compared to the rest of the country. The geographical location of PASA NK in North Kivu can be justified - in the framework of the COSOP 2012 - by the strong dynamism of the POs, the food needs of the city of Goma and the outlets to the neighbouring countries, but is called into question by its security situation and the very high intensity of humanitarian aid and agricultural development projects that benefit the province. PPAKIN and PASA-NK have led to a dispersion of IFAD resources to regions with different constraints and opportunities, while the problems of remote areas remain clear.
127. While there is therefore a case for geographical targeting from one project to another, the main criticism of the evaluation concerns the continual change in the location of projects, resulting in a wide dispersion of projects. interventions - with the increase of the topics to be covered by the projects that this implies (not to mention complications and additional management and monitoring costs) - and too short a presence in each zone to have a lasting impact. Even within the projects,

especially PPAKIN but also to some extent other projects, the extent and dispersion of the intervention areas has led to very significant management challenges with a negative effect on efficiency and effectiveness. effectiveness of projects. Conscious of the need for a long-term commitment in this context of fragile state, the "theoretical" duration of the portfolio projects has been lengthened, from 5 years for PRAPE to 9-10 years for PIRAM, PPAKIN and PASA - nk. Yet, without a net improvement in portfolio efficiency, even this longer duration may not be sufficient to deliver convincing results in institutional capacity-building and sustainability. In addition, the extension of support to POs in the PRAPE and PRAPO intervention zones provided for in COSOP 2012 to consolidate gains has not taken place.

128. Response to the needs of the people. The COSOPs provide a good rationale for IFAD's intervention in the DRC, considering, on the one hand, the very high rates of rural poverty and food insecurity and the dependence of a high proportion of the population on family farming (and to a lesser extent artisanal fisheries), and, on the other hand, the Government's considerable need for financial and managerial support to meet the challenges of economic recovery in rural areas of the country. The analysis of the difficulties/problems and possible solutions is well developed in both COSOPs, with a little more detail in the more recent COSOP. However, the causes (the why) of the problems are not analyzed and the presentation of the problems in tabular form, although it allows to group them by theme (access to markets, access to inputs, access to technologies, etc.), nor does it show the links of cause and effect that may exist between them.
129. In addition, the Country Program does not respond effectively to several issues identified in the COSOPs. Although in most cases realistic solutions are proposed in COSOPs, their implementation is lacking, as is the case for marketing support or capacity-building of populations to manage (infra) structures the solutions proposed are not translated into concrete actions in the projects, as is the case for environmental and climate change issues, the promotion of youth employment, or the political dialogue to increase the budget of the State dedicated to the agricultural sector. Support for rural financial services has not been mainstreamed into the COSOP focal areas or strategic objectives, but is a key outcome (with a corresponding indicator) in the strategic objective of capacity-building of POs. This element remains absent throughout the country programme.
130. **Targeting.** The 2003 COSOP is rather vague on who precisely the targeted populations are and the finer determination of the target populations is left to the project designers. In practice, although the three projects under this COSOP had a fairly good vulnerability analysis in their design, they did not translate this into a differentiated approach according to vulnerable groups. The target groups of the 2012 COSOP are the small producers who are dedicated to specific and priority crops in high potential areas identified in recent agricultural policy documents (cassava, rice, maize, etc.), as well as structures providing inputs and services. development of targeted sectors. Women, youth and indigenous peoples are considered priority subgroups of the COSOP. Completed and ongoing projects, largely based on self-targeting using POs as a gateway, have not targeted particularly vulnerable populations with their actions to support agricultural production (see also paragraphs 96 - 98).
131. Risks and mitigation measures. Although intervening in a context of transition between a period of conflict and post-conflict, the COSOP 2003 identifies no specific risk for the success of the strategy and the portfolio. This lack of risk analysis and the implementation of mitigation measures was reflected in the design and performance of the portfolio and resulted, in particular, in underestimation of costs and overestimation of management capacity. and technical at all levels and powerlessness of projects in the face of state dysfunction.

132. For its part, the 2012 COSOP identifies three main risks and their mitigation strategies, namely: (i) the risk of political instability, to be mitigated through participation and support to peacebuilding initiatives; ii) the risk of corruption, mitigated, inter alia, by the presence on the ground of the CPM, and; iii) the risk of climate change that requires the adoption of a strategy for adaptation and strengthening the resilience of populations to climate change. While these are real and significant risks facing the IFAD portfolio in the DRC, the proposed mitigation measures are either insufficient or weakly implemented.
133. In addition, the risks identified as critical assumptions in the Theory of Change (Annex VII) related to the potential exclusion of vulnerable populations from POs, the weak capacity of deconcentrated state services, and the low level of private sector investment in rural areas, and lack of recognition of the importance of small-scale family farming as a driver of development, are not included in the COSOPs.
134. **Taking into account fragility.** The examination of the two COSOPs shows a weak consideration of the fragility of the country. The description of the state of the country emphasizes the various consequences of conflict. On the other hand, the notion of fragility is not clearly mentioned and the causes of fragility are not analyzed.
135. However, the two COSOPs provide for a number of measures that can help to alleviate the context of fragility and among which the COSOP 2003 can be mentioned: (i) flexibility in business planning; (ii) investment in simple operations that can be easily managed and supervised; and iii) the use of local NGOs. Similarly, some of the COSOP 2012 guidelines were consistent with the principles of intervention in fragile states as well as IFAD's role in them, such as the geographic targeting strategy, which prioritizes geographical areas structurally affected by the incidence of poverty. chronic food insecurity and/or poverty (but this would include virtually the entire country) and the use of donations to facilitate the revival of activities in a post-war context (which was very little put into practice and given inconclusive results - see the integrated bio-economy project).
136. **Comparing COSOPs with IFAD guidelines**, the following weaknesses exist: (i) the targeting of beneficiaries does not highlight a prioritization of the most vulnerable populations in the intervention areas; ii) the contribution to state building is marginal and not structural, iii) the low contribution of projects in developing the culture of accountability and the low ownership by stakeholders of related practices. ; iv) lack of capacity-building and private sector promotion initiatives, and v) low attention to the sustainability of project impacts.
137. In summary, the timing of the COSOPs was appropriate in relation to the evolution of country policies and strategies and the genesis of the pipeline of projects. There have been improvements from one COSOP to another, particularly with regard to their preparation process and the identification of risks and elements of fragility, but these have not really been translated into a better take account for risks and fragility in the Country Program. COSOPs are well aligned with evolving Government policies and strategies, consistent with IFAD's strategic frameworks, and respond well to the needs of the rural poor, although some important elements remain absent or have been abandoned in the program, such as the support for basic social services, support for rural finance, support for livestock and fisheries, and improvement of environmental management and adaptation to climate change. In addition, the results management frameworks of the two COSOPs have several weaknesses, in particular with regard to the level of change at which the strategic objectives and the choice of their indicators are positioned.
138. Although project-based geographic targeting can be justified from one project to another, interventions are too dispersed, either geographically or in terms of themes to be addressed, and their local presence has been too short for have a lasting impact. The duration of the projects has been progressively extended, but

