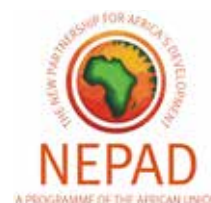




*Empowered lives.
Resilient nations.*

CAADP



DEMOCRATIC REPUBLIC OF CONGO AGRICULTURE INVESTMENT OPPORTUNITIES BRIEF

CAADP INVESTMENT FACILITATION
PROGRAMME

2013

TABLE OF CONTENTS

Preamble	2
Introduction	2
The DRC's Compliance with CAADP	3
National Agricultural Investment Plan	3
Background Section	4
Social and Economic Context	4
Policy Framework	6
Agriculture Sector Performance	7
Agriculture Sector Growth Rate	7
Agro-Ecological Zones	7
Infrastructure	8
Structure and Stakeholders	8
DRC NAIP Objectives and Priorities	10
Promotion of Agriculture Value Chains and Agribusiness	10
Managing Food and Nutrition Security and Strategic Agricultural Reserves	10
Research, Extension and Agricultural Education	10
Agricultural Governance, Gender and Strengthening Human and Institutional Capacities	11
Adaptation to Climate Change	11
Target Investment Promotion Market Segments	12
Agriculture Transformation Initiatives and Opportunities	12
Agriculture Sub-Sector Investment Opportunities	14
Sources of Funds for DRC PNIA Financing Plan	16
Investment Climate and Incentives	17
Investment Climate	17
Investment Incentives	17
Bibliography	19
Footnotes	19

PREAMBLE

The government of the Democratic Republic of Congo (DRC) and the national stakeholders of the Comprehensive African Agricultural Development Program in the DRC are engaged in an agriculture sector investment attraction and development initiative to identify economically viable and inclusive business focused private sector investors to co-invest with the government and selected development partners.

The government is confident that there are a number of profitable and mutually beneficial agricultural sector investment opportunities to explore and have developed this publication to highlight the analysis that has been undertaken to date and to share with agriculture and agribusiness sector investors and existing sector actors information about what initiatives the government is undertaking, or planning to make, with the objective that these public sector investments and incentives will attract investment from the domestic and international private sector.



INTRODUCTION

This Agricultural Investor Opportunities Brief is drawn from information gathered by DRC stakeholders of the country's national Comprehensive African Agriculture Development Program (CAADP) to produce the DRC National Agriculture Investment Plan 2013-2020. The Brief is intended to support the interest of the government in outlining the related private sector investment opportunities in the country and to serve as a comprehensive and easy to use tool to promote investment opportunities in the agricultural sector of the DRC.

CAADP was initiated in 2003 in Maputo, Mozambique as a continent-wide African Union initiative and is head-quartered in South Africa within the AU's NEPAD Planning and Coordinating Agency. Countries signing the CAADP compact adopt the core principles of:

- pursuing an average of 6% annual agricultural sector growth at country level;
- allocating 10% of the national budget to agricultural development;
- strengthening local ownership and promoting interventions based on country's opportunities and priorities;
- building partnerships with a broad spectrum of actors;
- promoting dialogue and building consensus among all key stakeholders for the priority issues to be addressed;
- enhancing peer-review and sound analytical work to inform stakeholders in the sector;
- enforcing mutual accountability to ensure sustainable resource utilisation;
- favouring regional complementarities within the framework of regional economic communities such as SADC, COMESA, ECOWAS and EAC; and
- enhancing policy reforms for a more favourable environment for agricultural growth.

Through adherence to these principles the aim is for CAADP countries to improve their abilities to: 1) attain food and nutrition security; 2) develop regional and sub-regional agricultural markets; 3) integrate farmers and pastoralists into the market economy; and 4) achieve a more equitable distribution of wealth.

To achieve these objectives CAADP focuses on four main pillars, namely,

- Pillar I: Extending the area under sustainable land management and reliable water management systems
- Pillar II: Improving rural infrastructure and trade-related capacities for improved market access
- Pillar III: Increasing food supply and reducing poverty and improving responses to food emergency crises
- Pillar IV: Improving agriculture technology and dissemination

The Democratic Republic of Congo's Compliance with CAADP

The Democratic Republic of Congo officially launched their CAADP program on the 7th and 8th of June 2010 in Kinshasa with the support of COMESA (Common Market for Eastern Africa of the East and Southern Africa). Thereafter, a "Round Table" was held for the signing of the Charter on March 17, 2011 in Kinshasa in the presence of government authorities, the Commissioner of the African Union in charge of Rural Economy and Agriculture, the Deputy Secretary General of COMESA, the Representatives of the NEPAD, FARA, IFPRI, Re-SAKSS, as well as technical and financial partners, private sector organizations, civil society organisations and agricultural producers.

The organization of the Round Table enabled the Ministry of Agriculture and Rural Development (MINAGRIDER), in consultation with all stakeholders to begin the process of formulating a National Agricultural Investment Plan (NAIP).

This formulation was conducted through a participatory approach that involved all stakeholders. Its preparation benefited from the contributions of donors involved in the agricultural sector, the main central and provincial officials from the Ministry of Agriculture and Rural Development, the Advisor to the President of the Republic and the Prime Minister, as well as representatives of agricultural small holder organizations, the private sector and CSOs involved in the agricultural sector.

Contrary to past trends, the latest estimates published by the Standing Committee of the Macroeconomic Framework and the IMF projections for the years 2013 to 2015 provide a much improved economic performance of the DRC. The average annual GDP growth over the period 2012-2015 would be more than 7 percent, whereas it was only 2.5 percent over the period 2006-2009. As demonstrated by the various simulations, performance could be very significantly enhanced by agricultural growth, itself driven by efficient implementation of the NAIP. It will therefore satisfy the dual requirement of fighting against malnutrition and food insecurity and driving efforts to achieve sustainable economic growth. To do this, the aim will primarily be to target food production by smallholder agriculture stakeholders while also ensuring the promotion of industrial and cash crops production and the establishment of Centres of Agricultural Enterprises or Agri-Business Parks.

DRC National Agriculture Investment Plan/ Plan National d' Investissement Agricole (PNIA)

The National Agricultural Investment Plan (NAIP) is the DRC's national planning framework for domestic and foreign investment in the agriculture sector and rural development sphere. It takes into account the needs, achievements, gaps in this regard of the agriculture sector and provides a blueprint for the investment and operation of the sector over a period of eight years (2013-2020). The NAIP also attempts to align all of the various programs and projects and sector perspective.

In alignment with the core principles of CAADP. Its overall objective is to stimulate sustained annual growth in the agricultural sector more than 6%, which is essential for reducing poverty, ensuring the food and nutrition security of the Congolese people, and generating sustainable employment and income.

Toward this end, five priorities areas were identified and programmes developed:

Programme 1: Promote sustainable agricultural sectors, first and foremost food value chains, and develop agribusiness in order to improve the income of farmers and other operators in the sector;

Programme 2: Improve the management within the food and nutrition security and strategic reserves;

Programme 3: Develop and disseminate research products to users and improve the professional competence of the various actors, and

Programme 4: Improving agricultural governance, promoting the integration of gender in the implementation of the Plan and the overall strengthening of sector related human and institutional capacities;

Programme 5: Reduce vulnerability in the agriculture sector to climate change.

In direct response to these broad guidelines, the National Agricultural Investment Plan is organized into five programs that respond to the five priorities of the sector. It has been presented 18 programs with 66 sub-components of activity.

The strategic approach for the implementation of the NAIP will be based on a number of principles for action:

- The inclusion and accountability of all public and private stakeholders involved in agricultural and rural development;
- Valuation of the comparative advantages of each province through the implementation of Provincial Agricultural Investment Plans whose development will be the responsibility of provincial authorities;
- The establishment of Centres of Agricultural Enterprise (PEA) in order to boost the different sectors;
- Mainstreaming gender aspects and good governance across all of the planned interventions;
- Promoting and facilitating capacity building among all public and private stakeholders to enable them to perform their respective roles more effectively and efficiently; and
- Focusing on the enhancement of agricultural productivity in a sustainable manner that also respects relevant environmental and social constraints.

The DRC NAIP is also based on the principle of complementarity between its internal programs and external consistency with the CAADP pillars and PRSP, the Millennium Development Goals (MDGs) and various sectoral policies. The NAIP also fits into the regional and strategic planning process of the national Common Agricultural Policy.

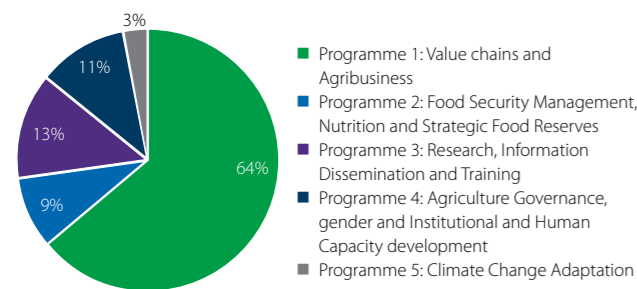
Indeed, it presents a variation of the second pillar of the PRSP 2 – "Diversifying the economy, accelerating growth and promoting employment" and it seeks to contribute directly to MDG 1 which aims to eradicate extreme poverty and hunger.

Additionally, the NAIP is in line with the implementation of the Agricultural Policy Note of the Government in November 2009 and the Sector Strategy of Agriculture and Rural Development (SSADR) adopted in April 2010. It will provide the strategic planning framework and action plan for the future National Agricultural Policy. The total cost of the DRC NAIP over the period from 2013 to 2020 is estimated at US\$5.73 billion.

