

The World Bank
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

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December 22, 2021

H. E. Nicolas Kazadi Kadima
Minister of Finance
Ministry of Finance
Kinshasa-Gombe
Democratic Republic of Congo

Re: DRC: IDA Credit 5852-ZR and PHRD Grant TF0A3316
Regional Great Lakes Integrated Agriculture Development Project
Amendment to the Financing Agreement and Grant Agreement

Excellency:

We refer to the Financing Agreement and the Grant Agreement between the Democratic Republic of Congo (the "Recipient") and the International Development Association (the "Association") both dated September 7, 2016, for the abovementioned Project (the "Agreements"). Please note that the capitalized terms used in this letter ("Amendment Letter") and not defined herein have the meanings ascribed to them in the Agreements.

We also refer to your letter No. 202/CAB/MIN/FINANCES/PP/EMM/2021 dated October 19, 2021, requesting the Association to (i) extend the Closing Date of the Agreements; (ii) adjust the activities and indicators of the Project and (iii) reallocate the proceeds among disbursement categories. We are pleased to confirm that the Association agrees to your request. Accordingly, the Association proposes to amend the Agreements in respect to the provisions below:

Financing Agreement (Credit 5852-ZR):

1. Schedule 1 (Project Description) to the Financing Agreement is hereby deleted and replaced by Schedule 1 in Attachment 1 to this Amendment Letter.
2. The disbursement table in Section IV.A.2 of Schedule 2 to the Financing Agreement is hereby amended and replaced in its entirety with the table set forth in Attachment 2 to this Amendment.
3. Section IV.B.4 of Schedule 2 to the Financing Agreement is hereby amended to read as follows:

"4. The Closing Date is June 15, 2023."

Grant Agreement (TF0A3316):

4. Schedule 1 (Project Description) to the Grant Agreement is hereby deleted and replaced by Schedule 1 in Attachment 1 to this Amendment Letter.

5. Section IV.B. 2 of Schedule 2 to the Grant Agreement is hereby amended to read as follows:

“2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is June 15, 2023.”

All other provisions of the Agreements that have not been amended hereby, shall remain in full force and effect.

Please confirm your agreement to the foregoing by signing, dating and returning to us one fully executed original of this Amendment Letter and retaining one original for your records. This Amendment Letter shall become effective as of the date of its countersignature.

Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION



Boutheina Guermazi
Director of Regional Integration
Africa and Middle East and North Africa

AGREED:
DEMOCRATIC REPUBLIC OF CONGO

By 
Authorized Representative

Name: NICOLAS KAZADI

Title: MINISTER OF FINANCE

Date: December 22, 2021

SCHEDULE 1

Project Description

The objectives of the Project are: (i) to increase agricultural productivity and commercialization in Targeted Areas in the territory of the Recipient and improve agricultural regional integration; and (ii) to provide immediate and effective response in the event of an eligible crisis or emergency.

The Project consists of the following parts:

PART A: AGRICULTURAL VALUE-CHAIN DEVELOPMENT

1. Enhancing productivity and market linkages of selected value chains

- (a) Supporting the rice, cassava, biofortified maize, and biofortified bean value chains through the provision of technical advisory services, equipment and logistical assistance for: (i) the institutional capacity building of selected producers' organizations and the establishment of agribusiness linkages with suppliers, traders or processors; (ii) the rehabilitation of irrigation schemes; (iii) the establishment of poles of aggregation for collective storage, service provision and linkages to financial services; (iv) the provision of specialized facilitation support; (v) the multiplication and dissemination of certified planting material; (vi) the promotion of good agricultural practices; and (vii) carrying out of a program to ensure access to improved inputs and equipment, including provision of Matching Grants to Beneficiaries therefor.

- (b) Developing the livestock/dairy value chain through the provision of technical advisory services, equipment and logistical assistance to dairy producers for: (i) the strengthening of small scale producers organized in groups of farmers and concentrated along the road to markets; (ii) the improvement of access to animal health services, including the development of community animal health workers and vaccination campaigns; (iii) the improvement of animal nutrition including the development of forage, the diversification of animal feeding, the conservation and valorization of agriculture crop residues, pastures improvement and their better management, training in animal nutrition and animal husbandry; (iv) the strengthening of the delivery of improved animals; (v) the preparation of an action plan for animal genetic improvement, the development of artificial insemination, and the development of a system for animal identification and performance recording; (vi) building capacity of selected officials and producers; and (vii) facilitating activities pertaining to crop-livestock integration.