without improving their efficiency this lengthening may not lead to the expected improvement in the results of capacity-building and sustainability. The definition of target populations and targeting strategy by the two COSOPs is very vague, leaving them to projects, based on an in-depth analysis of vulnerability. In practice, projects depend largely on self-targeting and the risks of exclusion of the most vulnerable populations and of profit capture by elite members of POs or politicians are all the more important as projects work at a higher level. higher producer organization. Other risks not taken into account in the strategy and the Country Program relate to the weak capacity of deconcentrated state services, low private sector investment in rural areas, and lack of recognition of the importance of small-scale family farming. as a development engine in the national political vision. Based on these findings, the relevance of the COSOP is considered rather unsatisfactory (3).

Effectiveness of the strategy and country program

139. The evaluation of the country strategy determines to what extent the strategic objectives of the COSOPs have been achieved, and to what extent this can be attributed to the IFAD Country Strategy and Program in the DRC. The strategic objectives of the two COSOPs are quite similar with the exception of the target for access to basic social services, which was abandoned for the second COSOP. To avoid repetition and synthesize the analysis, the strategic objectives of the two COSOPs have been reformulated without changing their meaning or intent. In the Theory of Change of the Country Strategy, the first three strategic objectives analyzed below correspond to intermediate changes between expected results and impact. This is an appropriate level of analysis to evaluate the effectiveness of a COSOP. To respect the presentation of the COSOP objectives, we also summarize the performance of the country strategy against a fourth strategic objective regarding the professionalization of FOs, although this is a change in the expected results, therefore at a lower level in the results chain (see §319). Finally, the level of achievement of the institutional / political objectives of the COSOP 2012 is also evaluated.

Professionalization of farmers' organizations serving small producers

140. Despite the relatively large number of structured and supported FOs, the Country Program contributed relatively little to this target in the areas of intervention of the two completed projects due to the short and low intensity of support. As a result, the viability of POs, their unions and federations is quite low; they lack a real "leadership" and have remained mostly in a mode of waiting for external support. The management capacity of POs and unions remains weak and organizations that have been able to develop sustainable collective activities are very rare. For example, the purchase of inputs or the bundled sale of products has not been done within POs, nor access to micro-credit. No union has managed to create a working capital from the agricultural and fishing kits distributed to them by the projects and only one or two have managed to develop an income-generating activity that showcases agricultural product transformation obtained from the project.

141. It is too early to judge the effectiveness of PIRAM and PAPAKIN in professionalizing POs. It should be remembered, however, that these projects started from a different base: POs and their supported unions already existed before the advent of these projects and the majority had already benefited from other support and projects. This is an element that greatly increases the probability of success of their professionalization. However, the PIRAM approach does not seem fundamentally different from that of previous projects, the focus being initially on the basic POs, and many delays and the scattering of support put at risk the achievement of this objective. before the end of the project. In contrast, the PAPAKIN works primarily with the unions of POs, which must evolve towards

structures that support their PO members to structure themselves and develop collective economic activities.

142. Thus, already since before the project a dozen unions supported their PO members in various economic activities such as the supply of inputs, and the collection, processing and transport of products to the market, which gives hope that these OP and their unions can evolve into real economic partners in rural areas. The risk in this approach is, however, that the unions are not governed in a fully transparent manner and do not take into account the interests of small farmers who are members of the basic POs. Thus, the project also began to directly support POs at the grassroots level. Presumably, a mixed approach where both levels are supported in parallel is the most appropriate.
143. **At the national level**, IFAD supported the participation of FO confederations in the Thematic Group Agriculture and Rural Development. WECAFC and CONAPAC have benefited from the PAOPA Regional Grant to equip their offices, hire a minimum permanent staff, and strengthen their political advocacy. CONAPAC has thus been able to carry out an active campaign for the increase of agricultural budgets, the increase of land security and the question of the establishment of agro-industrial parks. IFAD has also ensured that confederations take part in the Steering Committee for IFAD-financed projects. CONAPAC and WECAFC have also been involved in the design of PASA-NK, notably by participating in the institutional diagnosis of certain North Kivu POs.
144. It is noted, however, that with the exception of Kongo Central Province (formerly Bas-Congo, where PPAKIN intervenes), there does not appear to be close links between national confederations and provincial federations, on the one hand, and the unions and federations supported by the projects, on the other. The majority of small producers who are members of grassroots POs are not aware of what provincial federations and national confederations are doing for their rights.