Programme	Finance Available	Cost in US\$ (millions)	Funding Gaps	Funding Gaps in % Terms
Promotion of agricultural value chains and agribusiness	1 226,8	3652,5	2 425,7	66.4
Food security management, nutrition improvement and development of strategic food	125,1	536,9	411,8	76.7
Research, Information Dissemination, and Agricultural Training	240,5	738,3	497,8	67.4
Agricultural governance improvement, gender inclusion and development of institutional and human capacity	397,4	607,3	209,9	34.6
Climate Change Adaptation	56,9	195,8	138,9	70.9
Total NAIP	2 046,6	5 730,8	3 684,1	64.3

Source: DRC NAIP

The break down by percentage of the cost of the five components of the NAIP are as follows:



Source: DRC NAIP

The DRC NAIP coordination and facilitation stakeholders consists of:

- 1) The Steering Committee (SC), chaired by the Prime Minister, Head of Government, and inclusive of all the ministries involved in the implementation of the NAIP, namely: a. Agriculture and Rural Development, b. the Environment, c. Nature Conservation and Tourism, d. Higher Education, University and Scientific Research, e. Gender, Family and Children, f. Economy and Trade, g. Finance, h. the Budget, i. Spatial Planning, Urban Development, Housing, Infrastructure, Public Works and Reconstruction, j. Industry and Small and Medium Enterprises, k. Public Health, and l. Land Affairs. The leader of TFP as well as the Chairman of the Peasant Organizations will also serve on the Steering Committee. The Ministry of Agriculture and Rural Development will serve as the Technical Secretariat of the Steering Committee;
- 2) The Technical Committee (TC) of the DRC NAIP will be co-chaired by the Secretaries-General of the ministries of Agriculture, Fisheries and Livestock and Rural Development. To further support the work of the TC, the team will be reinforced by the UN Technical Secretariat chaired by the Director of Studies and Planning of Agriculture, Fisheries and Livestock and Rural Development;
- 3) The Provincial Steering Committees (PSC) will be established in June to provide strategic orientation and oversight of the Provincial Agricultural Investment Plans (PAIP), under the authority of the Provincial Minister for Agriculture and Rural Development; and
- 4) The Provincial Advisory Councils and the Agricultural and Rural Management Councils (CARGA).

In operational terms, it is planned that all existing and any new programmes or projects that support agricultural sector development will be aligned to the general architecture of the DRC NAIP through integration into the Plan's logical framework.

The modalities and funding mechanisms in support of the agriculture sector shall also be aligned with the NAIP, and it is intended that the management of funds within the framework of specific projects will remain the purview of each partner, but it is intended that there will be harmonization around the conditions of implementation of the objectives of the DRC NAIP and all methods of funding will be systematically developed to accommodate this intent.

Monitoring and evaluation should be carried out within the framework of the DRC NAIP within a coherent overall framework for measuring not only the performance of projects and programmes on the ground among the rural population, but also to assess the overall performance of the agricultural and rural sector given the programmes implemented as part of the efforts to realize the Plan.

BACKGROUND SECTION

Social and Economic Context



The Central Africa located DRC is the fourth most populous country in Africa (after Nigeria, Ethiopia and Egypt) with an estimated population in 2013 of 70.4 million. The population is widely dispersed across the country and according to the 2013 CIA Factbook, 65.7 percent of the population live in rural areas versus 34.3 percent who live in the country's urban areas.

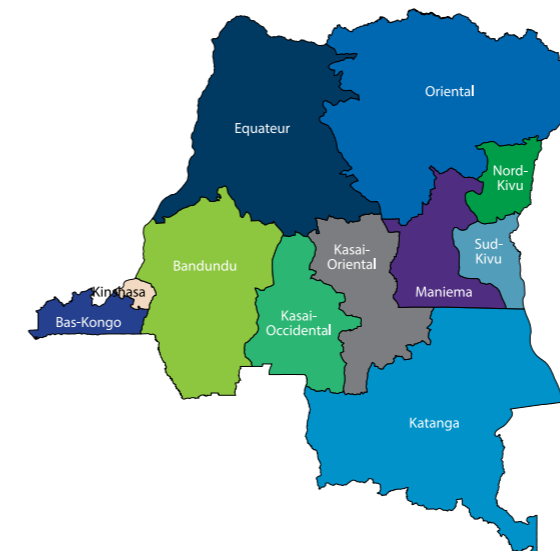
In terms of the nation's size, the DRC is a vast nation that borders with nine countries (Congo, the Central African Republic, South Sudan, Uganda, Rwanda, Burundi, Tanzania, Zambia and Angola) and has a combined land and waterway area of 2,344,858 square kilometres, making it the 11th largest country in the world in terms of its geographic size. Thus, notwithstanding its comparative stature and rank as the continent's fourth most populous nation, the DRC actually is predominantly under-populated with an average of only 24 inhabitants per square kilometre. Of course, the key exception to this national trend exists in the capital city of Kinshasa, where the population density in the region is roughly 577 inhabitants per km², due to the fact that the city is the national economic hub, the principal academic node and base of the nation's healthcare system, as well as the national administrative headquarters and governmental capital. The concentration of urban population in and around Kinshasa, however, is also linked to the rural exodus caused by recurrent conflicts in certain other parts of the country and the deterioration of living conditions in rural areas.

Provincial Populations of the DRC

Province	2013	2014	2015
Bandundu	7 098 812	7 311 777	7 531 130
Bas-Congo	2 984 553	3 074 090	3 166 313
Equator	7 939 233	8 177 410	8 422 732
Kasaï	6 618 297	6 816 846	7 021 352
Occidental	8 405 642	8 657 812	8 917 546
Katanga	10 122 762	10 426 445	10 739 238
Kinshasa	6 320 798	6 510 422	6 705 735
Maniema	1 884 376	1 940 907	1 999 134
North Kivu	5 687 820	5 858 454	6 034 208
Orientale	8 727 919	8 989 757	9 259 449
South Kivu	4 603 260	4 741 358	4 883 599
DRC	70 393 473	72 505 278	74 680 436

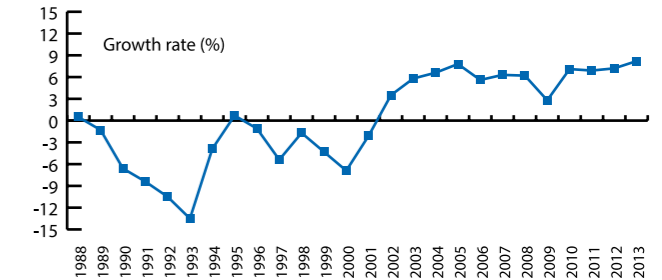
Source: DRC NAIP

Provinces of the DRC



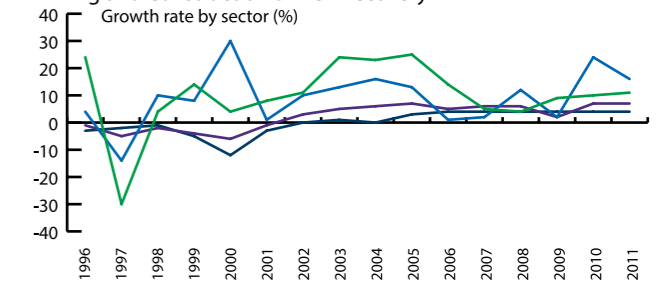
Source: www.congobanditripod.com

GDP Growth of the DRC



Source: DRC Office of the Prime Minister, 2013

Mining and Construction Driven Recovery



Source: DRC Office of the Prime Minister, 2013

The DRC is endowed with one of the highest concentrations of mineral wealth of any country in the world. It possesses more than 1,000 substances, including 20 strategic ores – giving the nation the world's second biggest reserves of copper, 25 percent of its gold reserves, 30 percent of its diamonds reserves and over 80 percent of its cobalt and coltan reserves. Today, mining accounts for roughly 15 percent of the national GDP, 11 percent of State revenues and 30% of the country's foreign currency earnings.

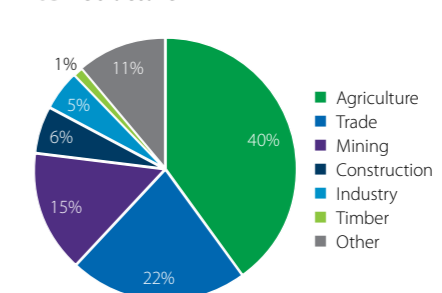
Main Deposits

Ore	Reserves (tonnes)
Copper	75 million
Lithium	31 million
Niobium	30 million
Manganese	7 million
Zinc	7 million
Cobalt	6.7 million
Iron (over 60%)	1 million
Cassiterite	450,000
Gold	1,500
Diamonds (carats)	206 million

Source: Investing DR Congo 2013, Africa Report

Other major contributors to the DRC economy include agriculture and trade:

GDP Structure



Source: Investing DR Congo 2013, Africa Report

Main Customers (% of total export value)

	2008	2009	2010	2011	2012
China	42.2	40.9	44.5	47	71.7
Belgium	13.6	8.4	5.2	5.7	7.5
South Korea	0.1	0.8	1.7	2.3	4.8
Finland	8.7	2.7	2.3	1.4	3.6

Main Suppliers (% of total import value)

	2008	2009	2010	2011	2012
South Africa	28.2	17.8	20.1	21.1	34.2
China	5.9	10	11	15.8	19.3
Belgium	9.8	10	8.2	8.3	10.3
France	4.6	7.1	5.3	4.7	6.3
United States	3.3	2.5	2.2	3.2	4.6
Germany	3.1	3.4	2.9	3.1	3.8

Source: Investing DR Congo, Africa Report

Notwithstanding the recent upturn in the country's GDP rates, with a poverty rate of 71.34 percent for the whole country, the incidence of poverty in the DRC is very high in comparison with that of other countries in Central Africa. The extent of poverty also varies considerably from one region to another, depending on whether the environment is urban or rural and what strata professionally citizens are in. Today, despite its mineral wealth, the DRC is one of the poorest countries in the world, with a 2012 GDP per capita of US\$400. Sixty-nine percent of the population is undernourished, and the average life expectancy of 48 years.

The nutritional situation in the DRC is particularly critical. Stunting or chronic malnutrition affects 43% of children under five. Being underweight also is a malady that affects one in four children. According to various surveys and studies conducted in recent years, there are many complex nutritional problems that vary from one province to another, but it is realized in aggregate that everywhere the most affected groups are children and pregnant and lactating women. The main problems are under-nutrition, micro-nutrient deficiencies (iron and vitamin A) and non-communicable diseases related to diet (diabetes, hypertension, and obesity).

Policy Framework

The revised and updated DRC Poverty Reduction Strategy Paper (PRSP 2) sets as a Headline Goal that by 2015 a significant improvement should have been made in the living conditions of the population. This improvement should lead to achieving an annual average economic growth rate of 7.2% and a reduction in the incidence of poverty by about 11 points to be 60 percent in 2015. It is sets as a goal the achievement of at least a million decent jobs per year and a generation without AIDS, all in a manner that respects the environment and maintains an annual average inflation of 9 percent.

To achieve these objectives, the DRC Government is committed to a strategy based on four key pillars that have clear sectoral and cross-cutting strategic directions and priorities:

They are:

- Pillar 1: Strengthening governance and peace,
- Pillar 2: Diversify the economy, accelerate growth and promote employment,
- Pillar 3: Improving access to basic social services and strengthen human capital, and
- Pillar 4: Protect the environment and the fight against climate change.

