



Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 25-Apr-2019 | Report No: PIDISDSA24632



BASIC INFORMATION

A. Basic Project Data

Country Central African Republic	Project ID P165855	Project Name CAR-Agriculture Recovery and Agribusiness Development Support Project (ARADSP)	Parent Project ID (if any)
Region AFRICA	Estimated Appraisal Date 11-Mar-2019	Estimated Board Date 17-May-2019	Practice Area (Lead) Agriculture
Financing Instrument Investment Project Financing	Borrower(s) Ministre de l’Economie, du Plan et de la Coopération	Implementing Agency Ministry of Agriculture and Rural Development	

Proposed Development Objective(s)

Increase agriculture productivity of small scale farmers, strengthen capacity of micro, small and medium agribusiness enterprises in the project area, and provide immediate and effective response in the event of an Eligible Crisis or Emergency

Components

Development of Productive Infrastructure and Competencies for Agriculture and Rural Entrepreneurship
Improvement of Public Infrastructure and Maintenance
Improvement of the quality of Agriculture Public Services and Project Management
Contingency emergency response

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	25.00
Total Financing	25.00
of which IBRD/IDA	25.00
Financing Gap	0.00

DETAILS

World Bank Group Financing



International Development Association (IDA)	25.00
IDA Grant	25.00

Environmental Assessment Category

B-Partial Assessment

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

1. **The Central African Republic (CAR) is a landlocked country in Central Africa with an estimated population of 4.9 million people¹.** The country has rich but largely unexploited natural resources in the form of diamonds, gold, uranium, forest, and petroleum deposits. With a Human Development Index (HDI) of 0.352 and a Gross Domestic Product (GDP) per capita of US\$382 (2016), CAR is ranked 187th out of 188 countries in the HDI ranking, despite its vast natural resources. Recent estimates indicate that the CAR's poverty rate² increased from 62 percent in 2008 to 72.2 percent in 2017³.

2. **Fragility, conflict and violence (FCV) constitute pressing challenges for CAR, endangering pro-poor growth and human development.** In 2013, the International Support Mission to the Central African Republic (*Mission Intégrée Multidimensionnelle des Nations Unies pour la Stabilisation en République Centrafricaine*, MINUSCA) fielded an 11,000-personnel peacekeeping force in response to sectarian violence. Despite a surge in optimism after the elections in early 2016, the crisis in CAR has intensified and violence increased, resulting in a de-facto territorial partition. The 2013 escalation in violence has wreaked havoc on the economy, killing or displacing thousands, crippling the private sector, and leaving over 2.4 million people in dire need of assistance. Since 2013, up to 6,000 people have been killed, and over 600,000 people have been displaced. Gender-based violence (GBV) and attacks on civilians are common. Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome (HIV)/AIDS deaths reached 11,231 or 18.08 percent of total deaths⁴, and malnutrition deaths reached 3,674 or 5.92 percent of total deaths. A peace agreement was signed in February 2019 between the Government and 14 armed groups which could an improvement of the political and security situation, but its implementation so far has been

¹ UN Human Development Report-Central African Republic, 2016.

² At the international poverty line of US\$1.90 per day in 2011 purchasing-power parity terms.

³ The 2008 survey was the last nationally representative household survey. It documented poverty levels at 50 percent in urban areas and 69 percent at the rural level. In 2008 nearly two-thirds of CAR's population lived in rural areas. High levels of displacement have aggravated poverty.

⁴ Per the latest World Health Organization (WHO) data for CAR published in May 2014.



slow and very challenging. Given the history with the seven previous peace agreements, a reversal could occur.

3. **CAR is a member of the Organization for the Harmonization of Business Law in Africa (OHADA)** and has ratified the OHADA Uniform Act, but more efforts are needed to improve the business climate and curtail corruption. CAR is ranked 184th (2018) on the Ease of Doing Business list. Enforcing a contract takes 188 days on average, and court costs amount to 82 percent of every claim. Less than 1 percent of the population has access to banking services. CAR is characterized by a large informal economy with widespread smuggling, with an estimated 30-50 percent of annual diamond production leaving the country clandestinely.

4. **Trade in and out of the CAR is constrained by the landlocked position of the country, poor infrastructure, and restrictive policies.** CAR imports foodstuffs, fuel, textile, machinery and pharmaceuticals. Eighty percent of imports pass through the Cameroon, Douala-Bangui corridor. Logistics costs are high, exacerbated by government taxes on exports (average tariff 14.9 percent) and import restrictions. CAR's imports have increased at an annualized rate of 7.2 percent, from US\$320 million in 2010 to US\$560 million⁵ in 2018. Agriculture exports as a percentage of GDP are very low and declined dramatically between 2000 and 2016, especially for the key cash crops cotton and coffee, which comprise less than 2 percent of GDP.

5. **Subsistence agriculture, together with forestry, remain the backbone of the CAR economy.** The agriculture sector accounts for 70 percent of total employment. Subsistence agriculture, livestock rearing, and hunting and fishing contributed respectively, 32, 14, and 8 percent to overall GDP in 2016 (SCD, 2019). Industry contributes less than 20 percent of the country's GDP, mainly artesian diamond mining, breweries, and sawmills. Services currently account for 29 percent of GDP, largely because of the oversized government bureaucracy and high transportation costs arising from the country's landlocked position.