Growth of agricultural production

145. Both the PRAPE and PRAPO intervention zones have experienced a significant increase in agricultural production following an increase in yields and an increase in the area planted. The increase in yields, ranging from 40% to 100% depending on the crop and the locality, was mainly due to the improved seeds and healthy cassava cuttings distributed by the projects, a fairly large volume of which was multiplied by the producers themselves, but also through the adoption of improved technical itineraries. The areas cultivated per household doubled in places, probably due to the opening up and growth of local demand following the revival of the non-agricultural economy. It is to be feared, however, that this growth is not sustainable considering that the supply of seeds and other agricultural inputs is not stable in these areas, agricultural advisory services are non-existent outside the projects, and competition imported food products (notably Asian rice) are very strong.
146. PIRAM and PPAKIN also rely heavily on the multiplication and distribution of seeds to boost agricultural production, but have so far been relatively weak at this effect due to administrative delays, the low planning capacity of PMUs and weaknesses in public partners. Through the CEP, improved technical itineraries are introduced effectively, but PIRAM has largely been limited to rainfed rice and cassava while PPAKIN, in its market gardening pole, still does not seem to have really managed to meet the needs. Producers looking to display their crops on the off-season in order to obtain a better price.

Improved access to local markets for small producers

147. Improving market access had to be achieved in two dimensions: improving "physical" access to markets and "intangible" access through support for organizations, small producers, and setting up market and price information systems.

148. It is mainly physical access that has been promoted by the Country Program, particularly with the rehabilitation of approximately 868 km of rural roads. An important issue relating to the sustainability of roads and tracks concerns their regular maintenance by the CLERs. IFAD joined BTC advocacy at the national level, which led to the establishment of a pilot scheme for the management of CLER by FONER.
149. There is little storage infrastructure and small processing units supported by the projects and their management needs to be improved, but the revival of the agricultural economy in the PRAPE and PRAPO areas has indirectly led many private entrepreneurs to invest. in processing, especially (and mainly) dehulling of rice. The pilot experience within PIRAM helping some unions to provide processing services for their member POs has not yet achieved satisfactory results. Strangely, the selected unions do not contain any basic PIRAM supported OPs, completely disconnecting this pilot experience from the rest of the project.
150. In terms of "soft" market access, the results are much weaker. No PO or union has managed the collective sale of products with the support of PRAPE and PRAPO. At the PPAKIN level, about 40% of the supported unions were already providing commercial services to their member FOs prior to the project's arrival, but the project has not yet paid much attention to the processing and marketing of the products even though most of the producers we met raised marketing as their main challenge.
151. The Country Program has so far not contributed to the development of a market information system as provided for in the COSOPs and their design. In addition, neither the projects nor the IFAD Country Office have engaged in a dialogue with the authorities on how to reduce the red tape that makes it more expensive to market and market agricultural commodities lowering the price of products paid to producers.

Improving access to basic social services in impoverished communities

152. The access of poor people to basic social services has improved somewhat thanks to the CP, but to a degree below expectations and heterogeneous depending on the areas of intervention due to the sharp revision of targets for decrease for all three projects under the COSOP 2003, and the lack of sustainable means and mechanisms for operation and maintenance. The contribution of the program is mainly to health centers, primary schools and water points built or rehabilitated and equipped, but also to the direct training of health personnel and management committees of these infrastructures, and to the indirect training of many local companies contracted to carry out the construction and rehabilitation works.
153. The rehabilitation of rural roads also plays an important role in people's access to social services. These positive developments are to be contrasted with the areas where projects have not been able to intervene as planned, such as the Mbandaka hinterland (PRAPE), where the deterioration of basic social services has further increased. Access to drinking water has also slightly improved in the project intervention areas.

Institutional objectives/policies of the COSOP 2012

154. While the IFAD Country Office reportedly addressed the topic very frequently at WG9 meetings, IFAD's experience in the DRC did not feed into advocacy tools for increasing the state budget allocated to Agriculture. Despite the commitments made by the Government by signing the Maputo Declaration, the budget allocated to agriculture (about 3%) has hardly changed over the period covered by this evaluation, which is not surprising considering that the The national budget is very inadequate to cope with the country's huge development needs, including those of

agriculture. Similarly, the provincial governments are still not allocating any budget to strengthen FOs, and the country program has not committed to this goal.

155. The involvement of Provincial Ministers and Agricultural Inspectors in IFAD projects has only become a reality since 2015 with their participation in the PIRAM and PAPAKIN Project Monitoring Committees. The role of deconcentrated services has also evolved positively, with a relatively greater involvement in the PAPAKIN project. Yet, although agriculture has become, by the Constitution, the sole jurisdiction of the provinces, the IFAD program has not so far contributed to strengthening the institutional set-up of the agricultural sector at the provincial level, which would have allowed better coordination and management of agricultural research and advice at this level in a logic of sustainability.
156. The IFAD program has also not contributed to the preparation of a road map with other development partners and central and provincial governments around the adaptation of the NASP to the provincial level. In fact, the Government largely left the NASP aside once the NIPA preparation process began, to which the IFAD Country Office and a number of country-level senior staff and consultants contributed to the Country Program.
157. With regard to the target that 15 per cent of provincial development projects in the targeted areas would be related to agricultural revival and nutrition security, the country program also did not commit to it, and There is no monitoring of this indicator at the country program level.
158. In summary, the Country Program has certainly contributed to its strategic objectives, but in a rather ad hoc manner, both in time and space, and very often remaining below targets. Among the most significant changes are access to education and health services (PRAPE and PRAPO), physical access to markets (all projects), increased agricultural production (especially PRAPE and PRAPO, for the moment), the structuring of POs at the grassroots level and the strengthening of advocacy by the national peasant confederations. The effectiveness of the Country Program has remained below expectations with regard to the professionalization of POs (unions and federations), economic and social infrastructure management systems, market access and seed production. quality on a large scale, all essential elements for the sustainability of the intermediate changes and expected impacts of the Country Program. In addition, virtually no progress has been achieved in institutional / policy objectives. In sum, the effectiveness of the country strategy and program is considered rather unsatisfactory (3).

