



## BCF - IBI Carbon Sink - Bateke (P096414)

AFRICA | Congo, Democratic Republic of | Environment Global Practice |  
Carbon Offset | | FY 2010 | Seq No: 3 | DRAFT | ISR18962 |

Implementing Agencies:

## Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The project aims to enhance carbon stocks on degraded lands on the Bateke Plateau through promotion of reforestation and agroforestry systems.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

## Key Dates

### Key Project Dates

Board Approval date:04-Aug-2009

Effectiveness Date:04-Aug-2009

Planned Mid Term Review Date:01-May-2013

Actual Mid-Term Review Date:01-May-2013

Original Closing Date:31-Dec-2018

Revised Closing Date:31-Dec-2018

## Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Moderately Satisfactory	● Moderately Satisfactory
Overall Implementation Progress (IP)	● Moderately Satisfactory	● Moderately Satisfactory
Overall Risk Rating	--	● High

## Implementation Status and Key Decisions

The Ibi Bateke BioCF project is an afforestation/reforestation project, under the Clean Development Mechanism (CDM), aiming at producing firewood and/or charcoal, through:

- Planting of 3896.80 hectares (Acacia sp, Eucalyptus sp, Pinus sp.) associated to cassava based on an innovative agroforestry model,
  - Natural regeneration of forests (232.80 ha),
- with an annual sequestration of 54,511 tons of CO<sub>2</sub> over the period 2008-2037.

The project was registered under the CDM by the UNFCCC on February 18th, 2011. The project is one of the first reforestation projects to reach this milestone in Africa, and the first in Central Africa. In November 2011, the project prepared its first Monitoring Report, which presented detailed information on planting per stratum, as well as carbon sequestration figures, based on an inventory carried out by NOVACEL following the CDM methodological guidelines for monitoring. This report was updated in October 2012 evidencing a sequestration of around 7,000 metric tonnes of CO<sub>2</sub> since the previous year (production area: 1244.80 ha).



The BioCarbon Fund (BioCF) signed an ERPA (Emission Reductions Purchase Agreement) with NOVACEL on August 4, 2009. This contract was amended on July 9, 2012. According to the contractual arrangements, the BioCF seeks to acquire half of the removals to be generated until December 2017 (80 000 tonnes). The other half was purchased by ORBEO, since absorbed by Solvay Energy Services.

Undercapitalized, NOVACEL is facing recurrent difficulties in financing its activities, although it benefited from loans (Suez, Umicore) and prepayments (BioCF, Orbeo) of carbon credits to be received over the period 2008-2017. Today, only the sale of cassava (chips, flour) ensures the survival of the company. As a result, only 1012.42 hectares were planted to date since 2008, resulting in a net balance (sequestration - emission) of CO<sub>2</sub> across the project close to zero at the end of 2012.

Installed plantation types as of May 1st, 2013:

Eucalyptus sp.: 38.93ha

Acacia sp.: 908.95ha

Pinus sp.: 41.15ha

Local species: 23.39 ha

Natural regeneration: 232.46ha

Total area generating removals (CO<sub>2</sub>): 1244.80ha

A mission performed in May 2013 look at the implementation (implemented by the NGO GI-AGRO) of mitigation actions as derived from the EIA, while checking the quality of the Social Development Plan (although no social OP was triggered). Both items were assessed as satisfactory to the World Bank group.

Since May 2013, NOVAVEL has been exploring different ways to improve its financial capabilities in order to plant more within the project boundary. NOVACEL submitted e.g. a concept note to the Forest Investment Program (FIP) in order to benefit from a soft loan (set-aside dedicated to private sector), but the lack of delivery partners (World Bank group, African Development Bank) ready to step in, hindered the success of such an attempt. The Forest Investment Program remains nevertheless an opportunity. The World Bank FIP project (Improved Forested Landscape Management Project - P128887) has a component dedicated to entrepreneurs interested in agro-forestry plantations as an alternative to deforestation. Effectiveness of the FIP is expected soon.

Today, the priority for NOVACEL is the proper protection of the asset against bush fires until the CDM verification to be triggered in 2017.

## Risks

### Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	--	--	● High
Macroeconomic	--	--	● Moderate
Sector Strategies and Policies	--	--	● Moderate
Technical Design of Project or Program	--	--	● Moderate



Institutional Capacity for Implementation and Sustainability	--	--	● High
Fiduciary	--	--	● Substantial
Environment and Social	--	--	● Substantial
Stakeholders	--	--	● Substantial
Other	--	--	--
Overall	--	--	● High

### Related Project(s)

There are no related projects.