6.

Sectoral and Institutional Context

7. **Agriculture plays a key role in CAR—economically, socially, politically, and environmentally.** 80 percent of the population (4 million people out of a total of 4.9 million people) depend on agricultural activities (crop production, livestock rearing, fishing) as a major livelihood source. Agricultural products account for about 42 percent of exports. About 2 million hectares (3.2 percent of the total land area) is arable and under permanent crops, while 3 million hectares (4.8 percent of the total land area) is under permanent pasture⁶. Key food crops include cassava, groundnuts, sorghum, millet, maize, sesame, plantains and the major export crops are [cotton](#), [coffee](#), and [tobacco](#). Farming continues to be dominated by traditional subsistence-oriented shifting agro-pastoral systems. The livestock subsector makes a significant contribution to agricultural GDP (30 percent) and to national GDP (14 percent).

⁵ Source : BEAC, *Balance de Paiement Republic Centrafricaine, 2018*.

⁶ The FAOSTAT, 2015



8. **Crop and livestock production is well below pre-crisis levels, and the sector is in dire need of recovery.** Conflict, violence and instability have negatively impacted the ability of the agriculture sector to meet domestic food needs. Before the war, 75 percent of all food consumed in the country was produced locally. There has been a decline of 46 percent in food crop production, 55 percent in livestock and 33 percent in the forestry and fishery sub-sectors. An IPC analysis carried out in February 2017 estimated that one million people in CAR were severely food insecure, with 56 percent prevalence rate in rural areas. The agricultural economy has collapsed, and agriculture trade has slowed dramatically.

9. **Malnutrition is linked to poverty and affects particularly women and children.** The daily energy consumption per capita in CAR is estimated at 1,850 Kcal, significantly below the average of 2,400 Kcal in Sub-Saharan African countries (2008). Chronic malnutrition has risen from 28.5 percent in 1995 to 40.8 percent in 2014. About 46% of the women age 15-49 are anemic⁷ and an estimated 39,000 children under 5 suffer from severe acute malnutrition (SAM)⁸. Approximately 1.1 million children suffer from food insecurity, with 50 percent affected by stunting. Agriculture-related factors that have contributed to these trends include: (i) limited access to land due to the threat of violence and conflict; (ii) theft of crops by rebel groups; (iii) low agriculture productivity; (iv) low levels of food stocks; and (v) limited off-farm income generating opportunities.

10. **The road network in CAR forms the backbone of the country's transport system, but it is underdeveloped and poorly maintained.** Out of 24,137 km of national, sub-national, and rural roads, only 3.5 percent (855 km) are paved. About 80 percent of internationally traded goods passes through the Douala-Bangui corridor, which is not fully paved, and where burdensome formal and informal administrative barriers contribute to lengthy delays and rising transport costs. The 15,500-km rural road network is insufficient in scope, suffers from inadequate maintenance, and remains a major constraint in limiting farmers' access to markets and basic social services. No rural road maintenance strategy is in place, resulting in extended periods of poor maintenance. The National Road Fund (FER) is hampered by weak governance and inadequate resources. Of all road maintenance funds, only an estimated 5% go to rural roads.

11. **Policies and plans to develop agriculture in CAR have failed to produce intended results.** Agriculture sector development has been guided by a series of strategic planning documents, that have existed in a policy vacuum. Despite the existence of these strategic plans⁹, resource allocation to the agriculture sector has remained insignificant. Productivity growth in the sector has been further constrained by an unfavorable tax regime, outdated land laws, and the collapse in agriculture research and development, agriculture education, and agriculture extension services.

⁷ https://scalingupnutrition.org/wp-content/uploads/2018/12/Central_African_Republic_Country_Profile_2018.pdf

⁸ Integrated Food Security Phase Classification, 'République centrafricaine – Actuelle – Analyse de la situation de l'insécurité alimentaire aiguë', August 2016, www.ipcinfo.org/ipcinfo-detail-forms/ipcinfo-map-detail/en/c/445331/, accessed 4 January 2017.

⁹ (i) Sector Consultations for Rural Development; (ii) Agriculture Development Plan 2002; (iii) Current State of the Rural Development Sector; (iv) Rural Development Strategy, Agriculture and Food Security (SDRASA), 2011; and (v) National Plan for Agricultural Investment and Food and Nutrition Security (PNIASAN)



12. **Institutional capacity in the agriculture sector is fragmented.** The agriculture sector is led by the Ministry of Agriculture and Rural Development and the Ministry of Livestock and Animal Health. Both ministries rely on specialized institutes and agencies¹⁰ for the implementation of their activities. While the Central African Institute for Agricultural Research (ICRA) and the National Federation of Central African Breeders (FNEC) are specialized, the Central African Agriculture Development Agency (ACDA) and National Agency for Livestock Development (ANDE) have broad mandates ranging from the provision of agriculture extension/veterinary services, cooperative strengthening, input provision and marketing of agriculture commodities. All of them are underfunded and in urgent need of reform. The Université de Bangui, Faculté de Droit et des Sciences Economiques is the only institute for agriculture education which also provides agriculture extension services. Two main farmer organizations¹¹ represent farmers at the national level, but both are poorly resourced. The private agri-business sector is represented by the Agriculture Chamber of Commerce, which includes the federation of cotton producers and is undergoing restructuring.