Other strategic issues

159. **Youth inclusion.** Young people were generally considered by the portfolio projects as one of the priority categories to target. The inclusion of young people in the socio-economic fabric of the country in general, and in IFAD project areas in particular, is a major challenge to the effectiveness and sustainability of these projects. In fact, the difficult conditions and low productivity of agricultural activities often push young people to other more attractive activities such as mining work, often in precarious conditions. Many of them, who do not find their accounts in the mines or in the marginal activities of agriculture and fishing, end up migrating to urban centers in search of jobs and some of them may even be tempted by illegal activities. The 2012 COSOP is particularly targeted at unemployed youth living in the periphery of large cities, to be inserted into agricultural and extension sectors to create training, employment and income opportunities.
160. Nevertheless, the Country Program has not developed and implemented any specific targeting and integration strategies for this category. However, it should be pointed out that PRAPE and PRAPO have made some efforts to take young people into account through the rehabilitation of schools and the support of provincial inspectorates of education. In addition, PRAPO has made an extra effort to promote

the enrollment of girls. For other activities, such as training and support in seeds and agricultural kits, youth were not specifically targeted and the M & E systems of these two projects did not capture the degree of integration of young people in the rural areas. different activities.

161. With regard to PIRAM, young people have been taken into account only through their targeting among the priority category groups. Thus, the design envisaged the targeting of 2200 young people among these categories without, however, proposing specific actions or programs. At the implementation stage, this good intention has not been formally achieved as this category has not been specifically targeted by any Project action so far. However, the socio-economic context of the area required the development and implementation of a specific strategy for the inclusion of young people, as many of them began to be attracted to the agricultural sector, especially those who lost their jobs with the former mining company that operated in the Kalime area (Pangi Territory) as well as those who were evicted from the artisanal mining sector following the arrival of a new mining company. gold in the territory of Kabambare. In addition, the lack of action in the field of education (as was the case in PRAPE / PRAPO) and the low efficiency of actions to improve access to health did not allow for an account taken consistent young people.
162. PAPAKIN also needed to make some efforts to integrate youth into the structuring and capacity-building of FOs. Nevertheless, the proportion of young people in the total population formed represents only 24%, which is very low, given the youth of the Congolese population.
163. Considering the relevance and rather unsatisfactory effectiveness of the IFAD country strategy and program in the DRC, which is consistent with the relatively weak performance of the portfolio, non-lending activities and IFAD and Government partners, performance overall is considered rather unsatisfactory (3). Table 16 below summarizes the main notes of the evaluation.

Key points

- The analysis of the two COSOPs shows an improvement, from one COSOP to another, in their formulation process and in the context analysis, including the identification of risks. However, neither of them really addresses the causes of fragility.
- COSOPs are well aligned with evolving Government policies and strategies, as well as with IFAD's strategic frameworks. They respond to the needs of the rural poor, although some aspects, such as rural finance or climate change adaptation, are absent.
- Geographical targeting of IFAD operations is too dispersed and does not allow for local ownership that can support sustainability.
- Social targeting is not specific enough and relies mainly on self-targeting. The risk of exclusion of the most vulnerable populations and capture of profits by elite members of FOs or politicians is thus great.
- Although targeted by the COSOPs, some vulnerable groups such as war displaced, indigenous pygmies, landless and youth have been poorly affected by the projects.
- IFAD-supported projects contributed only partially and occasionally to the COSOP strategic objectives. Significant changes were noted in access to education and health services as well as in markets, the structuring of POs and the increase in agricultural production.
- The results have been insufficient in key areas for sustainability, such as the professionalization of peasant organizations (unions and federations), economic and social infrastructure management systems, or a large-scale quality seed production system.

COSOP preparation process

164. Led by the Ministry of Agriculture, the process of developing the COSOP (2019-2024) was launched on September 25, 2018 by the IFAD Director of the country sending the DRC Minister of Agriculture for the inform of the need to formulate a new COSOP.

The COSOP mission team is composed of:

Abdelhaq Hanafi: IFAD Director for DRC and RC, Head of Mission
 Ephraim Balemba Gubandja: Program Officer
 Magid Slama: Agricultural and Rural Development Specialist, Lead Consultant
 Victor Dimandja Vicky: Environment/CC Specialist, National Consultant

Distance support insured by
 Amath Pathe Sene: IFAD Regional Specialist on Climate Change
 Khadidja Doucoure: IFAD Regional Specialist on Gender and Targeting
 Adriane Del Toro: WCA Programme Officer

165. A document review was undertaken by the principal consultant during the month of September 2018. The COSOP Mission visited the DRC from 9 to 25 October 2018. The work program of the mission was as follows:

Date	Activities
Wednesday, 10 October	Briefing and document gathering meeting
Thursday, 11 October	Discussion with the Minister of Agriculture on the strategic priorities of the agricultural sector, provinces and small producers to be targeted by IFAD's future projects in the DRC
Friday, 12 October	Discussion on the strategic orientations of the COSOP with the Secretary General of the Ministry of Agriculture and Chair of the IFAD Portfolio Steering Committee in the DRC
Saturday-Sunday: 13- 14 October	Document Analysis and Report Writing
Monday-Friday: 15 to 19 October	Skype meeting with A.Pathe Sene, CC specialist, IFAD Discussion with Victor Dimandja Vicky, National Consultant Meeting with the PPAKIN project Discussion with design team
Saturday-Sunday: 20-21 October	Analysis and drafting of the report
Monday, 22 October	Consultation meeting with the design team
Tuesday, 23 October	Meeting with the PDP-FVC National Coordinator Meeting with the AfDB country office Consultation meeting- Technical Working Group
Wednesday, 24 October	Exchange with FAO team (resilience + Post harvest losses) - Preparation of the PowerPoint presentation
Thursday, 25 October	Pre-validation meeting chaired by the Secretary General of the Ministry of Agriculture

166. The pre-validation meeting of 25 October 2018 was attended by a wide audience including: two provincial ministers of agriculture, two secretaries general of the Ministry of Agriculture and Rural Development, all members of the steering committee, all members of the Technical Working Group, members of the COSOP team, coordinators of PMUs, representatives of producer organizations and civil society, representatives of private partners and ongoing IFAD projects.