The implementation of the NAIP, which focuses on the recovery of

the agriculture sector forms part of the second pillar "[d]iversifying the economy, accelerating growth and promoting employment." This pillar also refers to policies of wealth creation and infrastructure development to support productive activities and those related to economic revitalization.

The strategy also suggests trade policies and promotes employment. Pillar 2 is also supported by a growth policy that calls for the development and support of new value chains and supply chains, the identification of ways and means to facilitate access to markets, as well as the execution of feasibility studies to guide creation and location of new centers of economic activity based on relative comparative advantages across the country. The successful implementation of these policies is based on strengthening the nation's capacity in the area of governance (Pillar 1) and also calls for focus on environmental good practice and the pursuit of efforts to mitigate and adapt to climate change (Pillar 4).

The overall objective of the implementation of the Agricultural Policy Note prepared in November 2009 was to contribute to the achievement of food security. This objective is also consistent with the first Millennium Development Goal.

The government of the DRC continues to seek sustainable agricultural development, and wants to preserve and expand available productive assets – which represent the cornerstone of the revitalization of the national economy. In this regard, the following specific objectives are to be pursued:

- improving access to markets and value-added agricultural products,
- improving the productivity of agriculture: food production, horticulture and vegetable, fish and livestock,
- promoting decentralized financial systems that adapt to the nature of the agricultural sector, and
- strengthen the technical and organizational capacities of public and private institutions to support the production.

The Government's vision is to revitalize the productive structure of the rural-based development of a modern agro-industrial production and capacity of smallholders, while ensuring the conservation of natural resources. This vision is embodied in the DRC Sector Strategy for Agriculture and Rural Development (SSADR) which was adopted in April 2010 and seeks to promote the: (i) improvement of access to markets and the development of improved rural and commercial infrastructure, (ii) development of the crop, livestock, fisheries, and smallholder farming sub-sectors, (iii) strengthening of governance, institutional capacity and human capacity development, and (iv) improved structuring.

Also, despite the fact that the DRC is one of Africa's resource-rich countries and considered one of its potential key engines for growth, current food production does not meet the country's own needs. The government's Agricultural Development Strategy (ADS) (2004 to 2013) focuses on six key priorities: i) financing for the rural sector; ii) rehabilitating and maintaining infrastructure, including rural roads and water access; iii) improving the fiscal environment for agricultural development; iv) technical advisory service for producers; v) re-launching agricultural scientific research; and vi) guaranteed access to land.

AGRICULTURAL SECTOR OVERVIEW AND PERFORMANCE

Since 2010, agriculture and logging have made the biggest contributions to the DRC's economy. Today, agriculture accounts for nearly 40 percent of the national GDP and employs 70 percent of the population. Between 2006 and 2010 the Congolese agriculture sector grew by an average of about 4.4 percent and projections are that it will grow at an average rate of 4.6% between 2011 and 2015.

Sectoral Growth from 2010-2015

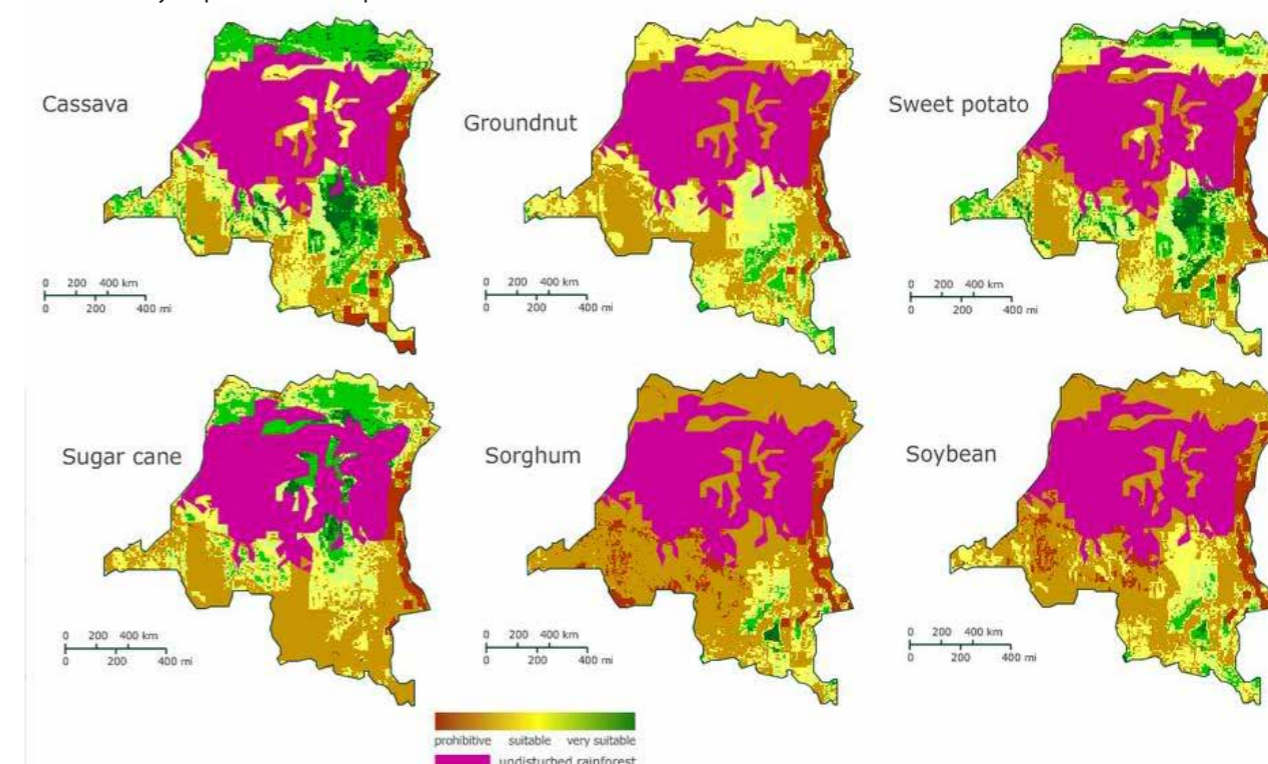
Year	2011	2012	2013	2014	2015	2006-2010	2011-2015
Primary Sector	5,5	3,6	5,4	4,4	4,2	4,4	4,6
Agriculture	3,5	3,5	3,7	4,7	4,4	3,1	4
Forestry	3,5	3,5	3,5	2,5	1,4	3,1	2,9
Mining	10,1	3,8	9	4	4	8,1	6,2
Secondary Sector	9,3	9	13,8	14,5	12,5	5,4	11,8
Tertiary Sector	6,4	7,9	12,5	8,2	8,6	7,1	8,7
Merchant Services	6	7	12,6	6,9	7,1	5	7,9
Non-Merchant Services	3	3	4	3,9	3,9	-1,7	3,6
GDP (base 2000)	6,5	6	9,1	7,4	7,2	5,6	7,2

Source: PNIA

Congo's agriculture sector, however has been rebuilding from a number of years of stagnation and degradation. Significant nationalization during the 1970s and the fact that two wars have been fought in the country since 1990 caused a major decline in the nation's economic activity, particularly the agricultural sub-sector. Many of the DRC's rural communities live in poverty and struggle economically because there is limited access to markets.

The main food crops are cassava, plantains, maize, groundnuts and rice. Commercial agriculture in the country is relatively limited as most producers are small-scale farmers and subsistence food

Land suitability maps for rainfed crops



producers because of the deterioration of market infrastructure caused by war.

The main agricultural products in terms of value are: cassava, plantains, game meat, maize and mangoes/mangosteens, and the main agricultural exports in terms of value are unmanufactured tobacco, green coffee, sugar raw centrifugal, bran of wheat and natural dry rubber. The main agricultural imports in terms of value are wheat, maize, wheat flour, palm oil and chicken meat.

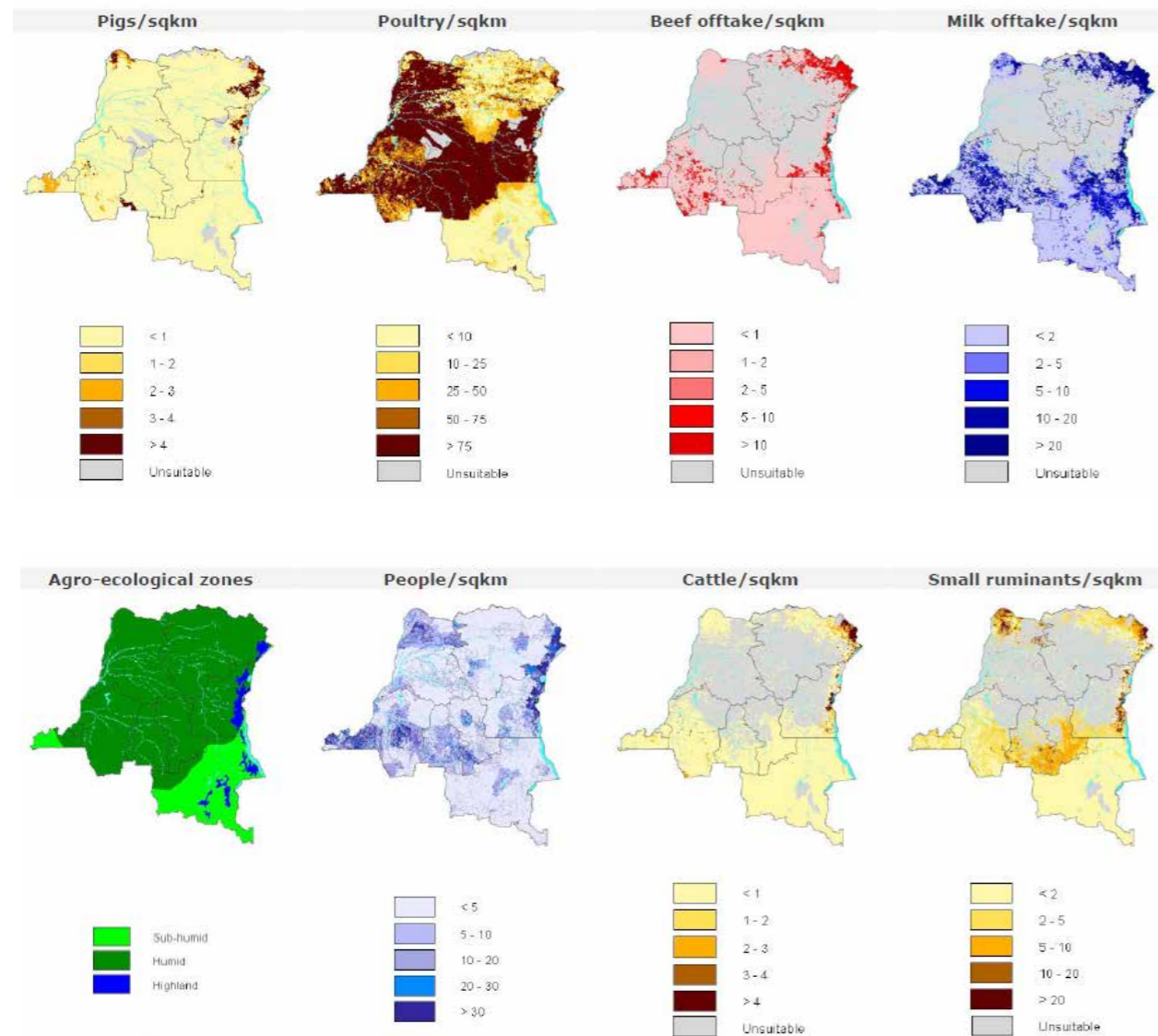
The DRC is endowed with considerable natural resources, vast hydropower potential and an annual rainfall of 1 000 mm ideal for cultivation. According to the national investment promotion agency, ANAPI, the country has over 120 million ha of land suitable for farming or breeding, but only an estimated 10 percent of the land is currently being used (3 percent for agriculture; 7 percent for breeding). The DRC's flora and fauna are among the richest on the continent and the Congolese Forest comprises 45 percent of Africa's total forest area: the largest reserves in the world of tropical timber.