13. **Availability of financial services for the agriculture sector remains very limited.** Suffering from weak market infrastructure and inadequate legal and judicial frameworks, the financial sector remains small and underdeveloped. The Fond de Développement Agropastoral (FDAP) is not operational. Microfinance accounts for 1 percent of the total credit facilities, serving 0.5 percent of the population. Mobile phone penetration currently stands at only 30 percent,¹² a level that provides opportunities for bundling mobile banking services to farmers, whilst posing significant challenges.

14. **An urgent priority for CAR is to enhance the economic resilience of vulnerable groups through agriculture development.** In the short run, the main challenge is to boost productivity, increase agriculture output and reduce food insecurity. Skills development and job creation, especially for youth, will lay the foundations for the emergence of a dynamic and economically viable agribusiness sector, thus providing a pathway out of poverty for hundreds of thousands of rural families and contribute to breaking the vicious cycle of violence.

15. **Gender.** With a Gender Inequality Index (GII) score of 0.648, CAR ranks 149th out of 159 countries in the 2015 Human Development Index. Eighty one percent of women are employed in agriculture, compared to 67 percent of men. Women farmers are mainly involved in the production of staple crops and breeding of small stock for household consumption, while men own larger stock (cows, goats) and perennial cash crops. Over 80 percent of women live below the poverty line, compared to 69 percent for men. The difference can be attributed partly to a gender productivity gap in agriculture. Multiple factors explain the lower productivity levels of women farmers: (i) smaller farm size (land allocated by husband); (ii) less frequent access to agriculture extension services; (iii) lower use of agriculture inputs due to low

¹⁰ Central African Institute for Agricultural Research (ICRA); (ii) the Agence Centrafricaine de Développement Agricole (ACDA); (iii) the National Agency for Livestock Development (ANDE); and (iv) the FNEC, National Federation of Central African Breeders

¹¹ The Concertation Nationale des Organisations Paysannes de la Centrafrique (CNOP) and the Organisation Nationale des Femmes Rurales "Fleurs de Centrafrique."

¹² RCPA report



levels of literacy;¹³ (iv) heavier work load including household tasks; and (v) conflict and civil unrest limiting the mobility of women and their participation in markets¹⁴ (to buy inputs or sell products).

16. **Youth and jobs.** Jobs for youth are urgently needed in CAR as an alternative to participation in illicit trade or armed groups. Youth are driven from rural areas due to a lack of job prospects, prevalence of violence, and high insecurity. As a result, urban crime is on the rise. Low levels of literacy amongst youth and an absence of skills training institutes limits their ability to build competencies. To bridge the skills gap, the Agence Centrafricaine pour la Formation Professionnelle et l'Emploi (ACFPE) has partnered with the International Labor Organization (ILO) to provide entrepreneurship and business planning training to registered youths, to develop business plans to access micro-credit from Credit Mutuel. The promotion of commercial smallholder farming will help new temporary, part time and permanent jobs created by commercial agriculture to offer youth a potential to generate income, consolidate peace, reinforce stability and bolster resilience.

17. **Climate change.** Temperatures in CAR are projected to increase by 1.25-2.75 degrees Celsius by 2080. Central African Republic greenhouse gas emissions reduction targets are 5 percent and 25 percent respectively, in the 2030 and 2050 horizons. Climate change is projected to exacerbate extreme weather events like torrential rains, droughts and floods. Weather hazards (floods and droughts) and rising temperatures increase incidents of animal and plant pests and diseases, exacerbating agriculture losses and food insecurity. The high annual deforestation rate of 0.4 percent is a driver of changes in local agro-climatic conditions, water availability and quality, which points to the need to explore and promote alternative sources of energy to reduce pressure on forests.

18. **In its Intended Nationally Determined Contribution (INDC), CAR aims to maintain an annual rate of growth of agricultural activities of 6 percent and to stabilize the rate of food insecurity at 15 percent.** Agriculture and food security are identified as the sectors most vulnerable to climate change. Intended adaptation measures specifically mention climate-smart agriculture such as crop diversification, soil erosion control and integrated pest management, and further include: (i) adjustment of the policy framework; (ii) improved knowledge of resilience to climate change; and (iii) sustainable management of the agricultural, forestry and animal husbandry systems, amongst others. The cost of implementing the country's INDC commitments are estimated at about US \$2.3 billion.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

The project development objective is to increase agriculture productivity of small-scale farmers, strengthen capacity of micro, small and medium-sized agribusiness enterprises in the project area, and provide immediate and effective response in the event of an Eligible Crisis or Emergency

¹³ Central African Republic Development Partner Consultation | Brussels 26 June 2007

¹⁴ Social Injustice Gender Index (SIGI) <https://www.genderindex.org/country/central-african-republic/>



Key Results

1. Direct project beneficiaries, of which female and youth beneficiaries (Percentage);
2. Yield per hectare of selected indicative crops, changes in yield (tracked by gender) (Percentage);
3. Increase in sales turnover among MSMEs supported by the project (Number) ; and
4. Reduction in mortality rate of small stock and chickens (Percentage)

D. Project Description

19. **Project area.** The targeted project intervention zones are: (i) Ouham and Ouham-Pendé regions in the north-western part of the country; (ii) Bamingui Bangoran and Vakaga regions in the north-eastern part; and (iii) Ouaka around Bambari in the central corridor. In addition, Bangui will benefit from targeted interventions. These regions were selected based upon the following considerations: (i) high agriculture production potential; (ii) presence of ongoing rural road rehabilitation works; (iii) potential for creating jobs; (iv) no ongoing conflict; (v) incidence of food insecurity and malnutrition. Additional information and a map depicting the targeted project area is provided in Annex1 of the PAD.