167. The OSC and validation workshop were postponed to April to accommodate Presidential and Parliamentary elections and formation of new Government in March 2019.

Strategic partnerships

Partnering objectives	Partners/networks/platforms	Partnership results and outcomes	Justification for partnership	Monitoring and reporting (to be completed for CRR and CCR)
Engaging in policy and influencing development agendas	Comité national pour la promotion de l'agriculture familiale (CNPAF RDC)	Better inclusion of the "family farming in the objectives and strategic approach" of the new National Strategic Development Plan and NAIP,	CNPAF is a new national umbrella gathering national farmers organizations, local and international NGOs, and SME involved in family farming.	Meeting reports Annual workshop Annual report
		Better incentives in favour of family agriculture and SME in the 2011 Agriculture Act revision process	CNPAF is piloting the implementation of the Agenda of UN Decennia for Family Agriculture beginning in 2019. Government is designing the PNSD 2018-2050 and the new NAIP 2021-2031. Farmers organisations under the CPAF umbrella have engaged in advocacy for the revision of the Agriculture Act	
	CONAPAC, COPACO, UNAGRICO Ministry of Agriculture, Ministry of Finance, Congo Central Bank, AFRACA	Materialization of the National Agriculture Development Fund stated in the 2012 Agriculture Act	National farmers organisations and the Ministry of agriculture have started discussions for the creation of the FONADA, but they lack financial and technical support to materialise	FONADA concept note National workshop Experts reports Agreement creating the Fund, by Ministry of Finance and Congo Central Bank
	Provincial Authorities (governors, Local parliaments, local ministries of agriculture), local FO SAKS	Better ownership of agriculture strategic planning, projects and investments by provincial authorities as stated in the DRC Constitution Policy analysis paper by SAKS in support for better inclusion of the provinces in agriculture	The DRC Constitution states agriculture as an exclusive competency of provinces. But the later lack voice, negotiation capacity, finance and expertise to hold their prerogative. SAKS is a national think tank involved analysis and in the implementation of the PDAA agenda	2 Provincial projects steering committees/year Involvement of provinces in national steering committee Policy analysis paper Provincial acts on agriculture Training program dedicated to provinces
	SAKS AFRACA Businesses trade organisations (FEC, FOLECO, FOPEMECO)	Improvement of fiscal incentives for medium and bigger investors and financial institutions in the most remote rural areas	AFRACA as a pan-african organisation has proposed a series of activities to improve rural credit and investment in member countries	National workshop report
Leveraging cofinancing	OFID	US\$ 75 million (based on the agreed regional targets for domestic cofinancing for IFAD 11)	Key partner yet involved in our current portfolio co-investment (PIRAM, PASA-NK), and willing to increase their contribution for the coming projects	End may 2019 OFID DRC mission report Loan agreements Projects reports
	AFDB	Up to US\$ 40 million (based on the agreed regional targets for domestic cofinancing for IFAD 11)	AFDB and IFAD are scheduling to make co-design and co-investments in the same areas	Meeting minutes
	Green Climate Fund (GCF) + Global Environment Fund (GEF) + Climate Investment Funds (CIF)	US\$50 million (based on the agreed regional targets for domestic cofinancing for IFAD 11)	Steps are engaged to raise a first stage US \$10 million using the GCF-SAP mechanism. Funding upgrade will be	First Concept note design in June-July 2019 Submission to GCF secretariat in August-

			undertaken after ICO acquiring experience with Climate funds.	September 2019
	SSTC	US\$ 1 million (based on the agreed regional targets for domestic cofinancing for IFAD 11)	SSTC funds from China, Brazil or India to be mobilized in capacity-building, innovation and small investment matching grants funds	Submission of concept note on China SSTC in September 2019
	Heineken Foundation	US\$0.5 million for Y initiative to link 10 000 rice farmers to Bralima breweries	Actively engaged in brewery value chains in project location and will to expand purchasing raw rice from small farmers support by IFAD funded projects.	e-mail : Re-launch discussions held in 2016-2018, interrupted by the portfolio suspension
	Packard Foundation	US\$ 0.2 to support small producers	Packard Foundation works in sustainable agriculture, rural development, and conservation. PF has expressed strong interest to work with IFAD Funded projects in DRC.	e-mail : Re-launch discussions held in 2016-2018, interrupted by the portfolio suspension and the breakdown of Ebola which prevented a field mission from PF.
	Arab Bilateral and multilateral funds (BADEA, Kuwait Development Funds, ...)	US\$100 million (based on the agreed regional targets for international cofinancing for IFAD 11) for Y initiative	Strong interest and looking for intermediary agents with strong fund management capacities like IFAD to channel their investments in Congo	e-mails launching contacts
Enabling coordinated country-led processes	SAKS	Jointly financed support for agriculture statistics and strategy documents	Key public think tank and data collector supported by IFPRI and working with the national data institutions (INS, SNSA)	Meetings minute Strategic note Data collection project
	GIBADER-GT 9	Organization of at least 1 Working group (GT9) with the Ministers of agriculture, fisheries, livestock and rural development	Key platform for coordinating donor activities that has strong government support and engagement	GT9 meeting minutes
	RBA	Collaborative initiatives on nutrition, resilience, post-harvest losses, farmers field schools and involvement of small farmers in Purchase for Peace Program.	IN DRC, RBA are developing growing common initiatives	RBA meetings Common projects design Common project reports
	UNCT	Improved UNDAF design and monitoring	After suspension lifting, IFAD is increasing the participation in the UNDAF design and meetings	UNCT meetings UNDAF working groups meetings
	Civil Society and NGO Platform (CNONG,)	Develop partnership with national platform of NGO and civil society organizations	Platform is highly active and has created good links between field level NGOs and Government	Meetings minute
Developing and brokering knowledge and innovation (including SSTC)	IFPRI/SAKS	Support for survey on impact of the IFAD funded projects	IFPRI is highly respected in country, has started this work via SAKS and is critical for better understanding in IFAD project areas	Meetings minute Grant agreement Technical reports
	SNSA	Improved capacities for agriculture data collection and analysis	SNSA is a public service imbedded in the Ministry of agriculture.	Meetings minute Grant agreement Technical reports
Strengthening private sector engagement	Agribusiness in palm oil, seeds, vegetables, cassava, maize, rice chain value	Develop joint project on several value chains in project areas	Promoting 4P in the IFAD projects areas	Meetings minute Agriculture contracts