Most of the available arable land is found in the plateaus of the Katanga region in the south-eastern part of the country. The DRC's main crops vary by region, but maize and cassava are major staples, and most areas support livestock production. Wheat, beans, potatoes and cash crops (coffee, tea and quinine) are grown in the eastern regions (Ituri and North Kivu provinces). Rice, grain legumes, cereals and cotton are cultivated in Maniema and other central provinces.

Shifting cultivation is practised in the northern provinces with gold and coffee additionally found in Oriental and North Kivu. The mountainous areas in the east and northeast of the country, which benefit from a temperate climate, lend themselves to livestock production and the cultivation of sugar cane, potatoes, tea and coffee. In the north-central forest-savannah region (Tshopo, Bas-Uele, and Haut-Uele), farmers grow rice, bananas and groundnuts. Instead, the south-western provinces of Kinshasa, Kongo Central, and Kwango, each serving the capital markets, produce fruits, vegetables and beef.

United Nations FAO supported agro-ecological zone studies have identified the preferred regions for the production of key vegetable crops and livestock in the DRC.

For livestock, while most of the country is attractive for a number of products, the eastern (North and South Kivu) part of the country has the greatest density of livestock farming all across all products.



¹Densities for livestock populations and production is based on total land suitable for livestock production

One of the key challenges in the DRC is the relative lack of infrastructure in the country, particularly transport infrastructure and electricity.

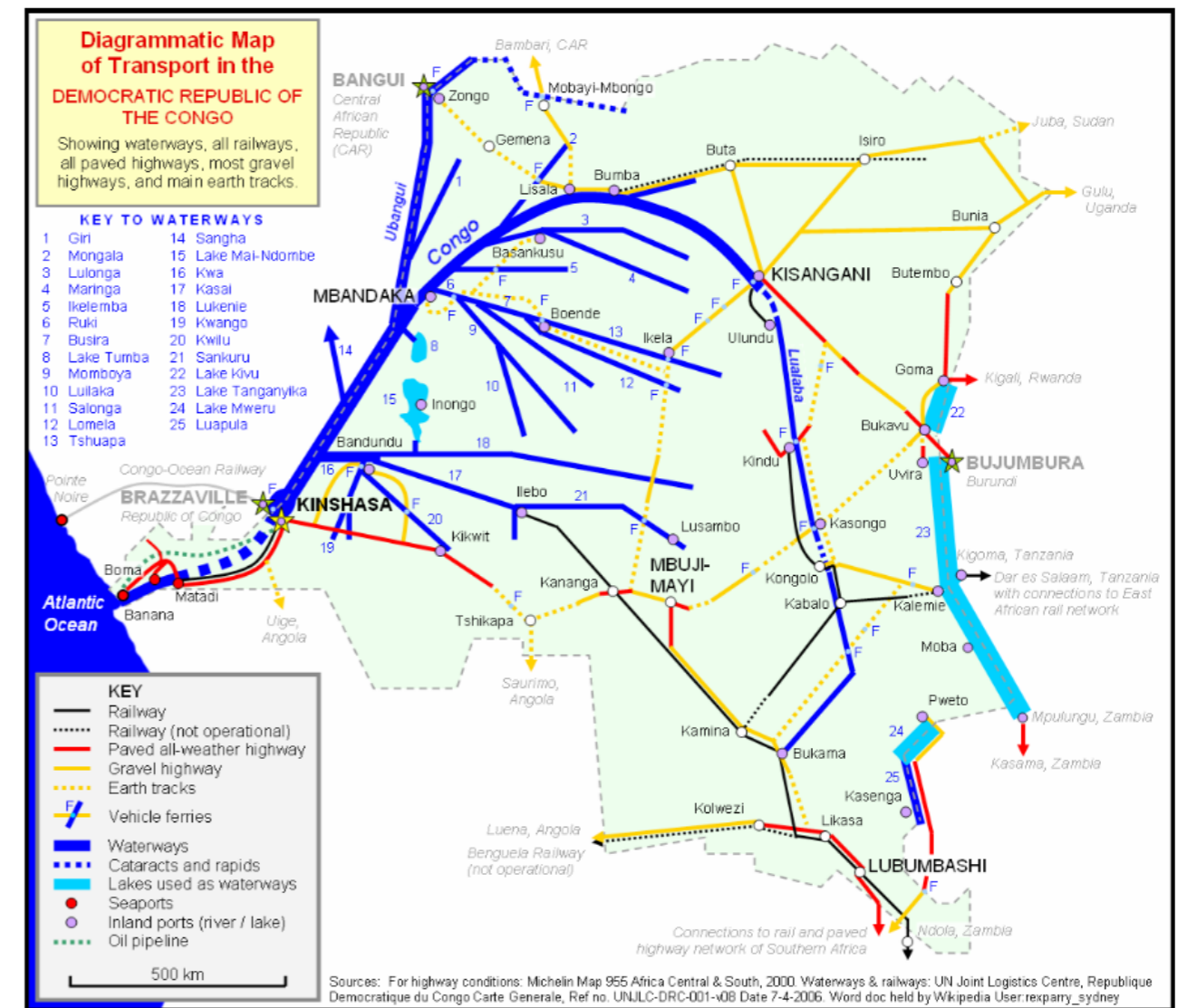
According to the FAO, the total electricity generation in the country: 8.217 billion kWh (2007). Hydroelectricity provides almost all (99.9 percent) of the electricity generated in the DRC. Despite the prevalence of potential renewable energy (hydro and solar), the DRC's rate of electrification is one of the lowest on the African continent at 6 percent in comparison to the African average of 20 percent. The potential capacity at the Inga dam, in particular, on the Congo River alone is sufficient to supply all of Southern Africa's electricity needs but only a fraction of this has been developed. The government plans to revitalize and modernize the sector by rehabilitating existing installations, building new power and hydroelectric stations and investing in renewable energy.

Another challenging area in the infrastructure domain, include the 153 497 km roadway in the country as just over 2 700 km of the roads are paved roads and only one of the provincial capitals is accessible by road from Kinshasa, the capital and main target market for agricultural products consumed domestically. Currently, the government is planning on increasing road infrastructure, especially for connecting the North (Ituri) to the South (Kalemie) and for agricultural purposes.

The Société Nationale des Chemins de fer Congolais (SNCC), the state railway company, has also within the past few years been the focus of reform with plans to revitalize and expand the existing railway network of approximately 3 600 km of tracks.

The waterways in the DRC cover roughly 15 000 km and include the Congo River, its tributaries and unconnected lakes. The main ports and terminals in the country include: Matadi, Banana, Boma, Bukavu, Bumba, Goma, Kalemie, Kindu, Kinshasa, Kisangani, Mbandaka.

The DRC's main international airports are Kinshasa/N'djili, Lubumbashi/Luano, Goma and Kisangani/Bangoka. Most of the country's intra-state transport is either by air or by the river.



In terms of the structure of the DRC agriculture sector, in comparison to other African countries, its rural areas are relatively unstructured and organization remains focused on groups and informal associations. In the past, the DRC government has sought to promote different forms of association, including mutual associations and cooperatives, but the lack of a clear vision for their organization and limited resources available in the departments concerned, have not allowed the meaningful results.

The cooperative movement has however experienced a recent revival, a result of social and political unrest and wars that hit the country. This is explained largely by the trust placed in them by Donors and international NGOs, which are more credible than the state structures to send support to grassroots communities, beneficiaries of their interventions in rural areas. The various groups and associations involved are in quite a variety of fields: agriculture, processing of products, small animal husbandry, fishing, and marketing. These groups are structured umbrella or coordination platforms at central and provincial level, to better defend the interests of their members and provide a better service in the supply of means of production, market access and financing and advisory support.

The Federation of Congolese Enterprises (FEC) is both the Chamber of Commerce and Industry and the main employers' organization in the DRC. The Confederation of Small and Medium Enterprises of Congo (COPEMCO) and the National Federation of Breeders and Growers of Congo (FENAPEC) include within them the key SMEs in various sectors of the national economy. Agricultural SMEs have a prominent place in these two structure. These three institutions are key private sector stakeholders involved with the DRC NAIP.

DRC NAIP OBJECTIVES AND PRIORITIES

The National Agricultural Investment Plan (NAIP) is the DRC's national planning framework for national and external funds for the sector. It takes into account the needs, achievements, gaps in coverage for the investment and operation of the sector over a period of eight years (2013-2020). The NAIP brings together all the programs and projects and sector perspective.

The National Agricultural Investment Plan is organized into five programs, addressing five major priorities of the sector, and has developed over 18 programs and 66 sub-components.

