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Investing in rural people

President's memorandum
Proposed additional financing to the
Central African Republic for the
Project to Revitalize Crop and Livestock
Production in the Savannah

Project ID: 2000001816

Note to Executive Board representatives

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Abbreviations and acronyms

AWB/P	annual workplan and budget
M&E	monitoring and evaluation
PBAS	performance-based allocation system
PMU	project management unit
PREPAS	Project to Revitalize Crop and Livestock Production in the Savannah
PREVES	Project for Reviving Food Crops and Small Livestock Production in the Savannah
UNICEF	United Nations Children’s Fund

Financing summary

Initiating institution:	IFAD
Borrower/recipient:	Central African Republic
Executing agency:	Ministry of Agriculture and Rural Development
Total project cost:	US\$29.04 million
Amount of original IFAD financing:	SDR 8.97 million (equivalent to approximately US\$12.4 million)
Terms of original IFAD financing:	Debt Sustainability Framework (DSF) grant
Amount of additional Debt Sustainability Framework grant:	US\$10.08 million
Amount of additional IFAD loan:	US\$2.52 million
Terms of additional IFAD financing:	80 per cent grant and 20 per cent highly concessional loan
Contribution of borrower/recipient:	US\$966,000
Contribution of beneficiaries:	US\$3.077 million
Appraising institution:	IFAD
Cooperating institution:	Directly supervised by IFAD

Recommendation for approval

The Executive Board is invited to approve the recommendation for the proposed additional financing contained in paragraph 53.

I. Background and project description

A. Background

1. The Project to Revitalize Crop and Livestock Production in the Savannah (PREPAS) was approved in May 2018 under the lapse-of-time procedure for US\$29.04 million. The project completion date is 31 March 2025. The financing package approved by the Executive Board comprised: (i) an IFAD grant of US\$12.4 million provided under the performance-based allocation system (PBAS) cycle associated with the Tenth Replenishment of IFAD's Resources (IFAD10); (ii) a financing gap of US\$12.6 million to be provided by IFAD from a subsequent PBAS allocation (if available) and subject to Executive Board approval; (iii) a Government contribution of US\$970,000 mainly reflecting tax exemptions; and (iv) a beneficiary contribution of US\$3.1 million.
2. The financing agreement related to the US\$12.4 million IFAD10 grant was signed by IFAD on 28 January 2019 and by the Government on 11 February 2019. The project started with a technical launch in March 2019. This President's memorandum regards the financing gap of US\$12.6 million, which could be covered under the IFAD11 (2019-2021) PBAS cycle.

B. Original project description

3. The overall objective of PREPAS is to contribute to reducing poverty and sustainably improving food and nutrition security in the subprefectures of Bouar, Baoro, Bossemptélé and Yaloké. Its development objective is to strengthen the socioeconomic development framework and reactivate crop and livestock production using approaches adapted to climate change.
4. The project's main results include: (i) 160,000 persons benefiting from economic mobility; (ii) 240,000 beneficiaries receiving enhanced services; (iii) 75 per cent of women beneficiaries with improved diets; and (iv) 100 per cent of beneficiaries increasing their cultivated land area up to 25 per cent. Increases in yields are expected to be significant, such as: (i) cassava up to 10,800 kg/ha; (ii) maize up to 1,875 kg/ha; (iii) groundnuts up to 640 kg/ha; and (iv) red beans up to 1,275 kg/ha.

II. Rationale for additional financing

A. Rationale

5. The original financing plan of PREPAS included a financing gap of US\$12.6 million, which was expected to be covered: (i) in subsequent PBAS cycles subject to financing terms to be determined, compliance with internal procedures and Executive Board approval; or (ii) by cofinancing mobilized during implementation.
6. All activities to be covered by funds to fill the financing gap have already been approved within the original project design and budget. Since no cofinancing is available, the project objectives established during the design phase will not be achieved without IFAD funding to fill the financing gap. The Government has requested the use of part of the country's US\$35.33 million IFAD11 PBAS allocation for the project.
7. The proposed request fully complies with the eligibility criteria for additional financing set out in annex G, section C, paragraph 5 of the President's Bulletin on

the revised guidelines for additional financing of ongoing projects (PB/2018/04) as follows:

- (a) The objectives remain the same;
 - (b) The activities to be financed are comply all relevant IFAD policies;
 - (c) The US\$12.6 million request for funds to meet the financing gap does not exceed the original estimate for project costs; and
 - (d) There is no request to cover additional cost overruns and the request is not due to withdrawal of any cofinancing.
8. Since implementation of PREPAS started in March 2019, the project has disbursed preparatory funds to enable the fulfilment of all conditions for additional disbursement. Withdrawal applications are being prepared and two other applications are scheduled in the course of the year, indicating that the project will have disbursed significant funds at the end of 2019.
 9. This proposal is made to the Executive Board to cover the financing gap of US\$12.6 million using funds from the IFAD11 PBAS cycle (2019-2021). The project concepts, components, subcomponents, expenditures, cost-benefit analysis, results matrix, monitoring and evaluation (M&E), and institutional arrangements remain unchanged.

