



Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 25-May-2022 | Report No: PIDC33484

**BASIC INFORMATION****A. Basic Project Data**

Country Congo, Democratic Republic of	Project ID P178389	Parent Project ID (if any)	Project Name DRC Rural Water and Sanitation Sector Development Project (P178389)
Region Eastern and Southern Africa	Estimated Appraisal Date Mar 31, 2023	Estimated Board Date Jul 27, 2023	Practice Area (Lead) Water
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance	Implementing Agency Ministry of Hydraulic Resources and Energy, Ministry of Environment and Sustainable Development	

Proposed Development Objective(s)

To increase access to basic water supply and sanitation services in selected rural and peri-urban areas of DRC, and to improve capacities of public and private sectors for service delivery and water resource management

PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

Total Project Cost	400.00
Total Financing	400.00
of which IBRD/IDA	400.00
Financing Gap	0.00

DETAILS**World Bank Group Financing**

International Development Association (IDA)	400.00
IDA Credit	200.00
IDA Grant	200.00



Environmental and Social Risk Classification

Substantial

Concept Review Decision

Track II-The review did authorize the preparation to continue

Other Decision (as needed)

B. Introduction and Context

Country Context

1. **The Democratic Republic of Congo (DRC), the largest and third most populous country in Sub-Saharan Africa, is rich in natural resources.** With a total land area of 234 million ha, DRC's size is equivalent to that of Western Europe. It has a low population density of 16.1 person per km² and an estimated 89.6¹ million inhabitants², of which 54.4 percent live in rural areas.³ The country has vast natural resources, including the world's third largest hydropower potential, the world's second largest tropical forest area, mineral endowments that are the richest and most diverse in the world, and more than half of all freshwater resources in Sub-Saharan Africa.⁴ Since the 2006 elections, the country follows a semi-presidential system, whereby the President is the head of state and the Prime Minister is the head of government, of a pluriform multi-party system. There are 26 provinces and provincial executive power is exercised by elected governors and their provincial ministers.

2. **DRC is one of the world's poorest countries, with a per capita gross domestic product (GDP) of US\$545,⁵ roughly one-third of the Sub-Saharan Africa average (US\$1,499).** Based on the international standard of living on less than US\$1.90 a day, 73 percent of household live in poverty (2020). Moreover, the number of poor is growing, with 20 million more poor in 2020 than in 2003. Poverty reduction is hampered by high population growth—on an average three percent annually from 1961 to 2020—combined with weak economic growth, with a real GDP growth rate of 1.6 percent over the same period. This has resulted in a 60 percent decline in GDP per capita in 2020 compared to its 1960 level. Additionally, the humanitarian situation is precarious: half of all children have not received routine immunizations, over 5.2 million people are forcibly displaced, 27 million people are food insecure, and there have been four Ebola outbreaks in the past three years.⁶ More than 40 percent, or about 5.6 million children under the age of five, are stunted and 23 percent of children are underweight.⁷ In 2020, DRC's Human Development Index ranked 175 out of 189 countries and territories, while the 2020 Human Capital Index score was 0.37, which is below the average in Sub-Saharan Africa.

¹ World Bank (2020): www.data.worldbank.org (the latest census took place in 1984).

² Estimates as per the National Deployment and Vaccination Plan (Ministry of Health, 2021) go as high as 116 million.

³ World Bank (2020): www.data.worldbank.org.

⁴ Natural Resources Governance Institute. 2015. *Country Strategy Note: Democratic Republic of Congo*.

⁵ World Bank (2020): www.data.worldbank.org.

⁶ World Bank Group (2022). *Country Partnership Framework for the Democratic Republic of Congo for the period FY22-FY26*. Washington DC.

⁷ Demographic and Health Survey (DHS) 2014.



3. **Conflict and violence continue, particularly in DRC's part of the Great Lakes Region of Africa⁸ and lead to persistent fragility.** Over the past decade, continuing violence has affected nearly 40 million Congolese.⁹ Women and girls are especially affected as widespread conflict-related sexual violence compounds other forms of gender-based violence (GBV). Enduring political instability and cycles of conflict have led to weak governance and institutions, hampering reform implementation, service delivery, and private sector growth. The three main themes driving fragility and conflict identified in the World Bank's 2021 Risk and Resilience Assessment are (a) elite capture and resource extraction perpetuating a nonresponsive system of governance and a poorly redistributive economy; (b) an increasingly younger population lacking prospects for social mobility due to trauma and exclusion; and (c) the interaction between local, regional, and international conflict systems based on the competition for access to land, minerals, and other natural resources.

