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REPORT NO.: RES35860

RESTRUCTURING PAPER

ON A

PROPOSED PROJECT RESTRUCTURING

OF

HIGH PRIORITY REOPENING AND MAINTENANCE PROJECT

APPROVED ON MARCH 18, 2008

TO

DEMOCRATIC REPUBLIC OF CONGO

TRANSPORT GLOBAL PRACTICE

AFRICA REGION

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ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
GBV	Gender Based Violence
GRM	Grievance Redress Mechanism
IPN	Inspection Panel
MAP	Management Action Plan
MS	Moderately Satisfactory
MU	Moderately Unsatisfactory

BASIC DATA

Product Information

Project ID	Financing Instrument
P101745	Investment Project Financing
Original EA Category	**Current EA Category**
Full Assessment (A)	Full Assessment (A)
Approval Date	**Current Closing Date**
18-Mar-2008	28-Feb-2019

Organizations

Borrower	Responsible Agency
Ministry of Finance,Ministry of Finance,Ministry of Infrastructure and Public Works,Ministry of Environment and Sustainable development,Ministere des Finances	Cellule Infrastructures,Cellule Infrastructures - Ministry of Public Works,Office des Routes

Project Development Objective (PDO)

Original PDO

The proposed project#s development objective is to re-establish lasting access between provincial capitals and districts andterritories in three provinces in a way that is sustainable for people and the natural environment in the area of influence of theoperation.

Current PDO

The objective of the project is to re-establish lasting road access between provincial capitals, districts and territories, in the Project impact area in a manner that is sustainable for the natural environment

Summary Status of Financing

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
IDA-57630	18-Feb-2016	18-Mar-2016	06-Dec-2016	28-Feb-2019	125.00	80.80	46.04
IDA-H7050	28-Jun-2011	12-Aug-2011	08-Nov-2011	28-Feb-2018	62.50	57.23	0
IDA-H3590	18-Mar-2008	08-Jul-2008	07-Oct-2008	28-Feb-2018	49.41	48.02	0

TF-99492	12-Aug-2011	12-Aug-2011	08-Nov-2011	30-Jun-2016	22.94	22.94	0
TF-92300	08-Jul-2008	08-Jul-2008	07-Oct-2008	30-Jun-2016	70.74	70.74	0

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No

I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

1. The Project is supported by a total IDA amount of US$238 million. This includes an IDA grant of US$50 million equivalent approved by the World Bank Board on March 18, 2008. A first Additional Financing (AF1) in the amount of US$63.3 million equivalent was approved in June 2011 to scale up ProRoutes activities and on February 18, 2016, a second Additional Financing (AF2) in the amount of US$125 million equivalent was approved. The original financing (IDA-H3590) and the first additional financing (IDA-H7050) of the High Priority Roads Reopening and Maintenance Project have been closed since February 28, 2018.

2. The current PDO is to re-establish lasting access between provincial capitals and districts and territories in four provinces (Province Orientale, Katanga, Sud Kivu, and Equateur) in a sustainable manner for people and the natural environment in the project's area of influence. The project comprises of the following four components: (a) Road Reopening and Maintenance; (b) Institutional Strengthening; (c) Environmental and Social Program; and (d) Monitoring and Evaluation.

3. To date, the following main results have been achieved under the project: (a) 2,600 km of roads were reopened by the project against a target of 2,673 km (97 percent achieved) serving villages and remote areas where more than one million people live and who have had limited or no access to all weather roads for many years; and (b) 3,200 km are under mechanized routine maintenance contracts to ensure their sustainability, against a target of 3,345 km (95 percent achieved).

4. A complaint describing serious harm to project-affected communities was received by the World Bank Inspection Panel (IPN) on August 3, 2017. The complaint related to the conditions of exploitation of quarries and borrow pits under the project, particularly regarding the Tongo-Butale quarry exploited as part of the National Road No. 2 (RN2) Bukavu-Goma road civil works financed by the project. Other serious allegations related to instances of Gender-Based Violence (GBV) against community members, poor working conditions, and sexual harassment against female contractor staff, as well as excessive use of force by Congolese military personnel assigned to protect the worksites. Following review of the IPN's eligibility report by the World Bank Board of Executive Directors, a full investigation was launched by the Panel. Disbursements on all civil works were suspended from November 26, 2017.