B. Description of geographic area and target groups

10. The project area covers the subprefectures of Bouar, Baoro, Bossemptélé and Yaloké, with possible expansion to Bozoum following the midterm review. The additional financing does not comprise any changes in the project areas since the financing gap was included in the original project design.
11. PREPAS targets 30,000 beneficiaries and their households. A total of 240,000 people will be reached by the project.
12. Project beneficiaries are poor smallholder crop and livestock farmers, and agricultural producers, of whom: 50 per cent are women; 30 per cent are young people; and 10 per cent are heads of highly vulnerable households. Given the vulnerability of women in the Central African Republic, a gender-equity strategy will be developed to promote their economic empowerment.
13. The project supports: the integration of young people into existing groups; establishment of youth groups; and promotion of youth entrepreneurship in activities such as market gardening, small livestock raising and upstream and downstream production activities. It particularly focuses on activities related to marketing and processing, the seed subsector, farm mechanization and borehole maintenance.
14. The 355 agropastoral grass roots production groups recently established through the soon-to-be closed Project for Reviving Food Crops and Small Livestock Production in the Savannah (PREVES) will not reach an adequate level of professionalism by the end of that project. Since PREPAS also aims to consolidate the results of PREVES, PREPAS funds will be used to strengthen these groups and contribute to achieving their goals. Another 445 new grass roots groups will also be provided with training and start-up support through PREPAS, bringing the total number of groups to 800 or 20,000 beneficiary households. In addition, 10,000 more households will benefit from activities focused on nutrition, access to drinking water, animal hygiene and vaccination.

C. Components/outcomes and activities

15. Project results are being achieved through two components. Expected outcomes for component 1 include improved community organization, nutrition and access to drinking water. For component 2, expected outcomes include strengthened

producers with more efficient production, processing and marketing methods that are adapted to climate change.

16. At the end of the project, the following results are expected to be achieved: (i) 160,000 persons benefiting from economic mobility; (ii) 240,000 beneficiaries receiving services through the project; (iii) increased cassava yields of up to 10,800 kg/ha, maize of up to 1,875 kg/ha, groundnuts of up to 640 kg/ha, and red beans of up to 1,275 kg/ha; (iv) reinforced livestock productive capacity for 5,400 households; (v) 75 per cent of women with improved diets; and (vi) the cultivated land area of 100 per cent of beneficiaries increased up to 25 per cent.

Component 1: Promotion of community development

17. The aim of subcomponent 1.1 is to create an enabling environment for sustainable project implementation by focusing on activities such as sensitizing and mobilizing populations, encouraging dialogue between crop and livestock farmers, organizing producers into groups and providing literacy training. The main expected outputs are: (i) 800 groups organized through community facilitation; (ii) 1,600 delegates of these groups trained in organizational skills; (iii) 3,200 people trained in literacy skills; and (iv) 5,000 group members participating in savings and credit activities.
18. Activities within subcomponent 1.2 include: (i) nutritional education designed to improve beneficiaries' dietary behaviours and establish healthy and balanced diets; (ii) enhancing the availability and processing capacity of foods with high nutritional value; (iii) strengthening institutional capacities in nutrition; (iv) rehabilitation or construction of boreholes and latrines; and (v) guaranteeing the continued operation of 65 boreholes installed through PREVES. The main expected outputs are: (i) the capacity of 10,000 people built in good nutrition practices; (ii) 2,500 home gardens established; (iii) 135 drinking water points constructed and 65 previously water points established through PREVES maintained; (iv) two spare-parts warehouses installed; and (v) 20 repairers trained.

Component 2: Productive investments

19. Subcomponent 2.1 activities include establishing multi-actor innovation platforms in the 16 production areas to improve cooperation among actors and create local networks that enable market access. Each innovation platform will conduct a diagnostic assessment for use in developing and implementing action plans. These activities will enable the following outputs: (i) thematic materials and toolkits developed for outreach; (ii) 28 master trainers trained; (iii) 1,600 technical delegates receiving technical training; (iv) 800 groups receiving extension services; (v) the Central African Agricultural Research Institute station in Bolée better equipped; and (vi) the National Livestock School in Bouar rehabilitated.
20. Subcomponent 2.2 activities include the establishment of "support modules" – networks on seed and crop production, livestock farming and market gardening – for the 800 groups. PREPAS will support 150 modules benefiting 450 young people in areas such as: (i) agricultural processing; (ii) transportation and marketing; (iii) inputs; and (iv) mechanization. For highly vulnerable households, PREPAS will provide the most capable with small-scale start-up supplies and farming inputs, while beneficiaries lacking labourers will receive small ruminants or poultry. They may subsequently set up agricultural or agropastoral groups. Expected outputs include: (i) 800 agricultural, agropastoral and market gardening groups representing 20,000 households benefiting from crop, livestock and market gardening production modules; (ii) 8 ha of land developed for market gardening and equipped with innovative solar irrigation devices; (iii) 12 storage warehouses and eight input storehouses constructed; and (iv) 450 young people engaged in processing, marketing or service provision supported upstream and downstream of the value chain.

Component 3: Coordination, management, monitoring and evaluation, and consultation

21. This component focuses on better coordination and M&E of rural sector interventions, and knowledge management that stimulates fruitful consultations and creates an enabling environment for sustainable agropastoral development.
22. The aim of subcomponent 3.1 is to set up a rural sector coordination group linked to the National Recovery and Peacebuilding Plan (PNRCP) 2017-2021 institutional guidance and steering arrangements. In addition to the creation and strengthening of a consultative framework, the rural sector coordination group will support the development of a rural sector M&E system with the participation of technical and financial partners.
23. The objective of subcomponent 3.2 is to coordinate project interventions, provide effective and transparent financial management of resources, promote ongoing improvements in tools, approaches and methods, and coordinate the results-based M&E process.

D. Benefits, costs and financing

Project costs

24. PREPAS is being implemented over a six-year period. The project duration will be reassessed at the midterm review given the fragile situation in the country. The total project cost, including contingencies, is US\$29.04 million (CFAF 15.9 billion Central African CFA francs [CFAF]). The base cost is US\$25.5 million (CFAF 14 billion). The project's investment costs and current expenses are respectively: US\$23.5 million (CFAF 12.9 billion) or 92 per cent of base cost; and US\$1.9 million (CFAF 1.1 billion) or 8 per cent of base cost. Contingencies total US\$3.5 million (CFAF 1.9 billion), including US\$800,000 (CFAF 400 million) technical contingencies and US\$2.7 million (CFAF 1.5 billion) for financial contingencies.