4. **Addressing gender inequalities is paramount to realize poverty reduction, human capital outcomes, and growth.** In 2020, DRC was ranked 175 out of 189 countries on the Gender Inequality Index. Gender gaps exist across all pillars of the World Bank Group (WBG) Gender Strategy:¹⁰ (a) human endowments – access to basic services, health, water and sanitation, (b) economic opportunities and jobs, (c) asset control and ownership and (d) voice and agency in decision making bodies. Women have less access to the education system, graduating four times less frequently than men. Furthermore, 61.5 percent of female-headed households live under the poverty line.¹¹ As a result, women are less involved in the labor market and are also less likely to have skilled jobs,¹² only accounting for 24 percent of professional and technical workers. In addition, women suffer from high rates of GBV. More than half of all women in DRC have experienced physical violence since the age of 15 (52 percent), and 27 percent of women reported they had been victims of physical violence over the past 12 months,¹³ most often by a family member but also by teachers, police, soldiers, or armed groups. Addressing women's economic empowerment requires the advancement of strategic priorities such as improving security and household agency, increasing educational attainment and skills, increasing access to capital, and supporting women's agricultural productivity.¹⁴

5. **Major infrastructure gaps, combined with poor governance, have led to geographic isolation, socioeconomic inequalities, and disparities in poverty rates across provinces, as well as between urban and rural areas.** The poor state of access to basic infrastructure services represents a major constraint to sustainable and inclusive growth. Decades of conflict, underinvestment, and lack of connectivity across DRC's vast territory have resulted in particularly large gaps in access to water supply and sanitation (WSS) services and electricity supply. Lack of access to these services represents a major barrier to doing business, hampers market development, and adds significant costs to infrastructure projects. The government has begun a campaign of reforming key state-owned enterprises responsible for service delivery, including REGIDESO, the national water utility. However, these reforms principally impact urban services, leaving significant governance gaps in rural areas where alternative service provision models are to be developed and strengthened.

6. **Climate change poses a serious threat to the country's weak infrastructure and livelihoods.** Due to the vast resources of the Congo basin and a high average annual rainfall of over 1500 mm per year, DRC is generally water rich. The total volume of freshwater withdrawn by major economic sectors is 0.2 percent of the total resource endowment. Long-term forecasts show more intense and frequent rainfall and an increase in daily mean temperature of 1.5–2.5°C warming by 2050. This would lead to more frequent flooding, increased erosion, and prolonged dry spells. Climate change

⁸ Countries include Burundi, DRC, Rwanda, and Uganda.

⁹ Office for the Coordination of Humanitarian Affairs data (2021).

¹⁰ World Bank Group Gender Strategy 2016–2023. World Bank, Washington DC.

¹¹ <https://databank.worldbank.org/source/world-development-indicators>.

¹² World Economic Forum (WEF). 2020. Global Gender Gap Index.

¹³ Government of the Democratic Republic of Congo DHS (2014).

¹⁴ World Bank. 2021. Women's Economic Empowerment in the Democratic Republic of Congo. Obstacles and Opportunities. World Bank Washington DC.



impacts and vulnerabilities already pose significant challenges and risks in key sectors such as agriculture, water resources, water supply and sanitation, electricity, and human health and compound existing risks from conflict and violence. Progressing climate change will impact DRC’s water security in terms of access to services and water-related risks, hence the need for climate-resilient infrastructure and water resources management.

7. **The COVID-19 pandemic presents significant socioeconomic challenge and threatens to undo recent progress in curbing poverty and enhancing state institutional capacity.** The economic impact of the pandemic added significant stress to an already strained service delivery system and its institutions. As a result, 2020 saw a contraction of the non-mineral GDP by 1.3 percent and a slight increase in the poverty rate from 2019. DRC could face weaker growth, higher prices, and the diversion of public resources away from ongoing development efforts.

Sectoral and Institutional Context

8. **Despite DRC’s rich water resources, the country faces water security challenges, given the low and geographically uneven access rates for WASH services¹⁵.** The most recent nationally representative household survey found that access in rural areas is much lower than in urban areas across all WSS services.¹⁶ Most notably, only 19 percent of rural households have access to basic water supply and only 9 percent have access to basic sanitation, whereas 18 percent of rural household still practice open defecation as their primary sanitation solution and just 15 percent of rural households have access to basic hygiene services¹⁷. Figure 1 shows that water supply and sanitation access is lowest in the central provinces of the country. These are also the provinces with some of the highest rates of open defecation. Not