Program 1: Promotion of Agricultural Value Chains and Agribusiness

Sub-Programme	Sub-Components
1.1: Development of Vegetable Value Chains	1.1.1: Support for the production, supply and distribution of seeds, planting materials and other inputs 1.1.2: Promotion of animal traction and motorization 1.1.3: Support for the mobilization and sustainable management of water resources for agriculture 1.1.4: Reduction of post-harvest losses and building infrastructure for drying and storage 1.1.5: Promotion of value addition for cereals, cassava and other tubers and horticultural products 1.1.6: Promotion of small-scale agro-processing 1.1.7: Opening and rehabilitation and maintenance of rural feeder roads 1.1.8: Modernization of equipment and infrastructure to facilitate access to markets
1.2: Development of livestock sector	1.2.1: Improved productivity of livestock through the provision of veterinary and livestock inputs and improving family and community food systems, watering and the environment 1.2.2: Promotion of modern cattle farms, sheep, goat, pig and poultry 1.2.3: Diversification of production (rabbit-breeding and apiculture) and promotion of non-conventional farms 1.2.4: Provision of adequate health coverage for livestock animals 1.2.5: Rehabilitation and construction of abattoirs and slaughter areas 1.2.6: Processing, preservation and storage of livestock products 1.2.7: Upgrading of equipment and infrastructure to access markets
1.3: Development of fisheries sector	1.3.1: Fisheries sectors: Promotion of maritime and inland fisheries (Fishing equipment, security, education, protection of spawning areas etc.) 1.3.2: Promotion of Aquaculture (nursery centers, fish ponds, inputs) 1.3.3: Monitoring and concerted management of water bodies 1.3.4: Modernization of equipment and processing infrastructure, conservation and marketing
1.4: Creating Agricultural Enterprise Clusters	1.4.1: Creating Agricultural Enterprise Development Zones and agro-industrial parks 1.4.2: Support for the development of agricultural professionals 1.4.3: Rehabilitation of abandoned farms and plantations 1.4.4: Supporting the emergence of financial institutions specialized in the production (Micro finance – financial cooperatives – agricultural, agricultural banks)
1.5: Standards and quality control of agricultural products	1.5.1: Align laws and regulations with regional and international codes (agricultural codes etc.) 1.5.2: Process labeling and certification 1.5.3: Inspection of agricultural inputs and products

Program 2: Managing Food and Nutrition Security and Strategic Agricultural Reserves

Sub-Programme	Sub-Components
2.1: Establishment and strengthening of an information and early warning system	2.1.1: Food Security : Implementation of an information system on the market 2.1.2: Establishment of an early warning system on food safety and prevention of climate risks
2.2: Fight against malnutrition	2.2.1: Strengthening the degree of awareness of stakeholders in rural areas on the importance of good nutrition in maintaining health 2.2.2: Promotion of actions to improve nutrition
2.3: Management of food vulnerability and organization of strategic reserves	2.3.1: Strengthening national monitoring and vulnerability management 2.3.2: Support for the alignment of emergency food aid to the real needs 2.3.3: Organization of strategic reserves

Program 3: Research, Extension and Agricultural Education

Sub-Programme	Sub-Components
3.1: Support structures for research and development of technological innovations	3.1.1: Strengthening research structures 3.1.2: Knowledge Management 3.1.3: Development of new genetic material of plant, animal and fish species 3.1.4: Development of technologies for integrated management of soil fertility 3.1.5: Development of integrated technologies and plant protection, animal health 3.1.6: Development of technologies for processing agricultural products, meat and fish
3.2: Support the development of advisory support and extension structures	3.2.1: Strengthening public institutions and civil society support and advice 3.2.2: Diffusion and dissemination of technological innovations

3.3: Support to agricultural education institutions	3.3.1: Institutional Strengthening of agricultural secondary education 3.3.2: Strengthening agricultural institutes of higher education and rural development 3.3.3: Strengthening agricultural and veterinary universities
-----------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Program 4: Agricultural Governance, Gender and Strengthening Human and Institutional Capacities

Sub-Programme	Sub-Components
4.1: Improved policy and legislative environment for the promotion of the agricultural industry	4.1.1: Formulation of Agricultural Development Policy 4.1.2: Improving the legal and regulatory framework
4.2: Further reform of the Ministry of Agriculture and Rural Development building human and institutional capacities	4.2.1: Improvement of the Ministry of Agriculture organizational framework and Rural Development 4.2.2: Construction, rehabilitation and equipment of public agricultural institutions at national and provincial 4.2.3: Strengthening technical capacity of the Ministry of Agriculture and Rural Development
4.3: Strengthened technical and organizational capacities of farmers' organizations, civil society and the private sector	4.3.1: Support to the structuring of producers at the base and organizational capacity of farmers' organizations (FOs) at the local, provincial and national and SMEs / PMEA 4.3.2: Improving the institutional and organizational framework of farmers' organizations 4.3.3: Strengthened technical capacity of farmers (farmers, ranchers, fishermen etc.) 4.3.4: Capacity building conservation and processing of agricultural products 4.3.5: Trade Capacity Building of Agricultural Producers
4.4: Capacity building of structures for coordination, monitoring and control of the agricultural and rural sector	4.4.1: Capacity building of structures for programming and monitoring 4.4.2: Capacity building structures control and inspection services 4.4.3: Implementation and support the operation of a system of strategic analysis, review and knowledge management in the agricultural sector 4.4.4: Establishment of a permanent mechanism for collection, processing, storage and dissemination of agricultural statistics 4.4.5: Support platforms for dialogue at national, provincial, territorial and sectoral
4.5: Gender and empowerment of rural women	4.5.1: Strengthening citizen participation of rural women 4.5.2: Strengthening economic capacities of organizations of rural women

Programme 5 : Adaptation to Climate Change

Sub-Programme	Sub-Components
5.1: Implementation of mitigation and adaptation to climate change	5.1.1: Promotion of Integrated Management of Soil Fertility (GIFS) 5.1.2: Support for the establishment of agroforestry systems more resilient 5.1.3: Arrangements of watersheds and implementation of anti-erosion measures 5.1.4: Accompanying Measures REDD
5.2: Managing climate risks	5.2.1: Strengthening agro-meteorological centers 5.2.2: Establishment of mechanisms for monitoring and prevention of climate risks

The supervisory structure of the NAIP programme and the agriculture sector falls under the Ministry of Agriculture and Rural Development (MINAGRIDER). The two General Secretariats which are responsible for Agriculture, Fisheries and Livestock and Rural Development are both key stakeholders in the NAIP management and implementation architecture.

The other key agriculture Ministry departments that are implicated are the directorates overseeing Agriculture, Fisheries and Livestock including:

- The Directorate of Studies and Planning (DSP);
- The Department of General Services (DGS);
- The Directorate of Plant Production and Protection (DPPP);
- The Department of Animal Production and Health (DAPH);
- The Directorate of Markets, Prices and Credits Campaigns (DMPCC);
- The Directorate of Fisheries (DF);
- The Directorate General of Projects (DGP) Administration; and
- The Directorate of Inspection (DI);

The directors related to Rural Development are the:

- Department of General Services;
- Directorate of Studies and Planning;
- Directorate of Community Development ;
- Department of Rural Economy;
- Directorate of Agricultural Engineering;
- Department of Training and Rural Extension and
- Directorate of Inspection.

Additional key stakeholders involved in the design and administration of the NAIP include the Ministries specialized services providers in regard to Agriculture, Fisheries and Livestock and they include:

- The National Agricultural Statistics Service (NASS);
- The National Seed Service (SENASEM);
- The National Department of Fertilizers and Related Inputs (SENAFIC) ;
- The National Extension Service (NES);
- The National Service Promotion Fisheries (SENADEP) ;
- The National Service for Veterinary and Livestock Inputs (SENIVEL);
- The National Aquaculture Service (SENAQUA);
- The National Service Mechanization (SENAMA) ;
- The National Rice Program (NRP);
- The Kinshasa Veterinary Laboratory (Labovet);
- The National Programme for Livestock Development (PRONADEF)
- The Centers for Adaptation and Improved Seed Multiplication (CAPSA),
- The Centers for Native Cattle Adaptation (CABI) and

The Agricultural Centres providing specialized services related to Rural Development are also part of the NAIP management and implementation architecture and include:

- Department of Agriculture Trolley Tracks (DVDA);
- National Rural Water Service (SNHR);
- National Service Cooperatives (SNCOOP);
- National Rural Information (NRS) Service ;
- National Service Urban Horticulture and Peri-urban (SENAHUP);
- National Service of Animal Traction (SENATRA) ;
- Service National Technology Adapted (SENATEC) ;
- National Renewable Energy Service (SENEN) ;
- National Rural Housing Service (SENHARU) ;
- National Rural Youth Service (SENEJER) ;
- Service National Integrated Rural Development (SENDRI) and
- National Fisheries Service in Rural Areas (PEMIRU) .

Other ministries that are directly or indirectly involved in supporting agricultural production include: the Ministry of Environment, Nature Conservation and Tourism (MECNET) and the Ministry of Higher Education, University and Scientific Research, through the Institut National d'Etudes et de Recherche Agronomique (INERA).

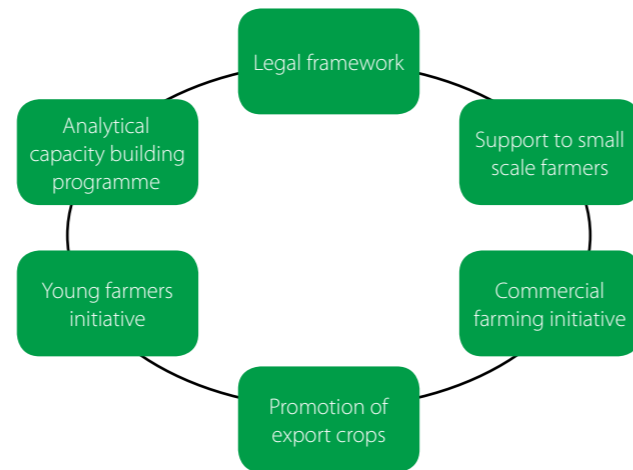
Additionally, some other ministries that also have specific responsibilities that directly affect operators in agricultural sub-sectors include the: (i) Planning and Monitoring; (ii) Trade and Economy; (iii) Finance; (iv) Public Health; (v) Land Affairs; (vi) Gender, Family and Children; (vii) Planning, Urban Development, Housing , Infrastructure, Public Works and Reconstruction; and (viii) Primary, Secondary and Professional Education.

To improve the coordination of actions in the sector at the national and provincial level, the Government has also put in place mechanisms for consultation in regard to the NAIP. These platforms include the National Advisory Council and the Provincial Advisory Councils, which are provided by the Law on Basic Principles for the agricultural sector. It should also be noted that the creation of Agricultural and Rural Management Tips (CARG) is intended to support one third of state actors and two thirds of non-state actors, mainly farmers' organizations . The CARG are an integral part of the reform and decentralization policy of MINAGRIDER .