Table 1

Original and additional financing summary

(Thousands of United States dollars)

	<i>Original financing*</i>	<i>Additional financing</i>	<i>Total</i>
IFAD loan	-	2 520	2 520
IFAD DSF grant	12 400	10 080	22 480
Other cofinanciers	-	-	-
Beneficiaries	1 526.24	1 550.86	3 077.1
Borrower/counterpart	479.28	487.02	966.3
Total	14 405.52	14 637.9	29 043.4

* See table 1 in EB 2018/LOT/P.9 for a detailed breakdown.

Table 2

Additional financing: Project costs by component (and subcomponent), and financier

(Thousands of United States dollars)

<i>Component/ subcomponent</i>	<i>Additional IFAD loan</i>		<i>Additional IFAD DSF grant</i>		<i>Beneficiaries</i>			<i>Borrower/counterpart</i>			<i>Total</i>
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Cash</i>	<i>In kind</i>	<i>%</i>	<i>Cash</i>	<i>In kind</i>	<i>%</i>	<i>Amount</i>
1. Promotion of community development											
1.1 Organizational capacity-building	248.6	20.0	994.3	80.0	-	-	-	-	0.0	0.0	1 242.9
1.2 Promoting nutrition and access to drinking water	152.7	15.6	611.0	62.3	-	-	-	-	217.4	22.2	981.2
Subtotal	401.3	20.0	1 605.3	80.0	-	-	-	-	217.4	9.8	2 006.6
2. Productive investments											
2.1 Strengthening the supply of services to producers	335.6	18.0	1 342.4	71.9	-	-	-	-	189.9	10.2	1 867.9
2.2 Support for production, processing and marketing	1 380.6	16.3	5 522.2	65.1	-	1 550.8	18.3	-	28.5	0.3	8 482.1
Subtotal	1 716.2	16.9	6 864.6	67.8	-	1 550.8	15.0	-	218.4	2.1	10 131.7
3. Coordination, management, M&E and consultation											
3.1 Knowledge management and consultation	30.0	20.0	120.1	80.0	-	-	-	-	0.0	0.0	150.1
3.2 Coordination, management and M&E	372.5	19.5	1 490.0	77.9	-	-	-	-	51.2	2.7	1 913.6
Subtotal	402.5	20.0	1 610.1	80.0	-	-	-	-	51.2	2.5	2 012.6
Total cost	2 520.0	17.2	10 080.0	68.9	-	1 550.8	10.6	-	487.0	3.3	14 637.9

Note: Beneficiary contributions are all in kind.

Borrower/counterpart contributions are all in the form of tax exemption.

Table 3

Additional financing: Project costs by expenditure category and financier

(Thousands of United States dollars)

<i>Expenditure category</i>	<i>Additional IFAD loan</i>		<i>Additional IFAD DSF grant</i>		<i>Beneficiaries</i>		<i>Borrower/counterpart</i>			<i>Total</i>	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Cash</i>	<i>In kind</i>	<i>%</i>	<i>Cash</i>	<i>In kind</i>	<i>%</i>	<i>Amount</i>
I. Investment expenses											
A. Rural engineering/works	-	-	-	-	-	-	-	285.0	100.0	-	285.0
B. Vehicles	2.9	2.3	11.7	9.3	-	-	-	111.2	88.4	-	125.8
C. Equipment and supplies	10.6	7.4	42.4	29.5	-	-	-	90.8	63.1	-	143.8
D. Training, workshops and seminars	390.1	20.0	1 560.3	80.0	-	-	-	0.0	0.0	-	1 950.4
E. Consulting services	341.3	20.0	1 365.2	80.0	-	-	-	0.0	0.0	-	1 706.6
F. Goods, inputs and services	77.5	20.0	309.9	80.0	-	-	-	0.0	0.0	-	387.4
G. Subsidies and grants	1 490.8	16.6	5 963.1	66.2	1 550.8	17.2	17.2	-0.0	0.0	-	9 004.8
Total investment expenses	2 313.2	17.0	9 252.7	68.0	1 550.8	11.4	11.4	487.0	3.6	13 603.8	
II. Current expenses											
A. Salary and benefits	169.3	20	677.2	80.0	0.0	-	-	-	-	-	846.5
B. Operating expenses	37.5	20	150.1	80.0	0.0	-	-	0.0	0.0	-	187.6
Total current expenses	206.8	20	827.3	80.0	0.0	-	-	0.0	0.0	-	1 034.1
Total project costs	2 520.0	17.2	10 080.0	68.9	1 550.8	10.6	10.6	487.0	3.3	14 637.9	

Note: Beneficiary contributions are all in kind.

Borrower/counterpart contributions are all in the form of tax exemption.