2. Development of critical rural infrastructure for improved market access

Carrying out a program of public and collective infrastructure for value chain development, through: (i) the rehabilitation of 405 km of feeder roads connecting production areas to markets, including establishment of a community-based road maintenance mechanism; (ii)

the rehabilitation of irrigation schemes in the Ruzizi River Valley and in other lowlands; (iii) the rehabilitation of selected small hydro-electricity dams that are deemed necessary for the connection of selected agro-enterprises to existing water systems; (iv) the construction or rehabilitation of 25 bridges in the provinces of Mongala, South Ubangi and North Ubangi that had been previously planned under the Agriculture Rehabilitation and Recovery Support Project (P092724); and (v) compensation payments to people physically or economically displaced by the infrastructure works.

PART B. SUPPORT FOR THE DEVELOPMENT OF THE PRIVATE AGRO-INDUSTRIAL SECTOR

1. Improving the business environment and access to finance

- (a) Development, at the provincial level, of a Public Private Dialogue (PPD) mechanism to improve inclusiveness and sustainability of regulatory reforms, through the existing *Fédération des Entreprises du Congo*, and build capacity to carry out investment promotion and implement investment climate reforms.
- (b) Carrying out of a detailed market study, and based on its recommendations, supporting tailored technical assistance to selected financial institutions to help strengthen their operations, and develop agriculture sector financing, with products and services better fitted to the sector's specificities, including: (i) general and specific training of loan officers on the essentials of agriculture lending, lending practices and procedures; and (ii) establishment of agribusiness finance as a core offering by developing a strategy, risk management framework, operations process, and products catering for this market segment.
- (c) Provision of technical advisory services to build capacity of cooperatives, private enterprises and startup companies to enable them to develop projects to levels that are acceptable for private investors and financial institutions.

PART C: REGIONAL INTEGRATION

1. Regional Cooperation and joint natural resources management

Provision of technical advisory services, equipment and logistical assistance to facilitate: (i) regional planning, monitoring and evaluation activities necessary for the establishment and monitoring of complementarity of investments amongst neighboring countries; and (ii) regional exchange of information, knowledge and technologies, including the establishment of a web-based exchange platform in coordination with the CEPGL.

2. Regional Agriculture Research for Development and Promotion of Other Strategic Value Chains

Strengthening and aligning national priorities with regional priorities within the national agricultural research system focusing on key agricultural Research for Development (R4D) priorities through, *inter alia*, the provision of technical advisory services, equipment and logistical assistance to: (i) targeted regional agriculture and nutrition research; (ii) upgrade the physical infrastructure and equipment of two select research facilities; (iii) improve

knowledge and information systems; (iv) develop human capital, including provision of scientific training at the post-graduate level, and short courses or targeted training at a lower level; and (v) prepare strategic interventions to promote fisheries and aquaculture and other value chains.

PART D. SUPPORT SERVICES AND PROJECT MANAGEMENT

1. Capacity strengthening of public, non-governmental organizations, and private technical services

Provision of funds for the: (i) construction or rehabilitation of office buildings and seed laboratories; (ii) training and study tours for public agents to neighboring countries; (iii) technical advisory services and equipment to the designated technical units to enable them to better carry out their functions; (iv) carrying out general training ; and (v) technical support to non-governmental organizations and private actors at provincial level to enable them to better participate in the implementation and monitoring of Project activities.

2. Project management, monitoring and evaluation

Provision of equipment, technical assistance and logistical support for the establishment or strengthening of the provincial services of relevant ministries, including capacity strengthening of public technical units, private actors and NGOs, and Project management, monitoring and evaluation at national and provincial levels.

3. Contingency Emergency Response

Financing of recovery activities through a contingency fund to be used in the event of a natural disaster affecting the agricultural sector.

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
1. Goods, works, non-consulting services, consultants' services, Training and Operating Costs (excluding Part A.1(a) of the Project)	84,550,282	100%
2. Goods, works, non-consulting services, consultants' services, Training and Operating Costs for Part A.1(a) (except Part A.1(a) (vii) of the Project)	7,653,064	92%
3. Matching Grants under Part A.1(a) (vii)	8,960,975	100% of amounts disbursed
4. Emergency Expenditures under Part D.3 of the Project	00	100%
5. Refund of Preparation Advance	1,205,722	Amount payable pursuant to Section 2.07 of the General Conditions
6. Unallocated	3,179,957	
7. Resettlement expenditures	350,000	100%
TOTAL AMOUNT	105,900,000	