5. In response to the Inspection Panel's Investigation Report (No. 124033-ZR), the World Bank Management submitted its Management Response, including a detailed Management Action Plan (MAP) with 28 actions to be implemented. The MAP was approved by the Board on September 7, 2018. As of February 19, 2019, implementation of the MAP is on track with seven of the 28 actions completed, three about to be completed, 16 are on-track and will be monitored until project closure, one is pending the resumption of works on the RN2 road, and one is not applicable at this point [1]. The extension of the closing date by at least six months is one of the 28 actions of the MAP. Since it was informed of the IPN complaint in August 2017, the World Bank has exerted considerable effort in remedying the identified problems and in supporting the Borrower's implementation of all agreed actions and measures put in place. The first six months update about the implementation of the MAP is about to be sent to the World Bank Board (due date of March 7, 2019).

6. The lifting of the suspension of IDA disbursements was approved on December 10, 2018, following a review that all conditions set out in the World Bank's suspension letter dated November 26, 2017 had been met for works to re-start in full compliance with World Bank policies and safeguards obligations. The conditions included: (a) compliance by the Congolese authorities of all the conditions set at the time of the suspension, both for the Goma-Bukavu road (RN2) and for the other roads financed under ProRoutes; and (b) that implementation of the action plan approved by the Board as part of the Management Response to the Inspection Panel investigation report is on track.

7. The World Bank has been closely following the implementation of remedial and prevention measures following the filing of the IPN complaint in August 2017. A total of 12 World Bank missions have been held over the past 14 months, including 10 field visits to the Goma-Bukavu project worksites. As the World Bank resumed its disbursements and works restarted, the World Bank team continues to closely monitor the project through monthly field visits to the RN2 worksites, for at least the first four months of works resumption – subject to security conditions. The first of these field visits to RN2 was held on February 11-15, 2019 and reported on the satisfactory implementation of the MAP action and other risk prevention and mitigation measures.

8. The progress towards achievement of the project's PDO is currently rated as Moderately Satisfactory (MS). The overall Implementation Progress rating is Moderately Unsatisfactory (MU) and the overall safeguard rating is MU due to several non-compliance issues, including with regard to the provisions of the Environmental and Social Documents on the Goma-Bukavu (RN2) road section, as well as pending issues with lack of performance on monitoring and evaluation and on reporting. As of today, about 35 percent of the AF2 amount remain undisbursed while about 7 percent are uncommitted.

9. The overall project financial management system has been rated satisfactory. The quarterly Interim Financial Reports have been submitted on time and the quality of the reports has been found to be satisfactory. The external audit has been conducted in line with International Audit Standards, the reports have been submitted before June 30th of every fiscal year as indicated in the Financing Agreement, and the reports were unqualified. Most of the audit and World Bank recommendations have been successfully implemented.

[1] This action relates to the support to be provided to eventual GBV survivors that would not have been completed by the Project's closing date. This action is not applicable at this point since the Project's closing date is being extended. Should a need for continued GBV support be identified after the closing of ProRoutes, the DRC Gender-Based Violence Prevention and Response Project (P166763) will be able to provide support to GBV survivors along the RN2 road, as needed.

II. DESCRIPTION OF PROPOSED CHANGES

10. This paper proposes to extend the current closing date of the AF2 IDA Grant (IDA-57630) by 12 months, from February 28, 2019 to February 29, 2020. The Government of DRC requested to extend the Closing Date to allow the project to complete measures identified in response to the IPN Report. The AF2 was approved on February 18, 2016 for an original closing date of February 29, 2018 and has already been extended once to February 28, 2019. The closing date for the original IDA Grant (IDA-H3590) and the First Additional Financing IDA Grant (IDA-H7050) will not be extended as both IDA grants are now fully disbursed.