	Federation des entreprises du Congo (FEC) and other Business trade unions	FEC has a better understanding of key policy issues impacting smallholder commercialization and advocates for change	FEC has always been involved in advocacy for economic diversification based on agriculture	Meetings minute
Enhancing visibility	Local medias and social medias	Improved image and visibility of IFAD funded projects	IFAD and funded projects have hired specialists in communication and knowledge management	Number of broadcastings Articles in newspapers Presence in social medias
	National farmers' organizations	IFAD participates and presents at key forums	Active national organizations that hold high profile events with strong links to producer organizations in IFAD projects	Meetings and forums minutes

South-South and Triangular Cooperation Strategy

168. The Government of the DRC realizes the potential interest of the SSTC included in the IFAD Strategic Framework 2016-2025. To enhance the visibility of IFAD's comparative advantages and expand its work in this area, IFAD will engage with the Government on ongoing partnerships relevant to the SSTC to learn, consolidate and diversify. In the context of the SSTC, IFAD will play a catalytic role and share knowledge between the DRC and other countries.
169. Given the fragility context in the DRC, it is a good candidate to integrate many lessons from neighbouring countries and build on linkages from the sub-region. SSTC can be envisaged in integrating DRC projects into learning that is happening in neighbouring Rwanda, Burundi, Kenya as have been done in the past. This is particularly relevant to ease tensions between the countries and is a good opportunity to partner with countries that have very similar agro ecological areas. SSTC can also be envisaged with Nigeria for cassava production and processing of which they are at the forefront. Exchanges can be sought with Cameroon through the regional hubs so as to learn from its model of success exporting of produce into all of west and Central Africa – which is quite a unique case. Success stories for institution building and reinforcement of governance should be sought and exchanges considered to help the DRC further its transition into good governance and transparency. The election of a new government is a unique opportunity to introduce game changers. Finally, SSTC should be considered along the Delivery units to exchange with other countries who have had success use of this approach to improve the experience in the DRC.
170. For future investment programs under this COSOP, IFAD will develop a programmatic approach to SSTC and mobilize grant-based funding to facilitate learning and scaling up. Potential areas of concern will be indicative of: (i) sharing of experience with countries where private extension services are well established and where the government has taken supportive measures; (ii) knowledge transfer related to the development of food commodity chains in the DRC, particularly cassava and maize; (iii) sharing of successful experiences and good practices related to IFAD-supported agribusiness partnership initiatives in countries that have successfully transformed their agrifood sector, and (iv) the establishment of rural financial services.