Table 4

Project costs by component and project year

(Thousands of United States dollars)

<i>Component/subcomponent</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>	<i>Year 6</i>	<i>Total</i>
1. Promotion of community development							
1.1 Organizational capacity-building	2.5	202.0	427.5	461.2	283.1	498.6	1 874.9
1.2 Promoting nutrition and access to drinking water	180.1	2 204.1	488.2	323.6	406.3	33.9	3 636.0
Subtotal	182.5	2 406.1	915.7	784.8	689.4	532.5	5 510.9
2. Productive investments							
2.1 Strengthening the supply of services to producers	292.8	2 262.2	935.6	662.6	599.7	762.4	5 515.2
2.2 Support for production, processing and marketing	-	1 824.4	2 811.9	3 912.0	2 756.2	2 377.3	13 681.8
Subtotal	292.8	4 086.6	3 747.4	4 574.7	3 355.8	3 139.7	19 197.0
3. Coordination, management, M&E and consultation							
3.1 Knowledge management and consultation	4.6	56.0	43.0	44.2	41.4	64.5	253.7
3.2 Coordination, management and M&E	829.8	522.9	529.5	684.0	563.4	952.1	4 081.8
Subtotal	834.4	578.9	572.5	728.2	604.8	1 016.7	4 335.5
Total cost	1 309.7	7 071.6	5 235.6	6 087.7	4 650.0	4 688.8	29 043.4

Financing and cofinancing strategy and plan

25. Financing sources for the project include IFAD funding of US\$25 million or 86 per cent of the total project cost, assigned over two PBAS cycles: US\$12.4 million in the 2016-2018 cycle and US\$12.6 million to cover the financing gap under the 2019-2021 cycle. Beneficiaries will contribute US\$3.1 million (11 per cent of the total cost) as in-kind contributions. The Government will contribute US\$970,000 (3 per cent of total cost) in the form of exemptions from taxes and tariffs on goods and services acquired under the project. The financing gap of US\$12.6 million will be financed through the 2019-2021 PBAS allocation as 80 per cent DSF grant and 20 per cent highly concessional loan.

Disbursement

26. The funds will be received in a designated account opened by the project in a commercial bank located in Bangui in CFAF with authorization from the Ministry of Finance and Budget. The designated account for IFAD financing is operated and replenished following impress account arrangements through double signature by the project coordinator and financial manager. Other methods of disbursement may include direct payments and reimbursements. Details concerning disbursement and authorized allocation are indicated in the letter to the borrower and project financing agreement.
27. The funds are managed according to the principles of temporary advance and flow through double signature by the project coordinator and financial manager.
28. An operational sub-account has been opened for the project in a commercial bank in each regional project base and the flow of funds is insured through double signature by the head of the regional base and the assistant accountant. All of these accounts are managed according to the principle of temporary advance and treasury plans each trimester. New flows are assured after correct utilization of 75 per cent of funds that have been received.

Summary of benefits and economic analysis

29. A financial analysis of PREPAS shows that the net benefits generated by operations and enterprises are positive and that the activities promoted by the project are profitable. The economic internal rate of return is 19.6 per cent. The net present value is an estimated US\$19.3 million (CFAF 10.6 million) with a discount rate of six per cent. Details are included in the attached tables.

Exit strategy and sustainability

30. The probability of maintaining gains over the long term and establishing the desired conditions to develop crop and livestock farming in the project area is good. Boreholes and water points will be managed by management committees to make drinking water widely available, thus reducing the workload and risk of waterborne illnesses, and meeting needs for multiple uses. In addition, repairers will be trained in their maintenance. The approach for including the most vulnerable people – through literacy and project support modules designed to facilitate access to production inputs – is structured to provide households with the needed capital and production and management capacity to guarantee food and nutrition security.
31. The project's exit strategy is based on the capacity-building of institutional stakeholders and service providers. In this way, farmers' organizations, civil society organizations and service providers will be able to insure continuity of services and replication of technical knowledge. Adequate training and linkages are being provided by the project. Government services like the Central African Agency for Agricultural Development, the National Agency for Livestock Development and the Central African Institute for Agricultural Research – all key partners for implementation – are well established in the project's target areas and their support will continue after project completion.

III. Risk management

A. Project risks and mitigation measures

32. The additional financing does not create any new expense category for the project and the risk and mitigation measures remain the same as with the original financing. The main risks identified are: (i) fiduciary management risks; (ii) worsening of the country's political and security crisis, and its possible spread to the PREPAS area; (iii) a lack of technical and administrative capacities among project team members; (iv) limited capacities of implementation partners; (v) a lack of coordination among technical and financial partners; and (vi) extreme climate events.
33. Proposed mitigation measures include: (i) training and technical assistance provided to the fiduciary management team; (ii) establishment of the project management unit (PMU) in Bangui and promotion of social stability in the project areas; (iii) recruitment support and training for the PMU team and project service providers, accompanied by technical assistance in project management and strategic partnerships with specialized institutions such as the United Nations Children's Fund (UNICEF); (iv) adequate follow-up on service delivery and results-based contracts for service providers, and adequate training and reinforcement of institutional capacities; (v) support to coordination mechanisms and policy dialogue with the Government and development partners; and (vi) development of climate-resilient agropastoral production techniques.

B. Environment and social category

34. The project is expected to have positive medium- and long-term social and environmental impacts as a result of actions aimed at reducing poverty and strengthening resilience to climate change. PREPAS is classified as a category B operation, reflecting moderate environmental risks. There is no change in category

or new environmental classification of the project due to the additional financing since all activities financed have already been considered in the original project design report.

C. Climate risk classification

35. PREPAS is classified as having a moderate climate risk. There is no change in climatic risk classification of the project as a result of the additional financing. All activities to be supported by the additional financing were assessed during the design phase.

IV. Implementation

A. Compliance with IFAD policies

36. PREPAS is aligned with the IFAD Strategic Framework 2016-2025. It responds to strategic objectives 1 – increasing the productive capacity of poor rural people; and 3 – strengthening the environmental sustainability and climate resilience of their economic activities. PREPAS will also contribute to achieving Sustainable Development Goals (SDGs) 1 (no poverty), 2 (zero hunger), 6 (clean water and sanitation) and 15 (life on land). It is aligned with: IFAD Guidelines for Disaster Early Recovery; IFAD Strategy and Action Plan on Environment and Climate Change 2019-2025; Environment and Natural Resource Management Policy; IFAD Policy on Targeting (to mainstream smallholder farmers and vulnerable groups into agricultural value chains); and IFAD Policy on Gender Equality and Women’s Empowerment. Furthermore, it is aligned with the country strategy note 2018–2019 and the new country strategic opportunities programme (currently being finalized) in which PREPAS is the only planned investment.
37. The project is aligned with the PNRCP 2017-2021 and will contribute to achieving the objectives of food security and productive sector recovery included in pillar 3.

