

**PROJECT INFORMATION DOCUMENT (PID)**  
**CONCEPT STAGE**

Report No.: 100969

<b>Project Name</b>	CG - FCPF REDD READINESS (P124292)
<b>Region</b>	AFRICA
<b>Country</b>	Congo, Republic of
<b>Sector(s)</b>	Forestry (100%)
<b>Theme(s)</b>	Climate change (50%), Environmental policies and institutions (20%), Land administration and management (20%), Biodiversity (5%), Rural policies and institutions (5%)
<b>Project ID</b>	P124292
<b>Borrower(s)</b>	Ministry of Forest Economy and Sustainable Development
<b>Implementing Agency</b>	National REDD Coordination
<b>Environmental Category</b>	B-Partial Assessemnt
<b>Date PID Prepared/Updated</b>	08-Sep-2015
<b>Estimated Date of Board Approval</b>	N/A

## I. Introduction and Context

### Country Context

1. The Republic of Congo went through a long period of political instability and violence in the 1990's, which destroyed the country's infrastructure and weakened its public institutions. Since the restoration of peace, most social indicators have improved, but they are still below those of countries with comparable per capita income, and meeting the Millennium Development Goals has been a challenge.
2. The economy of the Republic of Congo is mainly based on natural resources exploitation, including oil and timber, which represent some 60 and 10 percent of GDP, respectively. Agriculture employs 40 percent of the workforce, but represents only 6 percent of the GDP. While the oil sector provides much needed resources for public investments, its overbearing dominance in the economy is a major challenge for economic management and diversification. The key policy challenge for the Republic of Congo is therefore to use its oil wealth to build a more diversified and competitive economy and thereby reduce poverty and improve social outcomes. The country's unfavorable business environment represents a particular challenge in this context.
3. As a post-conflict country, the Republic of Congo continues to suffer from weak public institutions and lack of government capacity. Given the country's ambitions to transform its economy, the development of a modern and efficient public sector is critical, particularly as regards governance and corruption. These weaknesses continue to pose significant risks to progress on the country's development agenda.

4. The recent decline in oil prices has contributed to leaving little fiscal space for the government, leading to reduced public investments.

#### Sectoral and Institutional Context

5. Covering over 65 percent of the country's land area, the Republic of Congo's forests (estimated at around 22.5 million hectares) are essential to the social and economic life of the country and a strategic asset to the global environment. Although about 60 percent of the population lives in the five main cities, a large part of the population still relies on forests for its livelihood (food, energy, medicine, building material, etc.). The timber industry accounts for 10 percent of non-oil GDP, 12,000 jobs, USD 200 million of exports, and USD 40 million in fiscal revenues.
6. Deforestation has been historically low in the Republic of Congo. The State of the Congo Basin (2010) report an annual deforestation rate for RoC of 0.08%, the lowest among countries in the Congo Basin (the average across the Basin is 0.17%). The situation is not homogenous across the country, and varies as a function of population density, quality of infrastructure, patterns of forest use, and proximity to urban centers, among others. The R-PP attributes present deforestation and forest degradation to four main causes, namely: i) the practice of slash-and-burn agriculture; ii) production and consumption of biomass energy by households and industries; iii) unsustainable and illegal logging; and iv) urban development. Future threats to forests could be significant, especially as a result of ongoing and planned developments in the mining, infrastructure, and agriculture sectors.
7. Convinced that well-managed forests can help diversify the economy and contribute to sustainable growth, the government demonstrated leadership in completing a comprehensive forest and environmental sector study under the Highly Indebted Poor Countries (HIPC) initiative and subsequently adopting a number of key policy reforms. The government also signed a Voluntary Partnership Agreement in 2009 with the European Union as part of the Forest Law Enforcement, Governance and Trade initiative, which aims to promote good forest governance and ensure legal timber trade. The government has launched the National Program of Afforestation and Reforestation, with the ambitious goal of promoting reforestation of 1 million of savannah lands over 10 years.
8. The World Bank's Forest and Economic Diversification is currently aiming to strengthen the forestry administration's and local and indigenous communities' capacities to co-manage forests. This IDA project is in full synergy with the FCPF support to the REDD+ Readiness Process, including by i) strengthening capacity for co-management of forests, ii) engaging in participatory planning in the concession areas allocated to community development, and making investments in priority activities to reduce deforestation and degradation while improving livelihoods, iii) drafting application texts for the forest law, among others.
9. Some progress has been made in recognizing the traditional rights of forest communities and indigenous populations. A law on the rights of indigenous peoples was signed by the President on February 25, 2011. This made the Republic of Congo one of only two countries in Africa to have adopted legislation aimed specifically at protecting indigenous peoples' rights. The implementation of this legislation, however, will take considerable effort from the Government and continued support from donors. Among others, the Law grants Indigenous Peoples "collective and individual" property over lands and natural resources that they occupy traditionally.