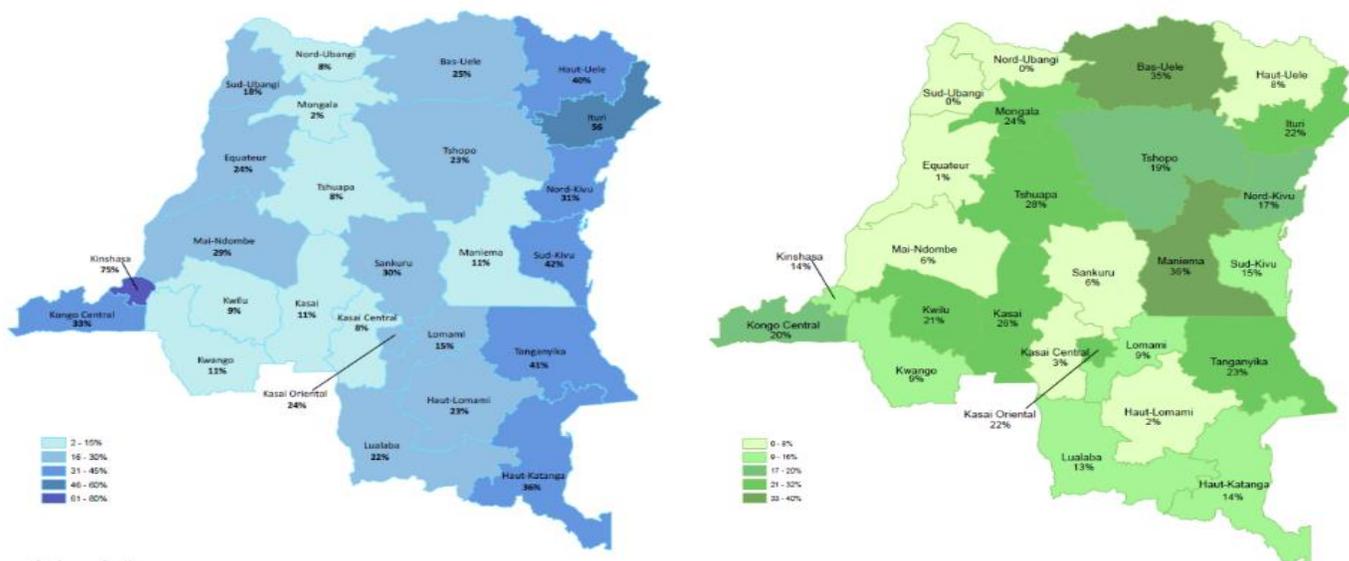


Figure 1: Access to basic water supply (blue) and basic sanitation (green) by province (2019) (based on JMP data)

¹⁵ World Bank (2017). *WASH Poor in a Water-Rich Country: A Diagnostic of Water, Sanitation, Hygiene, and Poverty in the Democratic Republic of Congo*. World Bank, Washington, DC.

¹⁶ UNICEF (2018) DRC Multiple Cluster Indicator Survey (MICS) Household survey.

¹⁷ Definitions are defined through the Joint Monitoring Program (JMP) of UNICEF/WHO (www.washdata.org). JMP uses national data such as Demographic Health Survey (DHS) and the MICS. “Basic” water supply is defined as access to an improved water source within a 30-minute-roundtrip time. An improved water source includes piped water (tap stand or yard connection), borehole, handpump, protected spring or dug well. JMP defines “safely managed” water supply as a much higher level of service with access on premises, a reliable supply, and free of contamination. Basic sanitation is defined as access to an improved sanitation facilities not shared with other households. An improved facility includes a pit latrine with slab, a ventilated improved pit latrine, a flush toilet, a pour-flush toilet, or a composting toilet. Basic hygiene means an on-plot handwashing facility with water or soap.



only is access higher in urban areas, but wealthy households are also much more likely to have access to water supply (66 percent versus 14 percent) and basic sanitation (30 percent versus 6 percent) than those in the bottom quintile. Annex 1 provides detailed access rates for each province.

9. **The government is in the process of reforming both the water supply and sanitation sectors and has developed a national program to improve access and sustainability of service provision.** At a national level, the National Program for Water, Sanitation and Hygiene 2020-2030 (PNEHA), lays out the priorities for sectoral reform and investments over the coming years. The PNEHA sets ambitious targets of 80 percent for urban and 60 percent rural water access and universal water access in schools and health centers by 2030. The PNEHA, budgeted at almost US\$ 8 billion of which the majority for water supply, has several subprograms and involves all ministries involved in the water, sanitation and hygiene (WASH) sector.

10. **The Ministry of Water Resources and Electricity (*Ministère des Ressources Hydrauliques et Electricité*, MRHE) is the key government institution for the water supply sectors, whereas the Ministry of Environment and Sustainable Development (*Ministère de l'Environnement et Développement Durable*, MEDD) oversees the sanitation sector.** The MRHE is responsible for developing water sector policies, planning access scale up, and overseeing program implementation and as such is the main custodian of the implementation of the 2015 Water Law. The MEDD's Sanitation Department (*Département d'Assainissement*, DAS) is responsible for sanitation planning, while the Ministry of Health (*Ministère de la Santé Public*, MSP) is responsible for hygiene and sanitation promotion in rural areas. MEDD and MSP have jointly developed a Roadmap to Eradicate Open Defecation 2030 (*Defecation a l'Aire Libre*, DAL) with concrete program of policy and investments measures to eradicate open defecation by 2030 and reduce fecal contamination to the environment by 50 percent by 2030. The National Action Committee for Water Supply, Sanitation, and Hygiene (CNAEHA, *Comité Nationale d'Action, d'Eau, Hygiène et Assainissement*), plays at a national coordinating role involving MRHE, MEDD, MSP, Ministry of Education (*Ministère d'Education Primaire, Secondaire et Tertiaire*, MEPST), and the Ministry of Rural Development (*Ministère de Développement Rural*, MDR).¹⁸