A. Project Components

1. The project has 4 components: (i) Component 1 – Development of Productive Infrastructure and Competencies for Agriculture and Rural Entrepreneurship; (ii) Component 2 – Improvement of Public Infrastructure and Maintenance; (iii) Component 3 – Improvement of Agriculture Public Services and Project Management; and (iv) Component 4 – Contingency Emergency Response.

2. The project approach will be a combination of Community-driven Development¹⁵ (CDD) and direct support to micro, small and medium-sized agriculture enterprises (MSME) based on viable business plans. The CDD project approach at community level will be combined with finance for entrepreneurship promotion for agribusiness development (Component 1), while needed infrastructure for agribusiness and delivery of improved agriculture public goods and services will be supported through Components 2 and 3 respectively. Annex 1 in the PAD provides details regarding the project approach and sequencing of project activities, including a schematic representation of the use of CDD as a foundation for agribusiness support.

Component 1 – Development of Productive Infrastructure and Competencies for Agriculture and Rural Entrepreneurship (IDA: US\$10 million)

3. This component seeks to assist in rehabilitating and/or building critically needed productive infrastructure through the provision of matching grants for community-driven subprojects identified by communities. It will support measures designed to increase agricultural productivity and production (for both crops and animals) in targeted areas. Nutrition- and climate-sensitive technologies and

¹⁵ CDD is a methodology that provides social and infrastructure services, to organize economic activity, to empower poor and marginalized people, to improve governance, and to enhance security. CDD can fill gaps created by market failure



management practices will be promoted. Agribusiness SMEs will also be promoted through an Innovation Platform¹⁶. The Component is comprised of two sub-components: (i) community managed productive infrastructure; and (ii) development of agriculture and rural entrepreneurship.

Sub-component 1.1: Community Managed Productive Infrastructure (IDA: US\$4 million)

4. This subcomponent will promote community managed productive infrastructure to reinforce social cohesion, and it will help smallholder farmers to have a better access to productive infrastructure and increase their productivity and agriculture output. The project will finance community-driven subprojects selected through participatory planning processes, which will be based upon priority needs expressed by communities. 20,000 households organized into 600 groups will benefit.

5. Community infrastructure¹⁷ are low-cost micro infrastructures identified in a participatory way by communities. Typically public good in character, productive community infrastructure includes, *inter alia*, water points, footpaths providing access to the local road network, small-scale irrigation or drainage systems, cattle dips, vaccination centers, etc. or community-based early warning systems and communication devices.

6. Selection criteria for community micro-project proposals include women and girl's economic empowerment indicators. Community proposals that would enable women's access to land, productive assets¹⁸ and or capacity building (literacy, skills) will be prioritized. International NGOs with expertise in addressing gender-based inequality, SGBV and facilitating changes in social norms will be partnered with. Community facilitators will be provided with tools e.g. to establish positive role models for men and boys within the community, educate people about SGBV and its harmful consequences. Community mapping will be facilitated to identify services available to women, men, girls and boys to prevent and respond to SGBV.

7. Producer groups with access to matching grants will also be able to rebuild their animal stocks. The project will also finance the development of improved livestock husbandry training material as well as investments in upgrading animal products marketing, processing and conservation infrastructure, services and equipment.

Sub-component 1.2: Development of Agriculture and Rural Entrepreneurship (IDA: US\$6 million)

8. This sub-component will support agribusiness start-ups, with emphasis on women and youth-based businesses. Existing businesses and start-ups in commercial agriculture will be promoted through a pilot business start-up accelerator/incubator in Bangui that is comprised of a competitive business grant fund coupled with a technical assistance window. Entrepreneurs with innovative business ideas

¹⁶ An innovation platform is a multi-stakeholder forum that facilitates exchange of ideas, joint learning, collaboration and development of innovative solutions to market failures and agribusiness constraints: farmers, traders, food processors, researchers, government officials etc.

¹⁷ small-scale structures, technical facilities and systems built at the community level that provide basic services to people and that are critical for the social cohesion and economic stability of a community.

¹⁸ Agriculture inputs, fertilizer, seed, etc.



will be invited to submit business plans to access matching grants. Annually, through a competitive process, entrepreneurs with innovative business ideas will access a series of services: (i) technical assistance for business plan development; (ii) entrepreneurship and managerial skills training; (iii) matching grant; and (iv) business mentoring.

9. The competitive grant fund will have four distinct phases. During the initial identification phase, a market scan will be carried out to facilitate the identification of potential agribusiness enterprises and preselect candidates. The preselected candidates will be invited to participate in the business competition. Phase three will involve screening and evaluation of business models/plans that have been submitted. Those that have been successful will receive technical assistance through the TA window to review their business plans. During Phase four, the successful candidates will access the matching grant for implementation of the business plans, mentoring and monitoring of business performance. The Matching Grant will have two windows: (i) a first window that will target small-scale farmers, youth-based enterprises, and women microenterprises; and (ii) a second one serving as accelerator funding targeting small and medium-sized agri-enterprises. Details on the competitive grant funding mechanism are provided in Annex 1 in the PAD.