B. Organizational framework

Project management and coordination

38. The additional financing will be managed within the existing project structure without any changes. PREPAS is under the joint oversight of the Ministry of Agriculture and Rural Development, and the Ministry of Livestock and Animal Health. The two ministries jointly provide supervision, directly interact with other ministries and technical and financial partners, and coordinate M&E with a view to recovery and peacebuilding in the Central African Republic.
39. National consultations take place through a national steering committee, which was created by a joint decree of the Ministers of Agriculture and Livestock. The national steering committee brings together representatives of the ministries involved in implementing PREPAS and representatives of producers’ organizations. Decentralized consultations take place at the subprefect level within consultative committees created by a joint decree of the Ministers of Agriculture and Livestock.
40. Project management is provided by the Bangui-based PMU, which has administrative and financial autonomy. The two subprefectural branches are located in Yaloké and Bouar.

Financial management, procurement and governance

41. The PREPAS budget is prepared and approved in accordance with the project management manual. Budgets are specified and data are entered using accounting software. The imprest accounts procedure is used for disbursements.
42. The manual outlines all financial controls in detail. Project accounts are maintained on an accrual basis in accordance with international accounting standards and the accounting system of the Organisation for the Harmonization of Business Law in Africa. An internal auditor for the project will report to the national steering

committee or an audit committee. The external audit of the project will be undertaken by a private audit firm in accordance with IFAD guidelines.

43. Procurement is in accordance with IFAD guidelines and the public procurement code of the Central African Republic. Whenever possible, contracts are grouped in such a way as to appeal to bidders, encourage competition and obtain the best offers. The procurement plan for the first 18 months was updated by the PMU at start-up for IFAD approval. Compliance with IFAD's Project Procurement Guidelines is ensured.

C. Monitoring and evaluation, learning, knowledge management and strategic communication

44. Planning and budgeting for PREPAS takes place through annual workplans and budgets (AWP/Bs). A flexible approach is used to enable the AWP/B to be revised during the fiscal year as needed. The planning process begins in early September of each year so that the Government may transmit the AWP/B to IFAD on 30 November at the latest. Since the M&E system was virtually non-existent during PREVES, PREPAS includes an M&E system to steer implementation and produce data for policy dialogue.
45. The PREPAS M&E system measures progress made on project implementation and the project's results and impact on target groups, including core indicators from IFAD's Operational Results Management System.
46. An M&E manual is being developed along with an automated database specifically for the project, which will also include a geographical information system for intervention mapping.
47. A knowledge management strategy is also in development and will be supported by the M&E system. Innovations will be promoted by IFAD based on a process that adds value and focuses on solving problems in new ways.

D. Proposed amendments to the financing agreement

48. Subject to approval of this additional financing by the Executive Board, the financing agreement will be amended accordingly. This financing complements the financing plan initially approved at project design. It does not entail a change in the project description, area or target groups, or the creation of any new expense category.
49. The change in lending terms for the additional financing (2019-2021 PBAS) needs to be reflected in the amendment.

V. Legal instruments and authority

50. An amendment to the financing agreement for the Project to Revitalize Crop and Livestock Production in the Savannah between the Central African Republic and IFAD will constitute the legal instrument for extending the proposed financing to the borrower/recipient.
51. The Central African Republic is empowered under its laws to receive financing from IFAD.
52. I am satisfied that the proposed additional financing will comply with the Agreement Establishing IFAD and the Policies and Criteria for IFAD Financing.

VI. Recommendation

53. I recommend that the Executive Board approve the proposed additional financing in terms of the following resolution:

RESOLVED: that the Fund shall provide a grant under the Debt Sustainability Framework to the Central African Republic in an amount of ten million and eighty thousand United States dollars (US\$10,080,000) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

RESOLVED FURTHER: that the Fund shall provide a loan on highly concessional terms to the Central African Republic in an amount of two million, five hundred and twenty thousand United States dollars (US\$2,520,000) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

Gilbert F. Hougbo
President

Updated logical framework incorporating the additional financing

Cadre logique du PREPAS

Synthèse/Résultats	Indicateurs clés de vérification ^{1&2}				Moyens de vérification			Hypothèses
	Nom	Référence	Mi-parcours	Fin	Source	Fréquence	Responsabilité	
Objectif général								
Contribuer à la réduction de la pauvreté et l'amélioration de la sécurité alimentaire et nutritionnelle d'une manière durable dans les sous-préfectures de Yaloké, Bossempaté, Baoro et Bouar	1. Nombre de personnes bénéficiaires d'une mobilité économique* ³	0	80 000	160 000	Evaluation d'impact	Année 1, 3 et 6	FIDA & Gouvernement	
	2. Augmentation du pourcentage des personnes en sécurité alimentaire et nutrition dans la zone du projet	TBD (48%)	TBD	TBD		Année 1, 3 et 6	FIDA & Gouvernement	
Objectif de développement du Projet								
Renforcer le cadre du développement socio-économique et relancer la production végétale et animale par des approches adaptées au changement climatique	3. Nombre de bénéficiaires recevant les services promus par le Projet * (SMRO 1)	0	100 000	240 000	Animateurs, CTA, CPV	Trimestrielle	UCG	Stabilité socio-économique
	4. Augmentation des rendements agricoles				CTA, ICRA	Année 1, 3 et 6	CTA, ICRA	Faibles capacités techniques et managériales de l'équipe du Projet et des partenaires
	Manioc (kg/ha)	8400	10800	10800				
	Maïs (kg/ha)	850	1875	1875				
	Arachide (kg/ha)	460	640	640				
Haricot rouge (kg/ha)	864	1275	1275					
Effet 1: L'amélioration de la structuration communautaire, de la nutrition et de l'accès à l'eau potable.	5. Nombre de groupements formalisés et offrant des services à leurs membres	0	400	800	Animateurs, CTA, CPV	Annuelle	UNICEF	Motivation des groupes cibles
	6. Pourcentage de femmes faisant état d'une amélioration de leur régime alimentaire*	0%	20%	75%	Enquête UNICEF, FAO	Biannuelle	UNICEF, FAO	
Produit 1.1. La structuration et le renforcement des capacités des groupements	7. Nombre de personnes organisés en groupements	9000	16000	20000	Animateurs, CTA, CPV	Biannuelle	UCG	Choix approprié du partenaire technique
	8. Nombre de personnes alphabétisées	0	800	3200	SSE	Trimestrielle	Antenne	