11. An extension of 12 months would provide enough time to allow completion of all the ProRoutes' road works that have begun resuming following the lifting of suspension, as well as the implementation of the action plan approved by the Board on September 7, 2018 as part of the Management Response to the IPN investigation report, and follow up on any eventual safeguards issues, including GBV.

12. In addition to reconnecting previously isolated cities and provinces and benefitting millions of people in poor and remote areas of DRC, concluding the road works through an extension of the closing date would also support ongoing humanitarian efforts to mitigate the spread of the Ebola virus. The RN4 Beni-Kasindi road, one of the roads where works are being financed by the project, is currently the only passable land access connecting Beni where the Ebola response is being coordinated. It therefore plays a critical role to provide access to health care services in the health facilities serving the affected population, to allow access of medicines required for the case management of Ebola patients and suspected cases of Ebola, and support transport services and logistics.

13. The results framework will be updated to reflect the proposed revised closing date.

14. There will be a reallocation of funds from the "Not Allocated" category to categories 1A, 1B, 1C, and 3B. This reallocation is necessary to consider additional road repairs resulting from the one-year suspension of the work. The proposed changes identified under section 'reallocation between disbursement categories' of the paper will replace the table in section IV. Withdrawal of the Proceeds in the financing agreement of the project.

III. SUMMARY OF CHANGES

	Changed	Not Changed
Results Framework	✓	
Loan Closing Date(s)	✓	
Reallocation between Disbursement Categories	✓	
Implementation Schedule	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓

Components and Cost		✓
Cancellations Proposed		✓
Disbursements Arrangements		✓
Disbursement Estimates		✓
Overall Risk Rating		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓

IV. DETAILED CHANGE(S)

LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IDA-57630	Effective	28-Feb-2018	28-Feb-2019	29-Feb-2020	29-Jun-2020
IDA-H3590	Closed	30-Sep-2013	30-Jun-2016, 28-Feb-2018, 17-Oct-2018		
IDA-H7050	Closed	30-Jun-2016	28-Feb-2018, 17-Oct-2018		
TF-92300	Closed	30-Sep-2013	30-Jun-2016, 14-Dec-2016		
TF-99492	Closed	30-Jun-2016	03-Jan-2017		

REALLOCATION BETWEEN DISBURSEMENT CATEGORIES

Current Allocation	Actuals + Committed	Proposed Allocation	Financing % (Type Total)	
			Current	Proposed
IDA-57630-001 | Currency: XDR				
iLap Category Sequence No: 1-A	Current Expenditure Category: GD, WK,CS PERFORMANCE CONTRACT			
144,000.00	34,059.20	200,000.00	100.00	100.00
iLap Category Sequence No: 1-B	Current Expenditure Category: GD, WK,CS ENVIRONT SOCIAL ASSIST			
9,537,000.00	4,049,728.46	14,600,000.00	100.00	100.00
iLap Category Sequence No: 1-C	Current Expenditure Category: GDS-WKS-CS Others			
67,945,000.00	45,586,652.05	73,300,000.00	100.00	100.00
iLap Category Sequence No: 2A	Current Expenditure Category: PERFORM BONUSES -ODR			
0.00	0.00	0.00	100.00	100.00
iLap Category Sequence No: 2B	Current Expenditure Category: PERFORM BONUSES - MECNT AND ICCN			
162,000.00	0.00	162,000.00	100.00	100.00
iLap Category Sequence No: 3-A	Current Expenditure Category: OP.COSTS CI			
1,950,000.00	1,011,657.04	1,950,000.00	100.00	100.00
iLap Category Sequence No: 3-B	Current Expenditure Category: OP.COSTS MIIPW			
189,000.00	118,508.01	216,000.00	100.00	100.00
iLap Category Sequence No: 3-C	Current Expenditure Category: OP.COSTS ODR			
562,000.00	45,558.96	123,000.00	100.00	100.00

iLap Category Sequence No: 4		Current Expenditure Category: UNALLOCATED	
	10,611,000.00	0.00	549,000.00
Total	**91,100,000.00**	**50,846,163.72**	**91,100,000.00**