11. **The 2015 Water Law supports the decentralization of the sector, empowering provincial governments to take on their mandate for overseeing service provision and opening the sector for private sector engagement.** While decentralization was enshrined in the 2006 Constitution, through its 26 provinces (tier 2) and its over 1000 self-governing entities¹⁹ (ETDs, *Entités Territoriales Décentralisées*) little progress has been made thus far. National to provincial fiscal transfers are not yet fully effective and a dedicated fund to support the provinces and the ETDs has not been set-up. The Water Law (2015) mandate provinces to organize WSS service delivery in coordination with the ETDs²⁰. This includes the water supply asset transfer to provincial governments, the establishment of provincial infrastructure units (or *Regies Provinciales d'Infrastructure*) that develop and oversee water supply/infrastructure services through services delegation contracts with operators. These operators could be i) public, such as the national state-owned water utility REGIDESO or future REGIDESO subsidiaries (*filiales*)²¹, ii) private through various Public Private Partnership (PPP) contracts, and iii) not-for-profit drinking water associations (*ASUREP, Association d'Usagers de Réseau d'Eau Potable*). The Water Law also

¹⁸ The MDR has been implementing, through a dedicated project implementation unit, a long-standing rural water supply and sanitation project, financed by the African Development Bank (AfDB)

¹⁹ There are 25 provinces and one the city-province of Kinshasa (tier 2). The third tier is the level of ETD that includes in the urban areas 98 cities (*villes*) with population above 100,000, 620 communes (rural and peri-urban) and 478 rural sectors (*secteurs*) and 263 chiefdoms (*chefferie*) with traditional leadership. ETDs can be divided into *quartier* (urban), or into (groups of) villages (*groupement* or *village*), with over 88,000 villages in rural DRC. Rural ETDs are administratively grouped into 145 *territoires* that have no self-government function as such.

²⁰ In line with the 2008 Law on Self Governance of Provinces and ETDs.

²¹ A Restructuring Strategy was prepared by COPIREP (*Comité de Pilotage de la Réforme des Entreprises Publiques*) under the Ministry of Portfolio that was approved by the Government in September 2021. The REGIDESO strategy entails three phases: (i) a regionalization of REGIDESO's activities into Regional Directorates with increased autonomy; (ii) creation of a REDIGESO holding company and the set-up of REGIDESO subsidiaries (*filiales*); (iii) the opening up of service provision in provincial capitals for various types of PPPs. Ultimately the *filiales* could be corporatized in autonomous utilities with mixed share capital.



introduced the establishment of new sector institutions, namely the Water Regulatory Agency (ARSPE, *Autorité de Régulation du Service Public de l'Eau*) responsible for economic and service level regulation and the development of water PPPs, and the Congolese Water Authority (OCE, *Office Congolais des Eaux*) responsible for water resources management (WRM) functions such as river basin planning, managing water permits and allocation regimes, setting up a water fund, and financing water supply infrastructure in rural areas.

12. **The proposed project supports to GoDRC water sector reform and complements past and ongoing water projects financed by the International Development Association (IDA), considering past implementation lessons.** To strengthen implementation capacity of the MRHE's General Secretariat, the *Cellule d'Exécution des Projets* (CEP-O), was created in 2009 under REGIDESO, and tasked with the implementation of the IDA financed Urban Water Supply project (PEMU) from 2009-2021²². CEP-O was transferred on February 15, 2022 from REGIDESO to the MRHE. The ongoing multi-sectoral Kin Elenda²³ project as well as the ongoing combined energy and water AGREE project²⁴, are both implemented through CEP-O. The AGREE project is supporting GoDRC's reform program and Water Law implementation, with a focus of developing the *Regie Provinciales* in two target provinces²⁵, the regulatory framework for economic regulation and WRM through capacity building of nascent institutions such as ARSPE and OCE, as well as the introduction of PPP contracts in peri-urban areas outside of REGIDESO service areas.