Component 2: Improvement of Public Infrastructure and Maintenance (IDA: US\$7.5 million).

10. The revival of the agriculture sector will depend in part on the reduction of transaction costs for improved access to markets. The objective of this component is to improve connectivity, mobility and access to local markets and associated agri-logistics services in selected zones. The Component is comprised of two sub-components: (i) Sub-component 2.1 Infrastructure Rehabilitation; and (ii) Sub-component 2.2 Infrastructure Maintenance.

Sub-component 2.1 Rehabilitation of Public Infrastructure (IDA: US\$7.0 million)

11. This sub-component will focus on ensuring all-season accessibility of selected rural roads by rehabilitation and maintenance through Labor Intensive Public Works (LIPW-HIMO¹⁹ in French). Two types of infrastructure will be rehabilitated by the project: (i) rural roads for improved connectivity and mobility; and (ii) markets with associated agri-logistics services²⁰ for improved market access along agriculture trading corridors in the project area.

12. Rural roads will be selected based on criteria that comply with those proposed by the Rural Connectivity Project (P160500). The criteria include: (i) Government priorities in the selected project zones; (ii) roads selected for rehabilitation by the Rural Connectivity Project; (iii) roads used by private sector for transporting agriculture production and inputs; (iv) roads selected to ensure maximum impact on agriculture production and beneficiary groups. During the preparation of the Rural Connectivity

¹⁹ HIMO : Haute Intensité de Main-d'œuvre

²⁰ Agri-logistic services include markets with associated areas for livestock auctions, storage facilities, etc.



Project, extensive consultations were undertaken with the Government to prioritize roads in the Ouham and Ouham-Pende prefectures. A total of 250 km will be rehabilitated, and 300 km maintained.

13. The project will build on the Rural Connectivity Project and complement it where required. Investments in rural roads will assist farmers and agri-MSMEs to facilitate access to input and output markets. A Delegated Management Agency will be contracted to manage and supervise the construction of rural roads and public logistic infrastructure using World Bank quality standards for works that respect environmental and social safeguards. As incidence of gender-based violence is high in the project zone, the project will mitigate against project-related risk of sexual exploitation and abuse by complying with WB SGBV social safeguard requirements.

14. A demand assessment will be carried out to determine: (i) existence and type of markets in the project zone; (ii) demand for agri-logistics services associated with these markets; (iii) ability and willingness to pay for services; and (iv) site identification. Based on this assessment a go- no- go decision will be taken on whether to build, rehabilitate or contract existing infrastructure. The design and scope of any infrastructure will be determined by the demand assessment. .

Sub-component 2.2 Infrastructure Maintenance (US\$0.5 million)

15. The management, operation and maintenance of public infrastructure post rehabilitation remains a key concern. There is an absence of an institutional framework (policy, organizations and mechanisms) to ensure the quality and maintenance of the roads post rehabilitation. This sub-component will reinforce the institutional framework for road maintenance and pilot innovative public-private infrastructure management models.

16. **Rural roads.** Community rehabilitation brigades will be trained and established as local road maintenance committees (LRMC). The LRMC would be mandated to administer rural road maintenance. Mapping of existing road maintenance mechanisms will inform the development of a rural road maintenance strategy that will be partially resourced through the National Road Fund. In addition, all construction enterprises and NGOs procured by the Delegated Management Agency or AGETIP²¹ will be mandated to communicate *Codes of Conduct* for staff that include health and safety standards as well as prohibitions against sexual exploitation and abuse for all persons under 18²².

17. **Management, operations and maintenance of agribusiness logistics infrastructure.** A call for proposals will be launched to invite participation of private sector operators to manage, operate and maintain the project's infrastructure investments. A management, operation and maintenance (MOM) contract will be signed with the private sector under a public-private partnership (PPP) agreement. The MOM contract will be determined by demand- users- service provider – cost- model. The main common features are that the MADR engages the contractor to manage service delivery for a duration of 2 to 5

²¹ Agence d'Exécution des Travaux d'Intérêts Publics en Centrafrique (Implementing Agency for Public Works in Central Africa) - Fiduciary Agent

²² Early marriage is common place in the Central African Republic, the consensual age would need to be enforced by Government authorities and the customary and traditional laws.



years. The management, operation and maintenance contracts will outline management tasks, activities, expected outputs, performance-based fee and standards. The operator will charge and collect a service fee from users for services rendered. The contract will be terminated if services rendered and maintenance does not meet agreed performance standards.

Component 3. Improvement of the quality of Agriculture Public Services and Project Management (IDA: US\$7.5 million)

18. This component includes capacity building, the provision of technical assistance and overall project management, ensuring compliance with social and environmental safeguards requirements, monitoring and evaluation. Capacity building will support the establishment of public-private partnerships in the delivery of agriculture services and improve government project management capacity at central and decentralized levels.