TARGET INVESTMENT PROMOTION MARKET SEGMENTS

Agriculture Transformation Initiatives and Opportunities

To promote strategic investment in the agriculture sector, the Office of the Prime Minister of the DRC has also developed a strategy to "Engineer Agricultural Transformation" in the DRC. Undergirded by agricultural legislation that was passed in December of 2011, the programme includes initiatives to support small scale farmers, as well as attract commercial farmers, to promote export crops, encourage young farmers and build analytical capacity with agricultural sector.



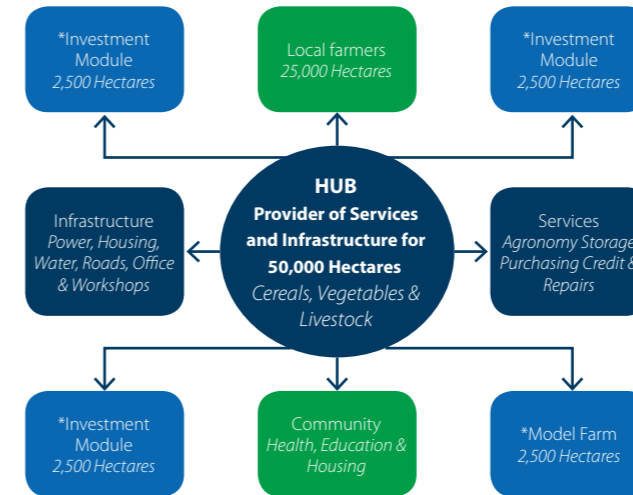
Source: DRC Office of the Prime Minister

- Small Scale Farmers Initiative** – this programme seeks to provide direct support in the form of seeds, agricultural tools, fertilisers to farmers as well as to rehabilitate and improve feed roads to make farmland more accessible to markets. Creation of boreholes to access drinking water and the delivery of mechanization to small holder farmers are additional interventions that have been conceptualized to empower and encourage Congolese agricultural entrepreneurs.
- Commercial Farming Initiative** – to address the need for domestic food security, to accelerate efforts to reduce food imports and improve nutrition in the country, and to provide local markets for small hold farmers, the government is embarking upon an ambitious initiative to facilitate public-private partnerships with large agribusiness investors and to establish 16 "agri-business parks" sites under long-term (25 year, renewable) contracts or concessions where the government commits to invest in bulk infrastructure (roads, electricity and facilitate the securing of land) and provide tax incentives and the commercial farmers commit to invest in the operational aspect of the farm and bring commercial farming expertise and established markets for exports to the partnership.

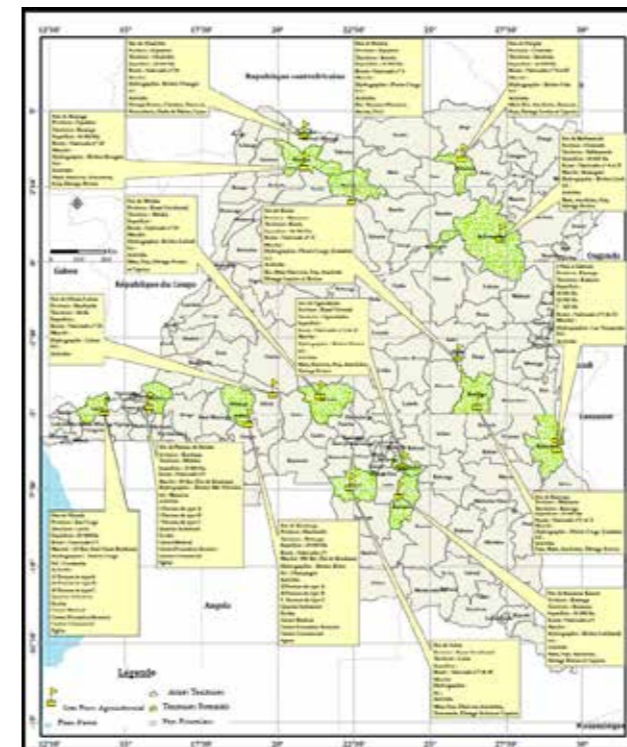
Bukangalonzo	Kasongo	Mweka
Businga	Kaniama Kasese	Kindu
Gbadolite	Ngandajika	Dumi
Bumba	Luiza (2)	Yangambi
Didaya Lubwe	Nkundi	Lotokila

Key features of the planned parks include the establishment of

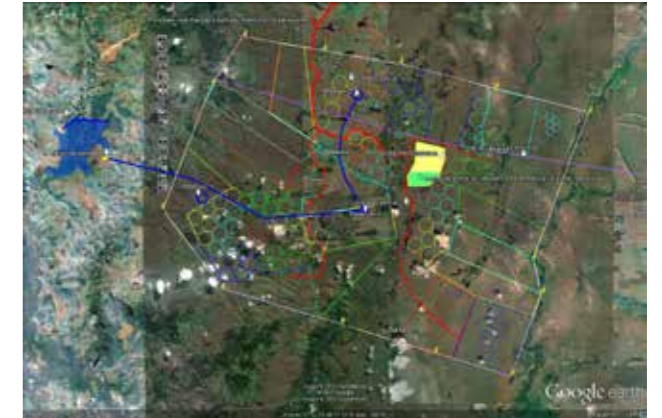
green houses for vegetables, agro-processing facilities, storage facilities, and the creation of distribution and logistics structures to move produce and products to and from the facilities. Fish farms, poultry farms, piggeries and cattle farms are also some of the developments planned for the parks.



Preliminary work has been done to start delineating potential initial sites in Bukangalonzo (in Bandundu province); Nkundi Valley (in Bas Congo Province); Kimbinga (Kikwit) (in Bandundu province); Dumi (in Bandundu province); and Businga (in Equator province).



An example of the layout of such a park can be seen from the Bukangalonzo site rendering below:



Source: DRC Ministry of Agriculture and Rural Development

- Young Farmers Initiative** – In addition to seeking to attract, international commercial farmers to the country, the DRC government also is working to encourage young agric-entrepreneurs, particularly from the DRC Diaspora, to establish agribusinesses in the country. To attract these prospective stakeholders, the government is offering financial and non-financial support to those with strong business plans for projects of at least 50 ha of land or more. An initial award of US\$350,000 has been made and plans are to scale up the initiative to bring on 2-3 young farmers a year from each province – which see between 22 – 33 new young farmers per annum join the industry.
- Analytic Capacity Building Program** – The other cornerstone project of the DRC government is the Analytical Capacity Building Programme which calls for the investment of US\$4 million over 2 years in four academic institutions spread across the country to improve their agriculture related research and development capacities:



Agricultural Knowledge Nodes

- ★ Node 1: University of Kinshasa – Bas-Congo–Kinshasa–Bandundu
- ★ Node 2: University of Kisangani – Equateur–Province Orientale
- ★ Node 3: Catholic University of Bukavu – Nord Kivu–Sud Kivu–Maniema
- ★ Node 4: University of Lubumbashi– Katanga–Kasai Oriental & Occidental

Source: DRC Office of the Prime Minister

Agriculture Sub-Sector Investment Opportunities

The National Investment promotion Agency (ANAPI) has developed three sub-sector specific publications that outline investment opportunities in the horticulture sector, the livestock sector and the fisheries sector. Also, as the DRC's 11 provinces each have varying agro-ecological environments and thus support different agricultural products, ANAPI has mapped these opportunities by province.



a. Perennial Crops

- **Hevea :**
 - Equateur is a true giant of the culture of hevea. This culture of Hevea is practiced in the forest areas with a high concentration in Lisala, Bokungu, Boende, Budjala, Bikoro and Ikela.
 - Maniema (Kibombo territory, Elila and Kailo)
 - Eastern Province (Isiro Yangambi, lokutu ...)
 - Bandundu (Kesengo, Bokolo, Pongoboli ...)
- **Cotton :**
 - Equateur ;
 - Eastern Province (in the territories of Bondo, Ango, Niangara, Dungu, and Bambesa Rungu) ;
 - Western Kasai ;
 - Eastern Kasai ;
 - Maniema (Pangi, Kabambare, Kibombo, Lubutu).
- **Palm oil :**
 - Equateur (Bosondjo, Yaligimba, Ebondo, Lisafa) ;
 - Eastern Province (Lokutu, Isiro, Lunde ...)
 - Eastern Kasai (Lusambo Sankuru ...)
 - Maniema (Pangi, Kabambare, Kibombo, Lubutu)
 - Western Kasai (Mapango, Ilebo, Mweka, Demba)
 - Bandundu (along the Lukeni River).
- **Coffee :**
 - South Kivu (in the highlands of Fizi Territory) ;
 - Eastern Province, North Kivu (Beni and Rutshuru)
 - Maniema (Kibombo, Pangi, Punia, and Kabambare Lubutu)
 - Domestic production in 2007 : 31,930 tons Tea, Cinchona and Pyrethrum : North Kivu (Kabare, Goma, Lubero, Rutshuru and Masisi).
- **Cocoa :**
 - The province of Equateur is also noticeable for its cocoa which ranks first in domestic production ;
 - The province of Eastern Kasai in the district of Sankuru also has the assets needed for the crop ;
 - Domestic production in 2007 : 5,550 tonnes
- **Tobacco :**
 - This culture is practiced in Katanga with strong distribution in the territories of Kaniama, Kongolo, Kabongo and Sandoa.