13. **The proposed project concept features synergies with several IDA-funded projects concerning renewable-based electrification, increasing private sector engagement, strengthening governance, and improving education and girls' empowerment.** Annex 2 provides an overview of the synergies and complementarities with existing projects in terms of scope and co-location to raise human development, economic and governance outcomes that go beyond infrastructure access. The proposed project targets provinces under the ENCORE²⁶ project that aims to strengthen provincial governance in the context of decentralization. Secondly, the proposed project is aligned with the TRANSFORME²⁷ project as it aims to facilitate private water operators' access to commercial finance from participating financial institutions under a dedicated water-window Partial Portfolio Credit Guarantee (PPCG) scheme established under TRANSFORME. Moreover, it intends to use entrepreneurship and performance-based grants to develop and support micro, small and medium enterprises in the WASH sector, e.g., for the expansion of water services to unserved areas, to scale-up sanitation marketing for ending open defecation and to promote the production and use of locally produced menstrual hygiene pads. Critical synergies exist with the AGREE project, where electricity mini-grids and off-grid solar system development opens opportunities to expand drinking water services, including through for solar pumping. The proposed project will collaborate closely with the Girls Empowerment Project²⁸ not only through investing in WASH infrastructure in schools, but also by changing social norms and stigma around menstrual hygiene and health (MHH), positively impacting the learning environment.

Relationship to CPF

14. **The project contributes to the objectives laid out in the WBG's DRC Country Partnership Framework (CPF) for fiscal year 2022–2026 discussed by the Board on February 23, 2022 (Report No. 168084-ZR).** It will promote public and private investments in critical infrastructure to increase people's access to basic infrastructure services (objective 2.2), strengthen transparency and governance (objective 3.2), and strengthen the foundations for inclusive economic diversification and private sector development (objective 3.3). As per the CPF focus on addressing fragility and conflict,

²² *Projet Eau en Milieu Urbain* (PEMU) (P091092)

²³ Kinshasa Multi-sector Development and Urban Resilience Project (Kin Elenda) (P1711141)

²⁴ Access, Governance, Reform for Electricity and Water (Eau) Sectors (AGREE) (P173506)

²⁵ These are Nord Kivu and Kasai Central under the AGREE project

²⁶ Enhancing Collection of Revenues and Expenditure Management Project (ENCORE) (P171762)

²⁷ Empowering Women Entrepreneurs and upgrading MSMEs for Economic Transformation and Jobs in DRC project (P178176)

²⁸ DRC Girls Empowerment Project (P178684)



the project will target provinces affected by conflict and violence, where investments in basic water supply and sanitation infrastructure will increase access, support human capital outcomes, strengthen the social contract, and unlock private sector engagement in the delivery of WASH products and services.

15. **The project addresses drivers of fragility identified in DRC’s Risk and Resilience Assessment and is aligned with the WBG 2020 Fragility, Conflict, and Violence (FCV) Strategy²⁹.** First, it will enhance governance and trust in the state (driver 1) through: (a) strengthening governance at provincial and local levels; (b) developing accountable and transparent management of services (e.g., community-based, utility-based, or private sector-based); and (c) increased citizen engagement in design and operation of water systems, and WRM. Second, the project contributes to addressing a non-diversified economy (driver 2) by creating jobs in the private sector, specifically for women, including through vocational and entrepreneurship training for MSME development in the WASH sector.

16. **The project is aligned with the WBG COVID-19 response approach.³⁰** The project will enable access to water and sanitation for the rural poor, including in schools and health care facilities (Pillar 2). The project supports provincial governments, central ministries (MRHE, MEPST, MSP, MDR), and key sector agencies (OCE, ARSPE) enhancing their capacity for resilient investments and sustainable operations (Pillar 4).

17. **The proposed project contributes to the WBG Action Plan on Climate Change Adaptation and Resilience.** On mitigation, the project will (a) promote the use of solar pumping in areas where grid access is not available and (b) increase energy and water use efficiency in the rehabilitation/expansion of water systems in peri-urban and rural areas. On adaptation, the project will address vulnerabilities through (a) developing climate-resilient sanitation and water infrastructure by enhancing design and protecting water and sanitation infrastructure from flooding and erosion and (b) supporting data-driven basin-level WRM planning through expanding hydromet and groundwater monitoring, carrying out aquifer assessments, so as to increase the resilience of rural water supply systems that often rely on groundwater.

18. **The project supports the implementation of the WBG Gender Strategy (2016–2023).** Project activities contribute to narrowing gender gaps on (a) human endowments by increasing access to water and sanitation and better learning environments for girls due to WASH access in schools; (b) access to economic opportunities through vocational and entrepreneurship programs and encouraging female employment in the public sector; and (c) increasing voice and agency through empowering women in the water system management and oversight. The project addresses security and GBV risks through at-home access to water and sanitation and/or WASH facilities at closer distance.

C. Proposed Development Objective(s)

19. The project development objectives are to increase access to basic drinking water supply and sanitation (WSS) services in selected rural and peri-urban areas of DRC, and to improve capacities of public and private sectors for service delivery and water resource management.

Key Results (From PCN)

Proposed PDO-level indicators are:

- Number of people gaining access to at least basic drinking water services (number)

²⁹ World Bank. 2020. World Bank Group Strategy for Fragility, Conflict, and Violence 2020–2025.