Results framework

COUNTRY: Congo, Democratic Republic of
DEMOCRATIC REPUBLIC OF CONGO - High Priority Reopening and Maintenance Project

Project Development Objectives(s)

The objective of the project is to re-establish lasting road access between provincial capitals, districts and territories, in the Project impact area in a manner that is sustainable for the natural environment

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	DLI	Baseline	Intermediate Targets							End Target
			1	2	3	4	5	6	7	
Number of rural people with access to an all-season road										
Direct project beneficiaries (Number)		600.00	600.00	910.00	1,390.00	1,920.00	2,400.00	2,400.00	2,400.00	4,900,000.00
Action: This indicator has been Revised										
Female beneficiaries (Percentage)		51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.00	51.30
Share of rural population with access to an all-season road (Percentage)		1.40	1.40	2.00	3.20	4.30	5.40	5.40	5.40	14.10
Action: This indicator has been Revised										
Number of rural people with access to an all-season road (Number)		125,000.00	125.00	190.00	290.00	400.00	500.00	500.00	510.00	4,300,000.00

Indicator Name	DLI	Baseline	Intermediate Targets							End Target
			1	2	3	4	5	6	7	
number of people connected to all season roads (Number)		125,000.00								4,300,000.00
Action: This indicator has been Revised										
Days per year with roads not passable by 4x2 vehicles on reopened sections (Number)		0.00		0.00	0.00	0.00	0.00			0.00
Action: This indicator has been Revised										
Kisangani-Beni (Number)		30.00	30.00	30.00	25.00	20.00	15.00	15.00	15.00	20.00
Action: This indicator has been Revised										
Akula-Gemena-Libenge-Zongo (Number)		40.00	40.00	40.00	10.00	15.00	15.00	15.00	15.00	15.00
Action: This indicator has been Revised										
Uvira - Kasaomeno (Number)		365.00		365.00	10.00	17.00	24.00			35.00

Indicator Name	DLI	Baseline	Intermediate Targets							End Target
			1	2	3	4	5	6	7	
Action: This indicator has been Revised										
Kisangani - Bunduki (Number)		365.00		6.00	10.00	15.00	20.00			30.00
Action: This indicator has been Revised										
Komanda-Bunia-Goli (Number)		30.00								15.00
Action: This indicator has been Revised										
Beni-Kasindi (Number)		25.00								15.00
Action: This indicator has been Revised										
Percentage of annual national road maintenance budget disbursed (Percentage)		67.00								75.00
Action: This indicator has been Revised										
Deforestation rate within a bandwith of 10 kilometers centered on		0.00								0.00

Indicator Name	DLI	Baseline	Intermediate Targets							End Target
			1	2	3	4	5	6	7	
the project's road sections. (Percentage)										
Action: This indicator has been Revised										
Dulia-Bondo (Percentage)		5.00								5.00
Action: This indicator has been Revised										
Akula-Gemena-Zongo (Percentage)		8.00								8.00
Action: This indicator has been Revised										
Beni-Kasindi (Percentage)		7.00								7.00
Action: This indicator has been Revised										
Komanda-Bunia-Goli (Percentage)		15.00								15.00
Action: This indicator has been Revised										
Bukavu-Goma (Percentage)		7.00								7.00

Indicator Name	DLI	Baseline	Intermediate Targets							End Target
			1	2	3	4	5	6	7	
Action: This indicator has been Revised										

Intermediate Results Indicators by Components

Indicator Name	DLI	Baseline	Intermediate Targets						End Target
			1	2	3	4	5	6	
Road Reopening and Maintenance									
Reopened project roads in good to fair condition (Percentage)		0.00		100.00	95.00	90.00	85.00	85.00	90.00
Action: This indicator has been Revised									
Roads rehabilitated, Non-rural (Kilometers)		0.00		60.00	475.00	917.00	1,359.00		2,672.00
Action: This indicator has been Revised									
Kilometers of project roads maintained each year (Kilometers)		0.00							3,344.00
Action: This indicator has been Revised									
Roads in good and fair condition as a share of		16.00		20.00	25.00	30.00	35.00		55.00