¹ Désagrégés par genre et âge (hommes, femmes et jeunes filles et garçons de 15-35 ans), et par filière autant que possible

^{2*} Indicateurs de base du Système de Mesure des Résultats Opérationnels (SMRO, ex-SYGRI)

³ Projection, fondée sur les évaluations de l'impact du FIDA, du nombre de ruraux dont la situation économique a évolué (10% ou plus), notamment du point de vue des revenus, de la consommation, de la richesse, de la diversité alimentaire ou de la nutrition (Porter le Système de gestion des résultats et de l'impact à l'étape suivante, FIDA, Avril 2017)

Synthèse/Résultats	Indicateurs clés de vérification ^{1&2}				Moyens de vérification			Hypothèses
	Nom	Référence	Mi-parcours	Fin	Source	Fréquence	Responsabilité	
Produit 1.2. Promotion de la nutrition et accès à l'eau potable	9. Nombre de ménages dont les pratiques nutritionnelles et d'hygiène ont été renforcées	0	4000	10 000	Enquête UNICEF, FAO	Trimestrielle	UNICEF, FAO	Les ménages adoptent les pratiques proposées.
	10. Nombre de points d'eau fonctionnels	65	200	200	UNICEF	Biannuelle	UNICEF	
Effet 2 : Le renforcement des producteurs et leur recapitalisation en moyens de production, de transformation et de commercialisation plus efficaces et adaptés au changement climatique	11. Nombre de bénéficiaires déclarant une augmentation des superficies cultivées d'au moins 25%	0	30%	100%	Enquête	Annuelle	CTA, animateurs	Bonne motivation des agriculteurs et éleveurs
	12. Nombre de ménages qui ont reçu des animaux	0	2000	5400	CPV	Annuelle	CPV, animateurs	
Produit 2.1 : Renforcement de l'offre de services aux producteurs	13. Nombre de champs école paysans ou élevage école paysans fonctionnels	0	60	160	SSE	Biannuelle	Antenne, CTA, CPV	Bonne capacité des animateurs, CPV et CTA
	14. Nombre de groupements REPROSEM opérationnels	0	100	100	Rapport ICRA	Biannuelle	UCG, ICRA	
Produit 2.2. Appui à la production, la transformation et la commercialisation.	15. Nombre de groupements bénéficiaires des modules d'appui à la production agricole, animale et maraîchère	0	450	800	Rapports, CTA, CPV	Biannuelle	Antenne, CTA, CPV	Semences de qualité produites par REPROSEM Sélection et accompagnement des jeunes avec des critères de motivation et compétence
	16. Nombre de ménages très vulnérables qui sont intégrés dans les groupements	0	1800	1800	Rapports, CTA, CPV	Biannuelle	Antenne, CTA, CPV	
	17. Surfaces aménagées en maraîchage	0	8 ha	8 ha	Suivi interne, rapports CTA	Biannuelle	Antenne, CTA	
	18. Nombre d'emplois pour les jeunes	0	150	450	Rapports animateur	Biannuelle	Antenne	

Updated summary of the economic and financial analysis

Table A Financial cash flow models

Résultats des modèles financiers	Bénéfices nets additionnels - BNA - (avec MOD familiale)									
	AN 1	AN 2	AN 3	AN 4	AN 5	AN 6	AN 7	AN 8	AN 9	AN 10
Production de semences améliorées	-304 673	315 162	281 662	231 662	297 162	65 162	261 912	327 912	335 412	269 912
Production de manioc, maïs, arachide, haricot rouge	-326 618	111 439	77 939	27 939	93 439	9 939	98 189	164 189	171 689	106 189
Production maraichère	-123 385	45 030	40 510	36 780	41 530	41 630	33 280	44 010	41 530	36 780
Elevage de volailles	-481 605	246 500	244 500	198 000	127 500	270 500	172 000	270 500	229 500	198 000
Elevage de caprins	-961 750	301 250	405 250	532 250	-39 750	1 090 250	-21 750	580 250	561 250	532 250
Elevage d'ovins	-1 269 450	497 050	905 050	867 550	-4 450	1 975 550	13 550	915 550	1 146 550	867 550
Elevage de porcs	-530 150	253 350	403 350	517 350	337 350	365 350	515 350	405 350	388 350	517 350
Transformation de produits agricoles(arachide)	-415 120	208 060	154 940	206 440	207 940	-31 560	180 940	233 440	207 940	221 440
Prestation de service	-317 700	61 300	119 760	163 300	149 800	25 100	137 800	175 300	149 800	163 300