³⁰ World Bank. 2020. COVID-19 Crisis Response Approach Paper: Saving Lives, Scaling-up Impact and Getting Back on Track. The Approach has four pillars: (i) Saving lives; (ii) Protecting poor and vulnerable people; (iii) Ensuring sustainable business growth and job creation; (iv) Strengthening policies, institutions and investments.



- Number of people gaining access to at least basic sanitation services (number)
- Number of social institutions and public facilities with functional WASH facilities and an O&M arrangement in place (number)
- Number of PPP contracts for O&M of peri-urban/rural water systems executed and monitored annually by regulator and provinces (number)
- Number of Provincial Infrastructure Units strengthened with trained staff, equipment, and MIS tools to monitor and support rural water service delivery (text)
- Number of basins with water resources management plans prepared (number)

D. Concept Description

20. **Within the context of the humanitarian, development and peace building nexus, the GoDRC expressed demand for long-term programmatic support to reform the WSS sector, deliver tangible service improvements in lagging areas and help restore the social contract with its citizens.** The PNEHA 2020-2030 is the overarching planning framework that has consolidated several sub-sectoral plans, bringing financing needs together in a complementary and systematic manner. A Series of Projects (SOP) instrument is proposed, with the program objective to increase access to resilient, sustainable, and inclusive water supply and sanitation services in lagging regions of DRC. It allows for the preparation of subsequent IPFs, without the need to approve the total program envelope by the Board as is the case for a Multi-Phase Approach and hence allowing for flexibility in the scope of subsequent projects. At this point in time, a Program for Results instrument was not deemed appropriate due to (i) weak country fiduciary and ESF systems, ii) almost exclusive reliance on development partner financing for rural WSS and the lack of a robust domestic expenditure program that a PforR would aim to leverage.

21. **SOP-1 will focus on priority investments in the most underserved rural and peri-urban areas of DRC, where REGIDESO is absent, while developing scalable and viable service delivery models.** The program will strengthen national and provincial sector governance and develop an enabling environment for private sector growth in rural and peri-urban WSS service provision. SOP-1 will build capacity at national and provincial levels and readiness for scaling-up investments through subsequent projects. While SOP-1 foresees a central project implementation unit (PIU) under MRHE with field presence in target provinces, SOP-2 and SOP-3 could explore a province-led implementation model in line with the decentralization in DRC, e.g. by hosting PIUs within *Regie Provinciales*. The overall envelope for the SOP is tentatively scoped for US\$ 1.3 billion through a series of three projects, as indicated below.

	<i>Budget (million)</i>	<i>Scope</i>	<i>Timeline</i>
Total SOP	US\$ 1,300	WSS sector transformation to achieve sustainable, resilient and inclusive water supply and sanitation services, with at-scale private sector involvement	May 2023-May 2033
SOP-1	US\$ 400	<ul style="list-style-type: none"> • 4 provinces (Kwilu, Kasai, Kasai Central, Kasai Oriental) • Most infrastructure for rural and peri-urban water supply, sanitation; limited IWRM/resilience, mostly focused on TA • Support WSS reform, decentralization; provincial governments strengthened • Develop viable management and PPP models, with potential limited leveraging of commercial financing • Address sanitation legal framework and sustainable programmatic approach policy actions 	May 2023-May 2028
SOP-2	US\$ 400	<ul style="list-style-type: none"> • Additional provinces aligned with the CPF 2022-2026 to scale-up 	Jan 2025-Jan 2030



		<ul style="list-style-type: none"> investment Move to provincial-led implementation of investment program; update national WSS investment framework Increased role of private sector and more leveraging of commercial finance Increased sanitation investments following ETD or city-wide inclusive sanitation approach Investments in WRM and resilience (watershed and storage management, groundwater development) 	
SOP-3	US\$ 500 million	<ul style="list-style-type: none"> Nation-wide transfer of capital and performance grants to provinces to improve service efficiency, sustainability, and inclusiveness. Consolidate and sustain gains in eradication of open defecation Deepen reform implementation, develop mix private/public provincial utilities Move towards larger or province-wide PPP contracts for rural/peri-urban water service perimeters; scale-up FSM 	May 2027-May 2033

Proposed Project Components

22. **The proposed project concept responds to pressing institutional challenges, opportunities for the private sector, and to access gaps in water supply and sanitation services in rural and peri-urban areas.** Expanding basic service provision for households, businesses and community institutions is aimed at human capital development and trust building between the state and its citizens. The project will enhance rural water security through provincial WSS investments and water resources management measures, technical support and better coordination mechanisms among MRHE as lead ministry and other ministries and entities, such as MEDD, MDR, MEPST and MSP. To increase climate resilience, the project will develop OCE’s capacities for data driven WRM planning and better groundwater management, as most rural populations rely on groundwater for drinking water. The project will design climate resilient infrastructure and support decarbonization through solar water pumping.