10. However, challenges in the forest sector are many. These include weak government capacity at the national and local levels to enforce the forest and environment legislation, poor governance, lack of adequate participation of local communities and indigenous peoples in forest management, conflicts over land allocation for competing goals (forestry, agriculture, mining), and inadequate evaluation of environmental and social impact of infrastructure and mining projects. A number of legal reforms were introduced as part of the Highly Indebted Poor Countries (HIPC) initiative to deal with these weaknesses and the Bank-funded Forestry and Economic Diversification Project due will assist the government in implementing the decrees in question.
11. The Republic of Congo has been creating the technical and institutional capacities for REDD+ (REDD+ Readiness process) since 2008. The country's Readiness Preparation Proposal (R-PP), was endorsed by the Participants Committee of the Forest Carbon Partnership Facility (FCPF) in June 2010. The R-PP lays out a roadmap for achieving „Readiness“ to engage in an international REDD+ mechanism, and put forward an initial request for USD3.4 million from the FCPF to implement this roadmap. The R-PP was prepared in close consultation with stakeholders, including civil society organizations (CSOs), indigenous peoples' representatives, and the private sector. In addition, the UN-REDD program has been complementing the FCPF's support to REDD+ Readiness in the country since October 2012 with a US\$4 million grant.
12. Civil society has been active in the REDD+ Readiness process. The civil society and indigenous peoples' platform for REDD (*Cadre de Concertation des Organisations de la société civile et des populations autochtones pour le processus REDD+*, CACO-REDD, brings together various CSO groups in the Republic of Congo working on REDD+-related issues, including forest management (VPA-FLEGT process, certification, etc.), rural development, indigenous peoples issues, energy, agriculture, and gender. The platform led a series of Department-level consultations on the R-PP, to collect feedback on the document and reported nationally, before the national validation of the document submitted by the government to the FCPF.
13. The Republic of Congo expects that REDD+ can support the country in ensuring sustainable forest management, including by providing incentives for addressing some of the main drivers of deforestation and forest degradation, such as slash-and-burn agriculture and fuelwood consumption. In addition, REDD+ is also considered a preventive measure in the country, to encourage the country to complete a national land use planning exercise to mitigate impacts on forest cover from developments in other sectors, such as mines, commercial agriculture and infrastructure development. The Republic of Congo considers REDD+ an instrument for the promotion of sustainable development.

#### Relationship to CPS

14. The 2013 Country Partnership Strategy (CPS) recognizes the need for the Republic of Congo to exploit its comparative advantages related to its natural resource endowment, geographic position and climatic conditions to promote non-oil growth, including in the forest sector. The Bank's support to the government's efforts has been planned around two main priority areas: (i) diversification and growth; and (ii) poverty reduction through improved basic service delivery.
15. The Readiness Preparation grant can contribute directly to both objectives. By supporting the country in tapping into international payments for ecosystem services through REDD+, standing forests in the Republic of Congo could become a source of economic diversification. It also holds the potential to increase the sustainability of sectors that interface with forests, such as mining,

agriculture, and infrastructure. In addition, by promoting equitable and transparent benefit sharing arrangements that reach forest-dependent communities and indigenous peoples, the Readiness process could contribute to ensuring that REDD+ effectively contributes to poverty reduction in rural areas.

## **II. Proposed Development Objective(s)**

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16. The Project Development Objective is to reinforce the Republic of Congo's capacities to design a socially and environmentally sound national strategy to reduce emissions from deforestation and forest degradation (REDD+) and to inform the development of a national reference emissions level for REDD+.

### **Key Results**

1. A National REDD+ Strategy (including its implementation framework) is prepared and validated by national stakeholders;
2. The prospective elements to build a National Reference Emission Level for REDD+ are available;
3. An Environmental and Social Management Framework (ESMF) is prepared and validated by national stakeholders.