Sub-Component 3.1: Improvement of the quality of Agriculture Public Services (IDA: US\$4 million)

19. This sub-component is focused on building capacity of MARD for the delivery of quality agriculture public services. TA will be provided to implement key provisions under the Seed Law to spur the development of seed markets (R&D, trials, registration, control and certification). The project will support capacity building of ICRA to rebuild its seed bank and adopt nutrition and climate sensitive technologies, and strengthen the National Seed Office's (ONASEM) capacity for seed control and certification. Finally, in collaboration with the EU financed Bekou and FAO, ARADSP will support the Agriculture Chamber of Commerce to operationalize a one-stop service window for rural enterprises. The project will finance technical assistance, workshops, training and analytic studies.

20. In partnership with WFP, TA will be provided to build capacity of the MARD at national and decentralized levels to improve planning, surveillance and M&E capacity. The project will finance training & capacity building of relevant government agencies, TA, workshops, equipment for surveillance and data management. early warning, pest and disease surveillance services (e.g. Fall Army Worm and cassava mosaic disease). The project will also support, to a limited extent, the dissemination of four other agriculture policies: (i) the agro-pastoral code; (ii) cooperative law; (iii) the cotton strategy & road map; and (iv) early warning, pest and disease management policy. The project will finance the costs related to the dissemination of key measures enacted by these laws, once these laws are approved by parliament.

21. Agriculture public services will be supported to disseminate nutrition & climate smart agriculture technologies and practices (where possible ICT enabled). The services will improve farmer producer group access to climate information, CSA advice (e.g. climate risk assessment & management), plant and



animal health advice and vaccines. Emphasis will be placed on promoting the delivery of services with a specific gender lens.

Sub-Component 3.2: Project Management, and Monitoring and Evaluation (IDA: US\$3.5 million)

22. This sub-component will ensure management, supervision and monitoring of the project, including proper monitoring of environmental and social safeguards policies. The support will also include a communication strategy to build local ownership and help disseminate project's results. The project will finance a baseline study, mid-term evaluation, and a final impact assessment of the project.

23. The project will finance operating costs of the National Technical Project Coordination Unit (NTPCU) located within the Ministry of Agriculture and Rural Development, and the incremental costs of the project's fiduciary agency (AGETIP-CAF²³) and other executing agencies (e.g. UN Agencies, NGOs). Technical assistance will be provided on a continual basis to the technical unit on community driven development (CDD). The Monitoring and Evaluation system will be developed with TA from WFP to build and consolidate existing data sets.

24. To facilitate supervision and project implementation, third-party monitoring will be indispensable especially as some of the project zones are fragile and prone to violence and instability. Alternative sources of funding will be explored (i.e. Trust Funds) to cover the related costs as it can be very expensive and not be supported by the Bank budget. A SGBV information system that collects, stores confidential data that is useful for analyzing incident rates, types, risk factors, drivers, factors, survivor and perpetrator details, or case outcomes will compliment this.

Component 4: Contingency Emergency Response (IDA: US\$0.0 million)

25. This component will provide support for immediate response to an eligible crisis or emergency, as needed. A crisis or emergency eligible for financing is an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the borrower, associated with a natural or man-made crisis or disaster. This component will allow the Government to request a reallocation of project funds to partially cover emergency response and recovery costs. This component will be triggered if: (a) the Government has determined that an eligible crisis or emergency has occurred and has furnished to the World Bank a request to include said activities in the Contingency Emergency Response Component (CERC) for emergency response; (b) the Government has prepared and disclosed all safeguards instruments required for said activities; and (c) the borrower has adopted the CERC Operations Manual (OM) in form, substance, and manner acceptable to the World Bank. The specific OM for this component will be prepared, detailing financial management (FM), procurement, safeguards, and any other necessary implementation arrangements. While Components 1, 2, and 3 focuses on pre-crisis disaster risk mitigation and climate resilience enhancement measures, Component 4 will help strengthen the Government's capacity to respond effectively to an eligible crisis or emergency.

²³ AGETIP-CAF will be responsible for all fiduciary tasks including contracting consultant services, workshops, training and procuring goods.



E. Implementation

Institutional and Implementation Arrangements

1. The agriculture recovery agenda requires an integrated response to address food and nutrition security, rebuild seed production capacity and revive sustainable crop and animal production. Adaptive and agile agriculture extension, crop and animal disease surveillance systems are needed to improve efficiency and effectiveness.
2. The project has four key implementing entities: (i) a national project steering committee (NPSC); (ii) a national technical project coordination unit (NTPCU) at the MADR to oversee the technical management, coordination, monitoring and evaluation of the project activities; (iii) a fiduciary management unit; and (iv) NGOs located within the project zones. The NPSC has a multi-sectoral membership, chaired by the Cabinet Director of the Ministry in charge of Agriculture. Fiduciary management (financial management and procurement) will be entrusted to AGETIP-CAF²⁴ which will also provide environmental and social safeguards support to the NTPCU. The implementing arrangements are presented in figure 2 of Annex 2 in the PAD.

Departmental level implementation

3. The project will be implemented through selected NGOs and/or UN agencies in close collaboration with existing technical structures of the Ministries in charge of Agriculture and Livestock (ACDA, ANDE, etc.). A technical coordination committee comprised of representatives of technical services (departmental administration offices, MADR, ANDE, ACDA, Public works and NGOs) will be put in place to validate proposals and business plans produced by community groups.