23. **The project will follow a framework approach³¹ with implementation targeting a limited number of provinces, followed by sub-provincial targeting of the most in-need ETDs.** Currently, the targeted provinces under SOP-1 are Kwilu, Kasai, Kasai Central, and Kasai Oriental. These provinces were identified in dialogue with the GoDRC and are based on several criteria, including: the current rate of access to basic water and sanitation, the total number of people without access to basic water services, poverty levels and stunting, priority provinces under the Country Partnership Framework (CPF) and synergies with other IDA-financed projects such as in electrification, private sector development, health, education, and governance (see also Annex 2). ETDs will be selected based on needs, readiness of subproject, accessibility, and the presence of other development partners, and will be developed during preparation. An area-wide approach in the ETDs will target the entire population with water supply and sanitation improvements – at the household level as well as in institutions. Selection criteria for rural and peri-urban ETDs will be stipulated in the Project Implementation Manual (PIM), excluding cities (*villes*) with over 100,000 inhabitants.³² The project consists of four components.

24. **Component 1: Developing Rural and Peri-Urban Water Supply for Water Security (US\$280 million)** consist of three subcomponents.

25. **Subcomponent 1.1: Increasing rural and peri-urban water supply access** will finance infrastructure, such as (i) expansion and rehabilitation of multi-village and/or peri-urban water supply systems including water source intake,

³¹ Not all investment subprojects will be identified; site-specific design studies will be carried out within the first two years.

³² Peri-urban areas are defined as those areas surrounding urban settlements (*villes*), classified as urban communes.



production, storage/reservoirs, conveyance and distribution networks; (ii) construction, expansion, and/or rehabilitation of rural water supply systems based on an approved menu of technology options; (iii) the development of solar energy to power water systems where no electricity grids are available; (iv) equipment, tools and training for service providers; and (v) technical preparation, design and supervision of subprojects. Different management models will be promoted, with an emphasis on involving the private sector in the development and operation and maintenance phase. These will be explored during preparation but could include a mix of PPPs between the provincial government and private sector firms, service delegation from the province to a drinking water user association (ASUREP³³) and/or repair/rehabilitation and/or new construction of handpumps or mechanical boreholes, managed by village committees with technical support models, possibly involving private sector.

26. **Subcomponent 1.2: Developing private sector for innovation, resilience, and sustainability of water services** that will finance technical assistance and market enabling measures to increase private sector involvement in rural water. It will finance: i) transaction advisory services for PPPs with larger perimeters; ii) technical assistance to private sector firms, including for business planning, loan proposal development, and E&S compliance; iii) technical assistance to selected commercial banks interested in lending to rural water sector; iv) performance-based grants to existing private operators to expand connections/water kiosks in unserved peri-urban/rural areas; and v) innovation/catalytic grants to private sector to improve green energy profile, introduce digital innovations, and/or develop guaranteed O&M service models for village water points, and vi) the endowment of a “water window” under the PPCG established under the TRANSFORME project (P178176) (to be confirmed based on market assessment)

27. **Subcomponent 1.3 Improving water governance, water resources management and investment planning** will finance institutional strengthening at national and provincial levels and development of a rural water MIS and WRM system. Specific activities include i) support to provincial infrastructure units (*régies provinciales*) to oversee water services and PPP contracts, ii) support provincial investment plans and studies for scale-up under SOP-2 and SOP-3; iii) support MIS system for rural/peri-urban water systems;³⁴ iv) support to ARSPE (regulator) on regulatory guidelines for tariffs of ASUREPs, and application of tariff method under rural/peri-urban contractual PPPs and v) support OCE with development of WRM plans in targeted basin(s), hydromet and groundwater monitoring network development to improve the knowledge base for ensuring resilience of rural water systems.

28. **Component 2: Improving Sanitation and Hygiene for Human Development (US\$100 million):** This component will be implemented in a subset of ETDs under component 1.³⁵

29. **Sub-component 2.1: Increasing access to sanitation and hygiene in rural and peri-urban areas.** Access to basic sanitation in rural and peri-urban areas has decreased in the period 2000-2010 - even for the wealthiest households, indicating issues of affordability and sustainability. It will finance: i) implementation of Community-Led Total Sanitation+ (CLTS+)³⁶ and social marketing campaigns and continuous engagement with communities for sustaining behavior change; ii) capacity development and operational support for provincial, ETD and community facilitators and technicians, includes local cadres of the MEDD and MSP, as well as existing community-level structures³⁷; iii) technical assistance for product

³³ ASUREPs are registered as ASBL (Association Sans But Lucrative)

³⁴ The rural water supply MIS may be linked or integrated as part of the MIS systems for larger urban water service providers (developed with support of AGREE project); users would include ARSPE, MRHE, OCE, provincial and local ETDs. OCE will develop an MIS to manage water resources quantity and quality, e.g. for abstraction and discharge permits and other WRM data.

³⁵ In order to increase the success rate of a market-based approach, ETDs will be selected with higher population density and with closer proximity to markets / urban centers.