Country at a glance

World View	Unit value	1990	2000	2010	2017
Population, total	millions	34.61	47.08	64.52	81.34
Population growth	annual %	3.4	2.5	3.3	3.3
Surface area	km2 '000	2,344.9	2,344.9	2,344.9	2,344.9
Population density	people/km2 of land area	15.3	20.8	28.5	35.9
	% of population				
Poverty headcount ratio at national poverty lines		--	--	63.9	--
Poverty headcount ratio at \$1.90 a day (2011 PPP)	% of population	--	--	77.1	--
GNI, Atlas method	current US\$ billions	8.40	6.35	20.43	36.53
GNI per capita, Atlas method	current US\$	240	130	320	450
GNI, PPP	current US\$ billions	28.47	20.95	39.97	70.73
GNI per capita, PPP	current US\$	820	450	620	870
People					
Income share held by lowest 20%	%	--	--	5.5	--
Life expectancy at birth, total	years	49	50	57	60
Fertility rate, total	births per woman	6.7	6.8	6.5	6.1
Adolescent fertility rate	births per 1,000 women ages 15-19	129	125	130	125
Contraceptive prevalence, any methods	% of women ages 15-49	8	31	18	20
Births attended by skilled health staff	% of total	--	61	74	80
Mortality rate, under-5	per 1,000 live births	186	161	116	91
Prevalence of underweight, weight for age	% of children under 5	--	33.6	24.2	--
	% of children ages 12-23 months	38	46	74	80
Immunization, measles					
Primary completion rate, total	% of relevant age group	52	35	64	70
School enrollment, primary	% gross	61.8	--	100.1	--
School enrollment, secondary	% gross	23	--	41.2	46
Prevalence of HIV, total	% of population ages 15-49	1.6	2.1	1.2	0.7
Environment					
Forest area	km2 '000	341	295	308	390
Terrestrial and marine protected areas	% of total territorial area	0.12	0.02	0.03	0.06
Economy					
GDP					
GDP growth	current US\$ billions	9.34	19.1	21.5	37.6
Agriculture, forestry, and fishing, value added	annual %	-6.6	-6.9	7.1	3.7
Industry (including construction), value added	current US\$ billions	--	6.1	4.6	7.5
Exports of goods and services					
Imports of goods and services	constant 2010 US\$ billions	11.6	4.7	8.3	15.3
Gross fixed capital formation					
Revenue, excluding grants	% of GDP	--	11.4	41.1	35.6
Net lending (+) / net borrowing (-)	% of GDP	--	15.6	49.6	39.4
	% of GDP	--	14.4	28.7	20.6
	% of GDP	9.96	0.8	14.3	--
	% of GDP	-5.66	-0.9	2.3	--
States and Markets					
Time required to start a business	days	--	167	85	7
Domestic credit provided by financial sector	% of GDP	25.3	1.8	0.8	11.6
Tax revenue	% of GDP	9.3	0.8	8.4	--
Military expenditure	% of GDP	5.2	0.2	0.9	0.7
Mobile cellular subscriptions	per 100 people	0.0	0.0	18.3	43.4
Individuals using the Internet	% of population	0.0	0.0	0.7	6.2
High-technology exports	% of manufactured exports	--	--	--	--
Statistical Capacity Score	overall average	--	--	36	47
Global Links					
Merchandise trade	% of GDP	43	8	45	29
Net barter terms of trade index	(2000=100)	86	100	145	113
External debt stocks, total	DOD, current US\$ millions	10,259	11,815	6,145	5,077
Total debt service	% of exports of goods, services and primary income	--	--	3.1	4.3
Net migration				15	119
Personal remittances, received	thousands	1,302	-242	16	17
Foreign direct investment, net inflows	current US\$ millions	--	--	2,742	1,205
Net official development assistance received	BoP, current US\$ millions	-14	94	3,483.7	2,107.4
	current US\$ millions	895.8	178.4		

Source: World Development Indicators database

Financial management issues summary

COUNTRY and CURRENT PROJECTS - Fiduciary KPIs:		
<i>Country Inherent Risk</i>	High	Transparency International (TI) DRC ranked 161th out of 180 countries in the TI index, with a CPI score of 20 in 2018, marking a gradual decline from 22 in 2015.
<i>Pending Obligations</i>	All ineligible expenditures were settled in 2018 to lift the suspension	Public Financial Management (PFM) DRC is among the largest and most resource rich countries in Africa but remains vulnerable because of decades of conflict. Despite some reform efforts, a significant factor leading to DRCs economic and governance problems is the weakness of its current Public Financial Management (PFM) system. Since 2010, the government launched a package of PFM reforms, with the support of DFID and the World Bank. The most recent available PEFA ² dates back to 2008. A PEFA was performed in 2013, but is not publicly disclosed.
<i>Country Income Classification</i>	Low income country (2017 GNI per capita=\$450)	Based on a review of PFM Reform in DRC commissioned by DFID in 2018, the situation is very largely unchanged since, namely i) the slow and incomplete passage of administrative and legal reforms envisaged in the PFM Act; ii) ongoing and very substantial recourse to "exceptional" spending procedures, outside normal spending authorisation channels; iii) a low level of tax collection compared to potential tax capacity; iv) reticence on the part of central government to empower provincial administrations to manage their financial and human resources; v) the insufficient depth and frequency of government-donor dialogue on PFM reform. According to World Bank sources, the greatest challenge to PFM improvement still remains the fact that some civil servants and managers see these reforms as a threat.
<i>Financing terms (IFAD 11)</i>	DHC (grant element to be decided by the EB in May 2019)	Based on the above, the inherent fiduciary risk is rated High
<i>Country Contribution in IFAD Replenishments</i>	IFAD10: 0 IFAD11: \$100,000 pledged	Some improvement has, nevertheless, been made in the area of external PFM control and oversight. First, the Organic Law on the organisation and functioning of the Court of Auditors has made good progress in the Legislature, with passage of the Law expected shortly. Second, both the COREF and Civil Society Organisations (CSOs) reported positively on the practice of participatory budgeting at local level, and progress in developing the capacity of CSOs to analyse state budgets.
<i>PBAS – Programme's cycle coverage</i>	IFAD11 allocation: USD 36.5M	The Government passed a series of acts allowing separate management of external funded projects and stating that donor's procedures in procurement and financial management have predominance over national ones in case of conflict. A cell in charge of monitoring external-funded projects (i.e CSPP-Cellule de Suivi des Projets et des programmes) and a Public Procurement Act has been in place since 2010. IFAD has been the first donor to use the CSPP in monitoring fiduciary risks in the projects.
<i>Disbursement - Profile</i>	Ranges from moderately unsatisfactory to unsatisfactory for IFAD financing	
<i>Counterpart Funding - Profile</i>	Ranges from moderately unsatisfactory to moderately satisfactory	
<i>Financial Management – Profile</i>	Unsatisfactory (last supervision: 2015; to be reassessed by upcoming mission)	Debt Assessment No loan arrears are on record to date v-à-v the biggest donors, including IFAD. According to the Debt Sustainability Analysis of August 2015, DRC benefited from assistance under the Multilateral Debt Relief Initiative (MDRI) in July 2010. As a result, public and publicly-guaranteed external debt ratio (PPGE) to GDP was reduced from 75% at end-2009 to 22% in 2010 and fell further to 13% in 2014. Private external debt increased marginally from 2.0% of GDP in 2012 to 3.8% in 2014. At that time, the risk of debt distress was "moderate". The country is classified between B- to C+ by the major credit risk notation agencies, however there are hopes of improvement since the country went through its first democratic transition of presidential power in January 2019.