Community level

4. At community level, management committees will be formed to manage subprojects comprised of elected members of the community group. Fiduciary management of sub-grants will be done by NGOs. The management committees will manage service delivery once infrastructure works are completed, under the technical oversight of the NGOs. Special attention to SGBV will be given by NGOs in subprojects by mainstreaming SGBV messaging and mitigation activities including assessments, awareness, safety mapping and training in their community mobilization activities.

²⁴ AGETIP-CAF was created in 1994 with the support of the CAR government and the WB and is an active member of the African Association of AGETIPs (AFRICATIP).



Project Implementation and Phasing

5. Conflict assessments will determine where and when the project will be implemented. Assessments reveal that the conflict is driven by a combination of factors²⁵. The project will start in Ouham-Ouham Pende corridor and in Bangui that are stable. This will be followed by the Bamingui, Bangoran-Vakaga corridor which is stable but, under the authority of rebel groups. Ouaka corridor, Bambari is unfortunately in conflict. A SGBV risk assessment will be carried out before project intervention to avoid doing harm. The study will engage with community members to understand their perceptions of risks of SGBV associated with specific tasks, functions and activities related to project implementation. The sequence of implementing project components is described in annex 1 of the PAD.

F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

The areas identified are Ouham, Ouham Pende, Bamingui Bangora-Vakaga, Ouaka and Bangui. Overall, the CAR has for a long time been characterized by bouts violence and conflict. In view of this, the project will be operating in a rather fragile environment, and several security considerations will need to be considered in the implementation of the project. Overall, the project is proposed as a Category B project due to potential environmental impacts of expanding agricultural production in an environmentally sensitive area and due to social (different ethnic groups and IPs) and security issues (conflict and violence).

G. Environmental and Social Safeguards Specialists on the Team

Lucienne M. M'Baipor, Social Specialist
Joelle Nkombela Mukungu, Environmental Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The OP 4.01 is triggered to manage potential negative impacts associated with the execution of activities under Component 1 (Development of Productive Infrastructure and Competencies for Agriculture and Rural Entrepreneurship) and Component 2 (Improvement of Public Infrastructure and Maintenance), of which the overall aim is to

²⁵ (i) ethnic tension between Nilotic & Bantu groups; (ii) religious tensions between Muslim & Christians; and (iii) control of natural economic resources. Armed groups wage war to control diamond, gold, gemstone mines and extort illegal taxes



		rebuild the agriculture production and basic marketing capacity in the project area. The project is rated EA Category B as these activities may have potential impacts on the environment and communities. However, these impacts are expected to be sites specific and manageable. As the exact locations and natures of activities are still unknown, the project has prepared an Environmental and Social Management Framework (ESMF). The ESMF has been disclosed in country and on the World Bank External website.
Performance Standards for Private Sector Activities OP/BP 4.03	No	
Natural Habitats OP/BP 4.04	Yes	Natural Habitats (OP/BP 4.04) are triggered in the preventive way because of the potential of the project to cause loss or degradation of natural habitats, whether directly or indirectly. The aim will be to avoid any significant conversion (loss) or degradation. Management of Natural Habitats has been considered in the ESMF.
Forests OP/BP 4.36	Yes	Forests (OP/BP 4.36) policy is triggered preventively as the project has potential to impact on the natural or plantation forests, and/or can bring some changes in management or protection of these forests. The aim is to avoid any significant conversion (loss) or degradation. Sustainable management of forested area has been considered in the ESMF.
Pest Management OP 4.09	Yes	Pest Management (OP 4.09), is triggered at this stage as the use of pesticides is most likely to occur, and there may be environmental and health-related concerns with respect to vector management. A Pest Management Plan has been prepared consulted upon, and has been disclosed in the country and on the World Bank external website prior to appraisal.
Physical Cultural Resources OP/BP 4.11	Yes	The Physical Cultural Resources Policies will be applied preventively because the project can be in the vicinity of recognized cultural heritage sites, and the aim is to avoid any significant conversion (loss) or degradation of these resources. Physical cultural Resources management are integral part of the ESMF, and "chance finds" should be part of every civil work contract, even where risks are deemed low.
Indigenous Peoples OP/BP 4.10	Yes	The project will be implemented in provinces where Indigenous People are present. An Indigenous



		People Policy Framework (IPPF) has been prepared in consultation with IPs and various actors and has been disclosed in country and in the World Bank external website. Once the project site is clearly identified the project will prepare an Indigenous People Plan (IPP).
Involuntary Resettlement OP/BP 4.12	Yes	The policy is triggered due to the proposed activities in both component 1 and 2. An RPF has been prepared and has been disclosed in country and in the World Bank external website. Once the specific sites are identified, RAP(s) will be prepared and disclosed in country and on the Bank external website. No activities that could trigger land acquisition (agricultural and infrastructure improvement) activities will commence until the safeguards instruments are finalized, cleared and disclosed, and all potential resettlement process completed.
Safety of Dams OP/BP 4.37	No	The Project will not finance any dam construction or rehabilitation.
Projects on International Waterways OP/BP 7.50	No	The project will not affect any international body of water.
Projects in Disputed Areas OP/BP 7.60	No	None of the intervention sites are in disputed areas.

KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

Overall, the project is not expected to have significant or irreversible impacts. The project is rated Category EA: B. The Project outcomes would directly benefit small scale farmers and MSM agribusinesses in the targeted areas of implementation, and indirectly benefit workers and their dependents.

Activities planned under Components 1 and 2 will have potential impacts on the environment and communities (including indigenous groups), and for this reason, the project prepared 4 safeguards instruments (ESMF, PMP, RPF, and IPPF).

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area: The socio-economic impacts of the proposed project are expected to be beneficial in the short, medium, and long term. The project will adopt a Community-driven development (CDD) approach and a direct support to MSMEs based on viable business plans. The CDD approach gives decision making power and resources to community groups, and enables the communities to focus on urgent needs and ensures the interventions are impactful.



3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

In an effort to mitigate and reduce impacts, the project will insofar as possible avoid activities that would induce land acquisition. To reduce environmental degradation, the project will equally make a concerted effort to avoid natural habitats and forests.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

The project will recruit a dedicated (1) environmental and (1) social safeguards specialists to provide the necessary safeguards support during the project life cycle. During the implementation of this operation, further steps will be taken to strengthen the Government's overall technical capacity on safeguards, which is currently lacking. All the safeguards instruments have been considered in the development of the project manual, which will guide project implementation, as well as serve as a due-diligence tool with which the borrower must comply.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

During project preparation, wide consultations were conducted with different stakeholder groups (producer organizations, private sector, Government, local authorities, civil society NGOs, UN family, traditional authorities, religious organizations, and vulnerable groups, etc.) which determined that demand for the operation was high. Capacity for institutional coordination across multiple-sectors involving various implementing entities are low. Project management resources for MARD are stretched in respect to the demand at local levels and resources available dedicated to address crisis and the recovery agenda. The project will provide capacity building and technical assistance to the proposed PIU to successfully mitigate this risk.

In the framework of the safeguards instruments preparation (ESMF/ESMP, RPF/RAP, PMP and IPPF/IPP), additional consultations have been conducted, and free prior informed consultations specifically for Indigenous communities. No activities that can have environmental and social impacts (agricultural and infrastructure improvement) activities will commence until the safeguards instruments are finalized, cleared and disclosed based on the provisions in the safeguards framework documents already prepared and disclosed (ESMF, RPF, PMP, and IPPF). Disclosure of the instruments will be done publicly and in local languages in country, and the documents will be published on the World Bank external website.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
-----------------------------	-----------------------------------	--

"In country" Disclosure



Resettlement Action Plan/Framework/Policy Process

Date of receipt by the Bank

18-Sep-2018

Date of submission for disclosure

11-Dec-2018

"In country" Disclosure

Central African Republic

12-Nov-2018

Comments

Indigenous Peoples Development Plan/Framework

Date of receipt by the Bank

18-Sep-2018

Date of submission for disclosure

11-Dec-2018

"In country" Disclosure

Central African Republic

12-Nov-2018

Comments

Pest Management Plan

Was the document disclosed prior to appraisal?

NA

Date of receipt by the Bank

18-Sep-2018

Date of submission for disclosure

11-Dec-2018

"In country" Disclosure

Central African Republic

12-Nov-2018

Comments

If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.

If in-country disclosure of any of the above documents is not expected, please explain why:



C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?

No

OP/BP 4.04 - Natural Habitats

Would the project result in any significant conversion or degradation of critical natural habitats?

No

If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?

OP 4.09 - Pest Management

Does the EA adequately address the pest management issues?

Is a separate PMP required?

Yes

If yes, has the PMP been reviewed and approved by a safeguards specialist or PM? Are PMP requirements included in project design? If yes, does the project team include a Pest Management Specialist?

Yes

OP/BP 4.11 - Physical Cultural Resources

Does the EA include adequate measures related to cultural property?

Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?

OP/BP 4.10 - Indigenous Peoples

Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?

Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

Yes



If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Practice Manager?

OP/BP 4.12 - Involuntary Resettlement

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?

NA

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

OP/BP 4.36 - Forests

Has the sector-wide analysis of policy and institutional issues and constraints been carried out?

NA

Does the project design include satisfactory measures to overcome these constraints?

NA

Does the project finance commercial harvesting, and if so, does it include provisions for certification system?

NA

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank for disclosure?

Yes

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?

No



All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

CONTACT POINT

World Bank

Omar Lyasse
Sr Agricultural Spec.

Amadou Oumar Ba
Representative

Borrower/Client/Recipient

Ministre de l'Economie, du Plan et de la Coopération
Felix Moloua
Minister
moloua57@gmail.com

Implementing Agencies

Ministry of Agriculture and Rural Development
Ministere de l'Agriculture et du Develo Honore Feizoure
Minister
ho7feizoure1@yahoo.fr

Honore Feizoure
Minister
f.maloua@yahoo.fr



FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: <http://www.worldbank.org/projects>

APPROVAL

Task Team Leader(s):	Omar Lyasse Amadou Oumar Ba
----------------------	--------------------------------

Approved By

Safeguards Advisor:	Maman-Sani Issa	21-Mar-2019
Practice Manager/Manager:	Dina Umali-Deininger	21-Mar-2019
Country Director:	Yisgedullish Amde	10-May-2019