³⁶ CLTS = Community-Led Total Sanitation, a behavior change approach that triggers communities’ self-awareness and empowers them to stop open defecation, build and use latrines; also referred to ATPC (ATPC = Assainissement Total Piloté par la Communauté)

³⁷ These include structures such as village volunteers (*Relais Communautaires = Rescos*) and the community mobilization units (*Cellule d’ Animation*)



innovation, supply chain development and training of local entrepreneurs for sanitation and hygiene products and services; iv) financing household incentives (e.g., with a voucher system) for durable on-site sanitation latrines; and v) for dense peri-urban areas small-scale fecal sludge treatment plants and emptying equipment, and associated technical and E&S studies.

30. **Sub-component 2.2: WASH infrastructure in public and social institutions** will finance the electrification (including with off-grid-solar systems) and construction of water, sanitation, and hygiene (handwashing) facilities in selected schools, health centers, markets, transport hubs, and other public places in targeted ETDs. Technical designs for the facilities will be inclusive and responsive to women/girls' needs and people with disabilities, and the infrastructure will be accompanied by a menstrual health and hygiene education program.³⁸ Operational models for WASH facilities will encourage community or private sector management, encouraging female entrepreneurship; the subcomponent will finance feedback systems to ensure functionality of the WASH facilities in coordination with line ministries.

31. **Sub-component 2.3: Development of private sector for sustainable and resilient sanitation service delivery** will focus on market enabling measures to support private sector involvement in sanitation for peri-urban and rural growth centers. It will finance: i) technical assistance to contractors to integrate sanitation products/services in their business line (compliant with voucher scheme requirements); ii) training for sanitation and hygiene entrepreneurs' business planning and facilitating access to SME-credit (including for sanitation emptiers); and iii) innovation/catalytic grants for product innovation and market development such as for menstrual hygiene pads, for latrine slab innovation, marketing and piloting of business models (e.g., container-based sanitation in dense peri-urban areas).

32. **Sub-component 2.4: Improved sanitation sector governance and investment planning** will finance: i) national support to develop implementation decrees for the foreseen Sanitation Law;³⁹ ii) provincial support to develop regulatory and legislative framework and basic MIS systems; iii) assessments and development of provincial sanitation plans; and iv) detailed studies to prepare ETD/or city-wide inclusive sanitation plans for investments under SOP-2 and SOP-3.

33. **Component 3: Project Management (US\$20 million)**. This component will finance all project management activities, including incremental project management costs, financial and technical audits, monitoring and evaluation of project activities (including gender disaggregated data), oversight of environmental and social framework (ESF) compliance, communication, technical assistance and consultant services, training and knowledge exchange.

34. **Component 4: Contingency Emergency Response Component, CERC (\$0 allocated)**. This component provides for a zero-dollar emergency response mechanism in the event of a natural disaster, crisis or emergency that meets established criteria, which is defined as an event that has, or is likely to have in the very near future, significant adverse economic and/or social effects on the Recipient as a result of natural or man-made crises or disasters.

35. **Performance Based Conditions will be explored during the preparation and will likely include (i) conditions linked to reform actions and (ii) conditions linked to tangible results on the ground.** In the first case, the project could use PBCs to assist (i) the DAS, under the supervision of the MEDD, to finalize and approve (at the technical level) implementing decrees related to the Sanitation Law; (ii) ARSPE to approve guidelines for cost-reflective tariffs for ASUREPs and/or cost recovering tariffs for the rural water PPPs under the project; (iii) establishment of *Regies Provinciales* in the

Communauté = CAC) that take on social mobilization and household support roles in community-based nutrition interventions.

³⁸ Facility design will rely on existing Ministry of Education designs that were developed through support from UNICEF. Additionally, school infrastructure investments and hygiene messaging are being closely coordinated with the Girls' Empowerment and Learning for All Project (P168699).

³⁹ AGREE project already support the development of the Sanitation Law; however, several implementation decrees will be required to clarify technical standards, institutional arrangements, etc.



target provinces to oversee water and sanitation services; and/or (iv) government actions to clarify the roles of the institutions involved in the rural water sector.⁴⁰ In the second case, PBCs would be used as results-based financing in a context where the end result is difficult to achieve, for example, the sustainability of waterpoints, the achievement of community-wide sanitation targets, the sustainability of WASH facilities at schools and health centers. Implementation of component 1 will be led by MRHE, implemented through CEP-O, and supported by OCE with regard to the WRM activities, while component 2 will be led by MEDD, specifically the DAS, in close coordination with the MEPST and MSP, specifically the DHP.

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	Yes
Projects in Disputed Areas OP 7.60	No
Summary of Screening of Environmental and Social Risks and Impacts	

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Implementing Agencies

⁴⁰ Specifically, the role of National Office of Rural Hydraulics (ONHR , *Office National d'Hydraulique Rural*), whose establishment is not foreseen in the Water Law.



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