² Public Expenditure and Financial Accountability (PEFA)

Agency	Rating	Outlook	Date
Moody's	B3	negative	Dec 08 2017
S&P	CCC+	Stable	Aug 04 2017
Trading Economics (TE)	22	-	-

Exchange and inflation rates
Based on the February 2019 Economic Intelligence (EIU) report, the Congolese Franc (FC) Congolese franc is expected to depreciate from an average of FC 1,626:US\$1 in 2018 to FC 1,693:US\$1 in 2019, despite the central bank's efforts to stabilise the currency. Inflation was an estimated 27.7% in 2018, down from 41.5% in 2017. According to the African Development Bank Group (ADB), inflationary pressures will persist in 2019-20 if political stability should remain weak . To be noted that the major political risk has been the presidential and legislative elections, but these were held peacefully in December 2018 and led to a pacific power transition in January 2019. The current account deficit fell to 1.1% of GDP in 2018 from 3.6% in 2017, as a result of greater mining production.

Key Fiduciary OBSERVATIONS:

PIRAM and PPAKIN were suspended twice during implementation (2013, 2016-8), due to ineligible expenditure and non-compliance with audit submission deadlines. The quality of financial management was assessed as unsatisfactory in 2015 by the last supervision missions which preceded the latest suspension. Building on lessons learned, the capacity of the proposed lead agency and PMUs of new projects as regards fiduciary aspects will be critical, to ensure that funds are used for intended purposes and ensure smooth disbursement. The accountancy profession is under-developed in DRC, and the availability of suitably qualified personnel to manage multi-million dollar projects poses a high risk. Performance-based contracts for staff, recourse to technical assistance, continuous training, formal periodic implementation follow-up meetings, enhanced oversight through special audit verifications and close monitoring of contracts with service providers are measures that will be considered to mitigate fiduciary risk during the COSOP.

Poor quality of audit reports (performed by private audit firms) and delays in submission have had a severely detrimental effect on the implementation of ongoing projects in DRC. Close follow up and continued dialogue with Government will be essential to avoid the recurrence of these problems, and best practices in the selection of audit firms will be drawn from the experience of other IFIs, including World Bank and AfDB.

Slow disbursement is flagged as a risk for the COSOP. The disbursement record of the on-going projects ranges from moderately unsatisfactory (PIRAM) to unsatisfactory (PPAKIN). These results can in part be attributed to the severe challenges during implementation, with two portfolio suspensions, long delays in staff recruitments, turnover of staff, lack of follow-up by Government and poor management systems, including financial management and procurement. On-going projects experienced significant start-up delays, a combination of FIPS and start-up advances should be considered for projects designed in the COSOP period.

The geographic areas covered by IFAD's interventions are vast, and infrastructure is poor, which limits the scope for reaping benefits from joint project implementation arrangements (common PMU) as well as mutual support and knowledge sharing in fiduciary practices. Weak capacities of PFM systems limit the scope for using national country systems, projects will be managed by ring-fenced PMUs for the foreseeable future.

International cofinancing planned to be mobilised for the COSOP exceeds the corporate target of 1:0.6, whereas the domestic cofinancing, estimated at USD 16.75 million, falls below the IFAD11 1:08 target . Domestic cofinancing will be in the form of in-kind contributions (foregone tax, office space, logistics, vehicles, staff), and will have to be appropriately quantified as part of the project's financial reporting.

The ongoing project PPAKIN was extended in September 2018, conditionally to the achievement of a set of fiduciary and operational milestones within one year. Should the project fail to meet the milestones, consideration should be given to applying the measures foreseen by the newly approved Restructuring policy , which could free additional resources for the COSOP.

High inflation is expected to persist in the immediate future, and exchange rates are volatile. These factors should be taken into consideration in costing the projects under the COSOP. Depreciation of exchange rates between SDR and US Dollar should also be taken into account in costing the projects and the DRC Government would likely want to borrow in USD which is used as a domestic currency in the country.

Ongoing Portfolio:

APPR · · · SIGN · · · ENTF · · · DISB · · · EXPD ·

Project	Financing instrument	FLX Status (1)	Lending Terms	Currency	Amount (million)	Completion date
PIRAM	G-I-DSF-8023	DSBL	DSF·HC·GRANTS	XDR	15.70	31/12/2019
	1236P	EXPD	OFID·LOAN	USD	10.20	31/12/2019
	1581P	DSBL	OFID·LOAN	USD	10.00	31/12/2019
PAPAKIN	G-I-DSF-8105	DSBL	DSF·HC·GRANTS	XDR	45.35	31/10/2020
PASA-NK	200000144200	DSBL	DSF·HC·GRANTS	XDR	12.10	31/12/2025
	200000145600	DSBL	DSF·HC·GRANTS	XDR	12.10	31/12/2025

PORTFOLIO · FM-RISK & PERFORMANCE

Project	Financing instrument	Currency	Amount (million)	FM-risk	Quality of FM	Quality and timeliness of audit	Disbursement	Disbursed to approved
PIRAM	G-I-DSF-8023	XDR	15.70	High	Unsatisfactory	Mod. satisfactory	Mod. unsatisfactory	84.0%
	1236P (OFID)	USD	10.20	High	Unsatisfactory	Mod. satisfactory ²	N.A.	100.0%
	1581P (OFID)	USD	10.00	High	Unsatisfactory	Mod. Satisfactory ²	N.A.	26.0%
PAPAKIN	G-I-DSF-8105	XDR	45.35	High	Unsatisfactory	Mod. Satisfactory ²	Unsatisfactory	27.0%
PASA-NK	200000144200	XDR	12.10	High	NA	NA	NA	2%
	200000145600	XDR	12.10	High	NA	NA	NA	2%