- North Kivu (Masisi and Rutshuru) ;
- Eastern Province : Ituri, and Faradje watsha ;
- Bandundu : Bagata, Kenge, Mayi-Ndombe ;
- Bas-Congo : Seke-Banza

Key Crop Production (in Tonnes)

Produce	Years					
	2005	2006	2007	2008	2009	2010
Cassava	14,974,470	14,989,440	15,004,430	15,019,430	15,034,450	15,049,483
Maize	1,155,260	1,155,490	1,155,720	1,155,950	1,156,180	1,156,410
Rice	315,480	315,830	316,180	316,530	316,880	317,231
Beans	110,300	111,270	112,250	1,133,240	114,240	115,247
Peanuts	368,110	368,740	369,370	370,000	370,630	371,263
Plantain	487,110	487,980	488,810	489,640	490,470	491,304

b. Food Crops

- **Rice :**
 - Equateur (territory of Bumba)
 - Eastern Province ;
 - South Kivu (Fizi highlands) and
 - Maniema.
- **Soyabeans :**
 - Eastern Kasai (Kabinda)
 - Equateur...
- **Sugar cane :**
 - Bas-Congo (Kwilu-Ngongo) ;
 - South Kivu (Kiliba) ;
 - Eastern Province (Lotokila, Yanonge) and
 - Bandundu (Mushie pentane).
- **Cassava :**
 - Bandundu (Kwango districts, Kwilu, Plateau and Mai-Ndombe)
 - Bas-Congo.
 - Domestic production in 2007 : 15,004,430 tons
- **Corn :**
 - Eastern Province, Katanga and both Kasai.
 - Domestic production in 2007 : 1,155,720 tons
- **Rice :**
 - Rice cultivation is practiced in many provinces, but with a wider distribution in the forest areas of Yahuma, Banalia, Opala, Bafuasende, Aketi and Buta in the Eastern Province. Bumba territory in Equateur Province is also favourable for this crop.
 - Domestic production in 2007 : 316,180 tons
- **Bean :**
 - North Kivu, South Kivu, Kasai Occidental Eastern Province, Katanga, Bas-Congo and Bandundu
 - Domestic production in 2007 : 112,250 tons
- **Peanut :**
 - Bandundu (Idiofa, Bulungu, Masimanimba, Bagata, Gungu and Mushi territories) ;
 - Katanga (Tanganyika District and Haut-Lomami)
 - Domestic production in 2007 : 369,370 tons
- **Plantains :**
 - North Kivu (Beni, Rutshuru, Masisi, Walikale, Kabare, Fizi and Mwenga territories there is fertile soil, mainly of volcanic origin.
 - Domestic production in 2007 : 488,810 tons
- **Potato :**
 - North Kivu Province (Masisi, Rutshuru, Walikale, Lubero, ..)
 - South Kivu (Uvira, Kabare, Bukavu, ...)
 - Domestic production in 2007 : 93,560 tons
- **Wheat :**
 - North Kivu (Masisi and Lubero)
 - Katanga (Moba Lubudi and Mitwaba).
 - Domestic production in 2007 : 8,690 tonnes

c. Livestock

The DRC has enormous potential pastoral with more than 87 million hectares that are covered by vast plains and vast grassy and wooded grassland that is favorable to the expansion of livestock.

The total number of animals in the country is estimated at about 7,000,000 heads, 60 percent goats, 15 percent of pigs, 14 percent of sheep and 11 percent of cattle.

The aim of the government is to intensify animal husbandry in the areas of: poultry, sheep, goats, and pigs and to ensure that extension services in other major urban centers and supporting the creation and development of private farms and small farms family.

In particular there is interest in rehabilitating the many cattle ranches, that were decimated by the war(s), in the Provinces of Katanga (Plateau Kundelungu), North Kivu (Masisi), South Kivu, Kasai Occidental, Kasai-Oriental, Bandundu (Feshi and Kikwit), Province Orientale (Ituri).

Additionally, while livestock breeding can be found nationwide, the premier breeding areas are found in the southern savannahs and the mountainous regions of the Southeast and East (Kasai and Katanga, and in the mountains of South Kivu, Maniema and North Kivu). Also, small livestock and poultry have gained importance in operation urban and peri-urban areas where they are intended for home consumption and sale in the city(ies).

Today, this livestock farming sector is divided into two main parts, a smaller modern farming sub-sector and a much larger traditional sub-sector. The eight most favourable livestock investment regions by province are:

- **BAS CONGO**

In this province, livestock breeding is done in Lower River:

 - Cataract;
 - Lukaya;
 - Boma;
 - Matadi.
- **BANDUNDU**

The physical environment of Bandundu, in general is favorable for livestock breeding. The breeding of large-ruminants (i.e. cattle, sheep, goats) is much more favorable in the district of Kwilu.
- **KATANGA**

Livestock farming is generally practiced throughout the whole of the province and there is significant agro-ecological potential (Savannah) and the pastoral tradition.

Cattle farms were concentrated in the Marungu region extending to Southeast and North – East valleys in the province, where there are favorable conditions for livestock farming.

Other attractive areas are found in the center (Plateau Bianco) and to the west of the province in the Lualaba region.
- **NORTH KIVU**

The natural environment and the traditional vocation of North Kivu are favorable to the development of livestock breeding. Covering only 2.5 percent of the area of the country, this province is home to more than a fifth of the national cattle herd and is therefore the largest livestock farming region in the country after the Eastern Province.
- **ORIENTALE PROVINCE**

The geophysical situation of the Eastern Province justifies its position among the provinces as an important prospective

livestock farming region within the DRC.

- **KASAI OCCIDENTAL**

The Kasai Occidental province is an important and favorable region for the intensification of livestock farming. It currently provides meat, milk, wool, hides, manure and labor and livestock farming and the processing of various related goods is already an important economic development driver in this region.
- **SOUTH KIVU**

This is another traditional livestock rearing province in the DRC and over 90 percent of the beef cattle, sheep, goats, pigs and poultry are found here.
- **MANIEMA**

Livestock farming in this provinces is comprised primarily of goats, sheep, pigs, birds and backyard animals (chickens, ducks, rabbits). The exploitation of cattle is not developed in the province.

Livestock Framing in DRC: Principal Products

	Species	2008	2009	2010
Cattle	Number (heads)	752 630	751 200	749 779
	Slaughtered (heads)	79 251	79 101	67 480
	Meat (tons)	12 340	12 320	12 200
Sheep	Number (heads)	902 270	903 170	904 075
	Slaughtered (heads)	279 974	280 254	280 263
	Meat (tons)	2 810	2 820	2 830
Goat	Number (heads)	4 040 040	4 046 100	4 052 169
	Slaughtered (heads)	1 601 771	1 604 173	1 580 346
	Meat (tons)	18 590	18 620	18 650
Pig	Number (heads)	965 130	967 160	969 182
	Slaughtered (heads)	542 188	545 613	537 896
	Meat (tons)	24 010	24 060	24 110
Poultry	Number (heads)	19 947 586	20 007 429	20 067 451
	Slaughtered (heads)	17 753 335	17 806 612	17 860 031
	Meat (tons)	10 732	10 764	10 796
Game	Game meat	89 055	89 162	89 269
	Meat total (heads)	157 537	157 746	157 855

Source: Ministry of Agriculture, Service National des Statistiques agricoles

d. Fisheries

The DRC has vast water bodies representing 86,000 km² with a fishing potential exploitable 707,000 tons annually. However, the annual fish production is estimated at 250,000 tonnes, 35% of the fisheries potential. The consumption gap is offset by imports about 100,000 tonnes of fish per year.

Currently, three types of fishing are practiced, namely:

- 1) Customary fishing (using dugout canoes that can bear a load of two tonnes);
- 2) Artisanal fishing (using canoes equipped with outboard motors that can bear a load of 1.5 tonnes per fisherman);
- 3) Semi-industrial fishing (using seiner fishing boats which allows about 30 to 300 tons / year)

The key fishing zones in the country as identified by the DRC Ministry of Agriculture and promoted by ANAPI are;

Principal Fishing Regions in the DRC

No.	Waterways	Potential (tonnes)	Haliuetic Species
01	Lake Tanzania	450 000	214 species of fish, Stolothrissa tanganicae, Limnothrissa miodan, Latest and Luciolates, etc
02	Lake Kivu	12 000	Baremore, Hyd'ocynus porskalili, lates niloticus albertinus, Tilapia, hydrocyon Goliath ubangensis Bagi, etc
03	Lake Albert	13 300	Baremore, Hyd'ocynus porskalili, lates niloticus albertinus, Tilapia, hydrocyon Goliath ubangensis Bagi, etc
04	Lake Moëro	28 000	Tilapia macrochir, Clarus, Synodontis, Barbus attirelis, Mormyridae
05	Lake Tshangalele	4 500	Tilapia, Serrono Chromis, Clarias
06	Lake Nzilo	2 500	Labex, Barbus, Clarias, Tilapia
07	Kamalondo Depression	25 000	Lates niloticus
08	Congo River	137 000	Tilapia, Haplochromis Melander, Athiopus Protopterus, Protopterus Senegalus
09	Atlantic Coast	27 700	Captain, Ray, Conger, Perch, Soles., Bream, Daradas, catfish (Arius), Sardinella (mackerel), etc
TOTAL		707 000	

Source: ANAPI, 2013

SOURCES OF FUNDS FOR DRC NAIP FINANCING PLAN 2014-2015

The DRC NAIP of \$5.7 billion is mean to be invested over the period from 2013 – 2020. The government of the DRC intends to invest roughly forty percent of the amount required under the programme, and as such is looking to development partners for support as well.

Cost of the DRC NAIP

Province	%	Cost NAIP	Cost P 1	Cost P 2	Cost P 3	Cost P 4	Cost P 5
Kinshasa	16.9%	968.5	617.3	90.7	124.8	102.6	33.1
Bas-Congo	10.2%	584.5	372.6	54.8	75.3	61.9	20.0
Bandundu	8.5%	487.1	310.5	45.6	62.8	51.6	16.6
Katanga	13.8%	790.9	504.0	74.1	101.9	83.9	27.0
Maniema	3.6%	206.3	131.5	19.3	26.6	21.9	7.0
North Kivu	8.0%	458.5	292.2	43.0	59.1	48.6	15.7
South Kivu	6.8%	389.7	248.4	36.5	50.2	41.3	13.3
Equator	8.2%	469.9	299.5	44.0	60.5	49.8	16.1
Province Orientale	11.4%	653.3	416.4	61.2	84.2	69.2	22.3
Kasaï East	6.5%	372.5	237.4	34.9	48.0	39.5	12.7
Kasaï South	6.1%	349.6	222.8	32.8	45.0	37.0	11.9
Total	100%	5730.8	3652.5	536.9	738.3	607.3	195.8

Source: DRC NAIP, 2013

The preliminary financing gap (i.e. the gap between the planned government spend and the cost of the programme) that has been estimated is approximately equivalent to US\$ 3.7 billion and represents approximately 64 percent of the total requirements for the NAIP.

The total cost of the DRC NAIP over the period from 2013 to 2020 is estimated at US\$5.73 billion.

Programme	Finance Available	Cost in US\$ (millions)	Funding Gaps	Funding Gaps in % terms
Promotion of agricultural value chains and agribusiness	1 226,8	3 652,5	2 425,7	66.4
Food security management, nutrition improvement and development of strategic food	125,1	536,9	411,8	76.7
Research, Information Dissemination and Agricultural Training	240,5	738,3	497,8	67.4
Agricultural governance improvement, gender inclusion and development of institutional and human capacity	397,4	607,3	209,9	34.6
Climate Change Adaptation	56,9	195,8	138,9	70.9
Total	2 046,6	5 730,8	3 684,1	64.3

Source: DRC NAIP

Selected key development partners that are expected to contribute to the development of the DRC agriculture sector include the European Union, the World Bank, the World Bank's International Finance Corporation, the USAID, CGIAR, SIDA, DFID, UNDP, and the World Food Programme.