Table B

Project costs and logframe targets

République Centrafricaine

Projet de Relance de la Production Agropastorale dans les Savanes (PREPAS)

Components Project Cost Summary

	(F CFA Million)			(US\$ '000)			%	% Total
	Local	Foreign	Total	Local	Foreign	Total	Foreign Exchange	Base Costs
A. Promotion du développement communautaire								
1. Renforcement des capacités organisationnelles	670,1	248,9	919,0	1 218,4	452,5	1 670,9	27	7
2. Promotion de la nutrition et accès à l'eau potable	1 350,4	471,0	1 821,4	2 455,3	856,3	3 311,6	26	13
Subtotal	2 020,5	719,8	2 740,3	3 673,7	1 308,8	4 982,5	26	20
B. Investissements productifs								
1. Renforcement de l'offre de services aux producteurs	1 884,6	868,6	2 753,2	3 426,5	1 579,3	5 005,8	32	20
2. Appui à la production, la transformation et la commercialisation	6 349,3	37,2	6 386,5	11 544,2	67,6	11 611,8	1	45
Subtotal	8 233,9	905,8	9 139,7	14 970,7	1 646,9	16 617,6	10	65
C. Coordination, gestion, suivi-évaluation, et dialogue politique								
1. Gestion des savoirs et dialogue politique	88,3	37,7	126,0	160,5	68,6	229,1	30	1
2. Coordination, gestion et suivi-évaluation du projet	1 657,9	372,5	2 030,4	3 014,3	677,4	3 691,7	18	14
Subtotal	1 746,2	410,3	2 156,4	3 174,8	745,9	3 920,8	19	15
Total BASELINE COSTS	12 000,6	2 035,9	14 036,4	21 819,2	3 701,6	25 520,8	15	100
Physical Contingencies	404,2	39,7	444,0	735,0	72,2	807,2	9	3
Price Contingencies	1 385,4	108,1	1 493,5	2 518,8	196,6	2 715,4	7	11
Total PROJECT COSTS	13 790,1	2 183,7	15 973,9	25 073,0	3 970,4	29 043,4	14	114

Table C
Main assumptions and shadow prices

Modèles financiers	Situation sans projet		Situation avec projet	
	Taille moyenne des exploitations/ ménages (ha) ou (unité d'entreprise)	Rendement (kg/ha), (Kg/an) ou nombre	Taille moyenne des exploitations/ ménages (ha) ou (unité d'entreprise)	Rendement (kg/ha), (Kg/an) ou nombre
Production de semences améliorées Bouture de manioc (50%), Maïs (25%), Arachide (15%) Haricot rouge (10%)	0,8	Bouture de manioc 210 bottes de 100 tiges maïs 850 Haricot rouge 800 Arachide (coque) 800	1	Bouture de manioc 300 bottes de 100 tiges maïs 1000 Haricot rouge 900 Arachide (coque) 1200
Production vivrière Manioc (50%), Maïs (25%), Arachide (15%) Haricot rouge (10%)	0,8	Manioc 8400 maïs 850 Haricot rouge 864 Arachide (grain) 460	1	Manioc 10800 maïs 1875 Haricot rouge 1275 Arachide (grain) 640
Production maraichère Amarante (50%) Oignon (35%) concombre (15%)	0,03	Amarante 11500 Oignon 12000 Concombre 15000	0,03	Amarante 16600 Oignon 18000 Concombre 23000
Elevage de volailles (Poulet de chair traditionnel)	1 coq, 5 poules	96	2 coqs, 20 poules	256
Elevage de Porc	1 verrea, 3 truies	12	1 verrea, 3 truies	38
Elevage de caprins	1 bouc, 3 chèvres	10	1 bouc, 10 chèvres	18
Elevage d'ovins	1 bélier, 3 brebis	10	1 bélier pour 10 brebis	18
petite unité de transformation d'arachide en patte	unité de transformation traditionnelle de capacité 100 tonnes/an	1377	1 unité de transformation moderne de 300 Kg/h	3060
Prestation de service (moulin à farine de manioc)	90 Jours ouvré, rémunéré à 1000FCFA/jour	0	1 unité de 300 Kg/h	158100

Facteur de conversion standard	Prix financier	Prix économique	Facteur de conversion
Taux de change officiel	550	614	1,12
Semences et intrants locaux/Maïs	500	500	1,00
Importations: Engrais et produits de traitements /NPK	800	733	0,92
Importations: Equipements et matériels/ Pulvérisateur	40000	33 598	0,84
Main d'oeuvre	1000	721	0,72
Substitution aux importations: poulets, viandes	2250	1 675	0,74
Exportations: haricot rouge	412	482	1,17
Non-échangeables: autres/Transport-communication	2200	1 694	0,77
Produits locaux commercialisées	236	236	1,00

Table D
Beneficiary adoption rates and phasing

Activités -Production et d'élevage	Nombre de groupements bénéficiaires	Taille moyenne /groupement	Nombre de bénéficiaires	Taux d'adoption
Production de semences améliorées		25		60%
2018	0		0	
2019	80		2000	
2020	20		500	
2021	0		0	
2022	0		0	
2023	0		0	
2024	0		0	
Sous-total 1	100		2500	
Production vivrière(Manioc, mais, arachide, haricot rouge)		25		70%
2018	0		0	
2019	210		5250	
2020	220		5500	
2021	240		6000	
2022	0		0	
2023	0		0	
2024			0	
Sous-total 2	670		16 750	
Production maraichère (Amarante, oignon, comcombre)		25		70%
2018	0		0	
2019	0		0	
2020	10		250	
2021	10		250	
2022	10		250	
2023	0		0	
2024			0	
Sous-total 3	30		750	
Total activités d'appui à la production agricole	800		20 000	
Elevage de volailles	10%	1		75%
2018	0		0	
2019	6		6	
2020	5		5	
2021	5		5	
2022	5		5	
2023	0		0	
2024	0		0	
Sous-total 4	21		21	
Elevage de caprins	60%	1		75%
2018	0		0	
2019	38		38	
2020	30		30	
2021	30		30	
2022	30		30	
2023	0		0	
2024	0		0	
Sous-total 5	128		128	
Elevage d'ovins	20%	1		75%
2018	0		0	
2019	13		13	
2020	10		10	
2021	10		10	
2022	10		10	
2023	0		0	
2024	0		0	
Sous-total 6	43		43	
Élevage porcine	10%	1		75%
2018	0		0	
2019	6		6	
2020	5		5	
2021	5		5	
2022	5		5	
2023	0		0	
2024	0		0	
Sous-total 7	21		21	