## **III. Preliminary Description**

17. The activities to be financed by the FCPF will allow the Republic of Congo to implement some of the key elements of the REDD+ Readiness process identified in the Readiness Preparation Proposal (R-PP) prepared by the country and approved by the FCPF Participants Committee, in June 2010.
18. FCPF support will ensure the continuation of the Readiness process in the country, by financing the management of the Readiness process and multi-stakeholders consultations. In addition, FCPF financing will support the preparation of key analytical pieces such as the REDD+ strategy and its legal and institutional implementation framework, and the incorporation social and environmental sustainability issues of importance to various stakeholders into the REDD+ Strategy through the strategic environmental and social assessment process. Finally, FCPF support will allow the country to achieve some key methodological results for participating in a REDD+ mechanism, informing the preparation of a national reference emission level for REDD+ and of a benefit-sharing mechanism. The financing will ensure the effective operationalization of institutional arrangements, in particular high-level multi-sectorial coordination and decentralized entities, as well as coordination of the national REDD+ process by (CN-REDD), stakeholder communications and capacity building.
19. The activities to be financed by the FCPF in support of the REDD+ Readiness process in the Republic of Congo do not include the implementation of REDD+ programs on the ground. The FCPF support is limited to analytical studies, capacity building, and consultation processes at the national and sub-national levels.
20. The overall budget envelope for REDD+ Readiness in the Republic of Congo adds up to US\$ 13.2 million. In addition to the FCPF's contribution of US\$ 8.6 million, the country has identified additional partners to finance other activities identified in R-PP, including the UN-REDD Program (up to US\$ 4 million, through the first half of 2016), and the Government of the Republic of Congo (US\$ 0.6 million). USAID, through the Central African Regional Program for the Environment (CARPE) is also supporting the process. It should be noted that the support from these organizations

is not considered co-financing to the FCPF-financed activities. They will rather finance a series of independent activities that directly contribute to the overall goal of supporting the Republic of Congo in becoming ready for REDD+.

21. The table below summarizes the activities to be financed by the FCPF. These activities have been selected in discussion with the government, taking into account: (i) comparative advantage of the World Bank as delivery partner and coordination with other donors, (ii) priority/urgency, (iii) eligibility.

<b>Components</b>	<b>Original (US\$)</b>	<b>AF (US\$)</b>	<b>Total (US\$)</b>
<b>Component 1: Support to the coordination of the REDD+ Readiness Process and multi-stakeholder consultations</b>	<b>2,100,000</b>	<b>2,990,000</b>	<b>5,090,000</b>
Sub-component 1.1: Coordination of the national REDD+ Readiness Process	1,600,000	2,204,000	3,804,000
Sub-component 1.2: Promoting participation, consultation and outreach	500,000	786,000	1,286,000
<b>Component 2: Contribution to the design of a national REDD+ strategy</b>	<b>1,100,000</b>	<b>1,062,000</b>	<b>2,162,000</b>
Sub-component 2.1: Preparation of the National REDD+ Strategy	500,000	326,000	826,000
Sub-component 2.2: Preparation of the REDD+ implementation framework	300,000	526,000	826,000
Sub-component 2.3: Strategic Environmental and Social Assessment	300,000	210,000	510,000
<b>Component 3: Informing the national reference emissions level for REDD+</b>	<b>200,000</b>	<b>628,000</b>	<b>828,000</b>
Sub-component 3.1: Reference level	200,000	236,000	436,000
Sub-component 3.2: Measuring, Reporting and Verification	0	392,000	392,000
<b>Component 4: Project management (10%)</b>	<b>0</b>	<b>520,000</b>	<b>520,000</b>
<b>Total AF grant</b>	<b>3,400,000</b>	<b>5,200,000</b>	<b>8,600,000</b>

#### IV. Safeguard Policies that Might Apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01	X		
Natural Habitats OP/BP 4.04	X		
Forests OP/BP 4.36	X		
Pest Management OP 4.09			X
Physical Cultural Resources OP/BP 4.11			X

Indigenous Peoples OP/BP 4.10	X		
Involuntary Resettlement OP/BP 4.12	X		
Safety of Dams OP/BP 4.37		X	
Projects on International Waterways OP/BP 7.50		X	
Projects in Disputed Areas OP/BP 7.60		X	

## V. Financing (in USD Million)

Total Project Cost:	8.60	Total Bank Financing:	8.60
Financing Gap:	0.00		
<b>Financing Source</b>			<b>Amount</b>
Borrower			0.00
Readiness Fund of the Forest Carbon Partnership Facility			8.60
Total			8.60

## VI. Contact point

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