Indicator Name	DLI	Baseline	Intermediate Targets						End Target
			1	2	3	4	5	6	
total classified roads (Percentage)									
Action: This indicator has been Revised									
Size of the total classified network (Kilometers)		15,800.00		15,800.00	15,800.00	15,800.00	15,800.00		15,800.00
Monitoring and Evaluation									
Percentage of project beneficiaries consulted during the project implementation period (Percentage)		0.00							10.00
Action: This indicator has been Revised									
Sexually active people reporting use of condom during their last intercourse in selected communities (Percentage)		0.00							0.00
Action: This indicator has been Revised									
Nord Kivu Province (Percentage)		21.00							22.00

Indicator Name	DLI	Baseline	Intermediate Targets						End Target
			1	2	3	4	5	6	
Action: This indicator has been Revised									
Province Katanga (Percentage)		28.00							22.00
Action: This indicator has been Revised									
Province Orientale (Percentage)		7.00							56.00
Action: This indicator has been Revised									
Province Sud Kivu (Percentage)		60.00							38.00
Action: This indicator has been Revised									
Province Equateur (Percentage)		41.80							46.00
Action: This indicator has been Revised									
Environmental and Social Program									
Number of MECNT and ICCN staff trained and active in implementing laws and accompanying local initiatives (Number)		0.00							500.00
Action: This indicator has been Revised									

Indicator Name	DLI	Baseline	Intermediate Targets						End Target
			1	2	3	4	5	6	
Condoms distributed (Number)		0.00							2,100,000.00
Action: This indicator has been Revised									
Percentage of protected species in the monthly count of bush meat checked at selected control points along: (Percentage)		0.00							0.00
Action: This indicator has been Revised									
Akula-Gemena-Zongo (Percentage)		30.00							70.00
Action: This indicator has been Revised									
Komanda-Bunia-Goli (Percentage)		100.00							95.00
Action: This indicator has been Revised									
Kisangani-Dulia-Bondo (Percentage)		30.00							85.00
Action: This indicator has been Revised									
Kasomeno-Uvira (Percentage)		20.00							65.00

Indicator Name	DLI	Baseline	Intermediate Targets						End Target
			1	2	3	4	5	6	
Action: This indicator has been Revised									
Kisangani-Beni (Percentage)		30.00							85.00
Action: This indicator has been Revised									
Beni-Kasindi (Percentage)		100.00							95.00
Action: This indicator has been Revised									
Bukavu-Goma (Percentage)		100.00							95.00
Action: This indicator has been Revised									
Percentage of illegal timbers in the monthly volume of handicraft timber checked at selected control points along: (Percentage)		0.00							0.00
Action: This indicator has been Revised									
Kisangani-Bunduki (Percentage)		100.00							70.00

Indicator Name	DLI	Baseline	Intermediate Targets						End Target
			1	2	3	4	5	6	
Action: This indicator has been Revised									
Kisangani-Beni (Percentage)		100.00							85.00
Action: This indicator has been Revised									
Kalemie-Uvira (Percentage)		100.00							80.00
Action: This indicator has been Revised									
Akula-Gemena-Zongo (Percentage)		100.00							85.00
Action: This indicator has been Revised									
Komanda-Bunia-Goli (Percentage)		100.00							95.00
Action: This indicator has been Revised									
Benin-Kasindi (Percentage)		100.00							95.00
Action: This indicator has been Revised									
Bukavu-Goma (Percentage)		100.00							95.00

Indicator Name	DLI	Baseline	Intermediate Targets						End Target
			1	2	3	4	5	6	
Action: This indicator has been Revised									
Institutional Building									
Sound road transport strategy and road investment plan completed (Yes/No)		No							
Action: This indicator has been Revised									
Action plan to develop the road construction industry implemented (Percentage)		0.00							100.00
Action: This indicator has been Revised									

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