Total module d'appui à l'élevage: (a) Bénéficiaires membre des groupements d'appui à la production	214		214	
Total Bénéfices net production				
Activités d'appui à la transformation-commercialisation-services	Sous-projets appuyés	Emplois créés	Nombre de bénéficiaires	Taux d'adoption
		3		90%
2018	0		0	
2019	0		0	
2020	15		45	
2021	15		45	
2022	15		45	
2023	15		45	
2024	0		0	
Sous-Total 1	60		180	
Services d'appui au filière		3		90%
2018	0		0	
2019	0		0	
2020	15		45	
2021	25		75	
2022	25		75	
2023	25		75	
2024	0		0	
Sous-Total 2	90		270	
Total bénéfices net transformation, commercialisation, services (Membres des groupements ou des activités entrepreneuriales individuelles)	150		450	
Total bénéfices net additionnels activités productifs				
Total autres bénéficiaires (forage, nutrition, vaccination, ...)			10000	
Bilan carbone	Superficie/an	Coût social du carbone (FCFA/TeqC)		3275
		Quantité/an/ha de carbone stocké (-)		1,70
2018	0			
2019	7250			
2020	6000			
2021	6000			
2022	0			
2023	0			
2024	0			
Avantages économiques dû au stock de carbone	19250			
Total bénéficiaires (Sans double comptage)			30 000	

Table E
Economic cash flow

Flux de trésorerie économiques aggrégés par activité	AN1	AN2	AN3	AN4	AN5	AN6	AN7	AN8	AN9	AN10
Production de semences améliorées	-	(277 648 765)	314 623 743	446 278 864	387 440 256	441 701 128	237 592 894	368 496 044	481 547 451	506 578 008
Production de manioc, maïs, arachide, haricot rouge	-	(894 724 938)	(459 522 630)	(62 370 072)	138 714 107	1 692 773 401	1 422 047 583	1 457 446 497	1 847 152 768	2 013 885 143
Production maraichère	-	-	(17 073 259)	(10 867 817)	(5 296 154)	16 769 857	16 286 010	16 420 018	15 936 170	16 270 086
Elevage de volailles	-	(1 799 598)	(521 423)	161 539	647 769	2 344 405	2 527 605	2 214 781	2 527 605	2 788 363
Elevage de caprins	-	(21 040 417)	(9 980 944)	(2 718 180)	6 660 493	19 688 808	38 110 303	25 634 556	29 395 890	39 389 650
Elevage d'ovins	-	(9 217 680)	(3 655 068)	2 027 058	6 763 916	12 552 879	23 870 952	15 790 810	17 513 501	24 305 774
Elevage de porcs	-	(2 052 422)	(805 473)	352 933	1 780 476	4 091 874	4 411 082	4 822 698	4 446 360	4 578 621
Transformation de produits agricoles(arachide)	-	-	(10 128 932)	1 239 537	11 241 600	30 832 599	92 304 856	85 910 883	85 093 032	85 910 883
Prestation de service	-	-	(11 121 919)	(18 234 528)	(16 693 926)	(12 894 207)	9 941 410	9 081 692	7 651 612	7 378 522
Bénéfices environnementaux	-	40 364 375	73 769 375	107 174 375	107 174 375	107 174 375	107 174 375	107 174 375	107 174 375	107 174 375
Total flux de trésorerie additionnels (FCFA)	-	(1 166 119 506)	(124 416 530)	463 043 709	638 432 913	2 315 035 120	1 954 267 070	2 092 992 354	2 598 438 764	2 808 259 425

Table F
Sensitivity analysis

ANALYSE DE SENSIBILITE		TRE	VAN (6%), million FCFA	VAN (6%), million USD
Base (VAN = 0)		19,6%	10 590,2	19,3
Coûts +	10%	18,1%	9 808,0	17,8
Coûts +	20%	16,7%	9 025,7	16,4
Coûts +	30%	15,4%	8 243,5	15,0
Revenus -	10%	17,9%	8 749,0	15,9
Revenus -	20%	16,0%	6 907,7	12,6
Revenus -	30%	12,4%	4 284,2	7,8
Revenus retardés d'un an		16,8%	8 772,5	15,9
Revenus retardés de 2 ans		14,5%	7 057,8	12,8
Revenus retardés de 3 ans		12,4%	5 440,1	9,9
Revenus retardés de 4 ans		10,6%	3 913,9	7,1
Prix des produits -	10%	14,7%	6 538,8	11,9
Prix des produits -	20%	9,6%	2 576,8	4,7
Prix des intrants +	10%	18,2%	9 603,7	17,5
Prix des intrants +	20%	16,9%	8 706,5	15,8
Taux d'adoption -	10%	17,2%	7 966,3	14,5
Taux d'adoption -	20%	14,4%	5 431,8	9,9
Pas d' augmentation des superficies emblavées produits vivriers -	25%	12,7%	4 317,7	7,9