INVESTMENT CLIMATE AND INCENTIVES

The DRC is a multi-party democracy and provides a market-oriented liberalized economic environment. The DRC Government welcomes investors across sectors and the laws relating to investment have provided for incentives aimed specifically at increased levels of investment and international trade, as well as increased domestic economic growth.

Strategically located in the heart of Africa and bordered by 9 neighbouring countries, the DRC represents a mega market in the heart of the African continent with a population of more than 70 million people within a region of over 250 million consumers when including the neighbouring countries. The DRC is also endowed with rare and strategic minerals sought by both developed and emerging economies around the world. There is 120 million hectare of arable land, abundant rainfall throughout the year, tens of thousands of rivers, half of the African equatorial forest, and over 100,000 MW of potential hydropower.

The DRC is also a member of the World Trade Organization (WTO), the Africa Free Trade Zone, Trade & Investment Framework Agreement, and World Federation of Trade Unions. It is also a signatory to a number regional economic communities, including the Economic Community of Central African States (ECCAS), the Common Market for Eastern and Southern Africa (COMESA), the Southern African Development Community (SADC) and the Economic Community of the Great Lakes Countries (ECGLC). The DRC is also an eligible member of the partnership agreement for the renegotiated Lomé Convention offering preferential trade and aid links with the European Union, and the United States market access initiative for African countries: the African Growth and Opportunity Act (AGOA).

Thanks to its membership in harmonized regional legal regime of OHADA, the DRC has access to arbitral mechanisms based on international instruments, such as the 1985 Model Law on International Commercial Arbitration of the United Nations Commission on International Trade Law (UNCITRAL) and the 1998 Rules of Arbitration of the International Chamber of Commerce. The DRC also has signed a number of bilateral treaties for the promotion and protection of investment, and select double taxation treaties.

In the 2014 World Bank "Ease of Doing Business" rankings the DRC is ranked 183 out of 189 countries, indicative in part of the difficult past that the country is trying to transform itself out of.

Region	Sub-Saharan Africa
Income Category	Lower income
Population	65,705,093
GNI per capita	220
City Covered	Kinshasa

DB 2014 Rank	DB 2013 Rank	Change in Rank
183	183	0
DB 2014 DTF (% Points)	DB 2013 DTF (% Points)	Improvement in DTF (% Points)
36.88	36.01	0.87

Indicators	DB 2014 Rank	DB 2013 Rank	Change in Rank
Starting a business	185	151	0-34
Dealing with Construction Permits	90	85	0-5
Getting Electricity	142	140	0-2
Registering Property	133	127	0-6
Getting Credit	159	177	018
Protecting Investors	147	156	09
Paying Taxes	176	174	0-2
Trading Across Borders	171	172	01
Enforcing Contracts	177	176	0-1
Resolving Insolvency	167	167	No change

And as the government is not content with the status quo, the DRC is currently also undertaking a number of reforms aimed at improving the ease at which investors can do busy in the country.

Indicators	DB 2014 DTF (% Points)	DB 2013 DTF (% Points)	Improvement in DTF (% Points)
Starting a business	26.42	46.37	0-19.95
Dealing with Construction Permits	70.44	68.12	02.32
Getting Electricity	40.97	40.97	No change
Registering Property	63.41	63.12	00.29
Getting Credit	37.50	18.75	018.75
Protecting Investors	36.67	33.33	03.34
Paying Taxes	34.15	34.73	0-0.58
Trading Across Borders	27.37	25.86	01.51
Enforcing Contracts	27.09	27.09	No change
Resolving Insolvency	4.79	1.71	03.08

Source: World Bank

The DRC offers a number of investment incentives designed to attract foreign capital, mainly in the form of tax and customs exemptions, approved under the Investment Code system. Eligibility is based on: location and type of enterprise; number of jobs created; extent of training and promotion of local staff; export-producing nature of the operation; and value added to local resources.

Furthermore, tax exemptions in the DRC vary depending on location, categorized by economic region and applied during the first years following the establishment of a business as such:

- 3 years for Economic Region A (Kinshasa);
- 4 years for Economic Region B (Bas Congo; cities of Lubumbashi, Likasi and Kolwezi);
- 5 years for Economic Region C (Bandundu, Equateur, Kasai Oriental, Kasai Occidental, Maniema, North Kivu, South Kivu, Province Orientale and Katanga).

Selected tax exemptions that are offered include the following:

- Full exemption from professional tax on income for profits made by approved investments;
- Full exemption from duties and taxes on export of all or part of finished products, carved or semi-carved in good conditions for the balance of payments;
- Exemption from land tax (on land concessions and developed properties);
- Exemption from ad valorem duty on the constitution or increase of the share capital of limited liability companies (SARL);
- Exemption from tax on turnover inside the country for products and services bought from local producers.

The DRC also offers customs exemptions:

- With the exception of the administrative tax (5 percent), full exemption from duties and taxes on import for machinery, new tools and equipment, new spare parts not exceeding 10 percent of CIF value of the said equipment for public utility investments;
- Exoneration from duties and taxes on export for all or part of finished products, carved or semi-carved, in good conditions for the balance of payment.

Small businesses are also encouraged through the following incentives:

- The possibility of calculating their provision for depreciation according to a degressive mode;
- Deduction of taxable profit from expenses made for the training or improvement of staff, or protection and conservation of the environment;
- Exemption from duties on corporate or cooperative charters and on registration fees in the Trade Register.

Investments in the DRC are protected by the Constitution and the 2002 Investment Code. Guarantees provided by the Investment Code are:

- Equal treatment for all investors regardless of nationality;
- Exclusion from nationalization and expropriation;
- Free transfer abroad of dividends and other income generated by investments;
- Settlement of disputes;
- Established commercial and labour courts, in which sit business representatives.

The DRC's Constitution (Chapter 2, Articles 34-40) also protects private ownership with no distinction between nationals and foreign owners. However, the government is granted authority to expropriate property.

Under Constitutional Law and Land Law No. 52/83, the state owns all the DRC's natural resources (land, water, forests and minerals). Individuals or companies can obtain various types of use and exploitation rights from the state. However, Land Law does not recognize private land ownership but only concessions granted by the government, and the legal status of the rights obtained through concession is ambiguous.

Individuals and enterprises desiring use-rights to land can apply for two types of concessions: in perpetuity or standard. Concessions in Perpetuity (Concessions Perpétuelles) are available only to Congolese nationals and are transferable or inheritable by nationals. Standard concessions (Concessions Ordinaires) are granted by the government to any person or legal entity, whether of Congolese or foreign origin. Standard concessions are granted for specific time periods, usually up to 25 years with the possibility of renewal, normally guaranteed as long as the land is developed and used in accordance with the terms of the concession. Although these regulations legally apply to all land in the DRC, in practice, application of rules on concessions tends to be restricted to urban and peri-urban areas and large holdings of productive land in rural areas.

The Ministry of Land Affairs has overall responsibility for the DRC's rural and urban land administration, registration, surveying and management/allocation of land concessions. Real estate property is registered at the Office of the Mortgage Registrar. Procedures for obtaining concessions are quite extensive and begin with an application to the provincial governor. The governor authorizes the district commissioner to arrange for a land survey that involves visual inspection, local interviews and determination of existing use. Once the survey is complete, the application is sent to the governor who forwards it to the Ministry of Land Affairs. Final approval is granted by officials at district, provincial and central levels based on the amount of land involved. It is unclear how often the process is followed and

whether concessions are freely transferable.

In rural areas, large commercial operations are usually concessions. Small holdings, village and communal lands, and natural resource rights are still normally governed by customary law. To note, property rights in the DRC are often ambiguous, usually undocumented and weak. The current tenure system provides little security to landholders and does not foster productive and sustainable use of land. Yet, as infrastructure development increases and new emphasis is placed on investment, new lands may be opened or reopened for commercial agriculture. Also to note, under the Constitution and the DRC's 1977 Expropriation Law No. 77/001, the state can expropriate land under concession or held by local communities as it deems necessary for public use or public interest (although compensation is expected).

The DRC is party to both bilateral and multilateral investment guarantee agreements, including the Multilateral Investment Guarantee Agency (MIGA) specialized in insurance against political and other non-commercial risks; the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards; the OHADA Treaty; and the African Trade Insurance Agency (ATIA).

Lastly, the DRC has no burdensome performance requirements for foreign investors although efforts are made to monitor investment through the approval process. Some eligibility conditions must be met by investors. As specified by ANAPI, these are: be or be converted into a corporation subject to Congolese law; share capital should amount to US\$200 000 minimum; guarantee a value added rate equal to or exceeding 35 percent; a time frame for the investment; implementation of the approved programme; the use of Congolese accounting procedures; provision of staff training; protection of the environment; periodic progress reports provided to ANAPI (every 6 months); observation of employment regulations; and compliance with international and local standards for the provision of goods and services. Investors must also agree that all imported equipment and capital remain in place for at least 5 years. The DRC Government may require compliance with an investment agreement within thirty (30) days of approval notification.

There is no requirement that investors purchase from local sources or export a certain percentage of output. Moreover, there are no discriminatory or excessively difficult visa, residence or work permit requirements. However, all investors in the DRC must submit to multiple audits by various government agencies seeking to ensure compliance with tax laws or price controls.

BIBLIOGRAPHY

- DRC National Agricultural Investment Plan 2013-2020, Ministry of Agriculture a Foreign Agriculture Investment Country Profile, Democratic Republic of Congo, UN Food and Agriculture Organization, 2012
- A Practical Guide to Doing Business in DR Congo, COMESA Regional Investment Agency, September 2012
- Investing DR Congo 2013 – Doing Business in Africa Series, The Africa Report, October 2013
- Ulimwengu, PhD, "Engineering Agricultural Transformation Strategy for the DRC", DRC Office of the Prime Minister, July 2013
- Invest in DR Congo, National Agency for the Promotion of Investment (ANAPI)
- DRC Ministry of Agriculture and Rural Development, Agri-Business Parks Presentation
- ANAPI – Invest in the Horticultural Sector, Power Point Presentation, January 2013
- ANAPI – Invest in the Livestock Sector, Power Point Presentation, January 2013
- ANAPI – Invest in the Fisheries Sector, Power Point Presentation, January 2013

FOOTNOTES

See <http://www.rdc-agriculture.com/index.php/programmes/88-programme-national-d-investissement-agricole-pnia>

