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PROJECT PAPER

ON A

PROPOSED ADDITIONAL GRANT

FROM THE GLOBAL ENVIRONMENT FACILITY TRUST FUND

IN THE AMOUNT OF US\$6,509,761

TO THE

REPUBLIC OF CONGO

FOR THE

FORESTRY AND ECONOMIC DIVERSIFICATION PROJECT

APRIL 18, 2017

Environment and Natural Resources Global Practice (GENDR)
Africa Region

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(Exchange Rate Effective as of March 31, 2017)

Currency Unit = CFA franc BEAC (XAF)
1 US\$ = 609 XAF
1 US\$ = 0.74 SDR

GOVERNMENT FISCAL YEAR
January 1 - December 31

ABBREVIATIONS AND ACRONYMS

ACFAP	Congolese Agency for Fauna and Protected Areas (<i>Agence congolaise pour la faune et les aires protégées</i>)
AF	Additional Financing
AFD	French Development Agency (<i>Agence française de développement</i>)
AfDB	African Development Bank
CAS	Country Assistance Strategy
CGDC	Corporate Governance Development Center
CIB-OLAM	<i>Congolaise Industrielle des Bois</i> , member of Olam International
CGDC	Community Development Management Committees (<i>Comités de gestion du développement communautaire</i>)
CITES	Convention on the International Trade in Endangered Species of Flora and Fauna
CMU	Country Management Unit
CNSEE	National Center for Statistics and Economic Studies (<i>Centre National de la Statistique et des Etudes Economiques</i>)
CPS	Country Partnership Strategy
CRMS	Criminal Record Management System
DA	Designated Account
DO	Development Objective
DEP	Department of Studies and Planning (<i>Direction d'Etudes et de Planification</i>)
DFAP	Wildlife and Protected Area Directorate (<i>Direction de la Faune et des Aires Protégées</i>)
EA	Environmental Assessment
ECOM	Congolese Household Survey for Poverty Assessment (<i>Enquête Congolaise auprès des ménages pour l'évaluation de la pauvreté</i>)
EMP	Environmental Management Plan
ER-P	Emission Reductions Program
ERR	Economic Rate of Return
ESIA	Environment and Social Impact Assessment
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
FCFA	West African Francs
FCPF	Forest Carbon Partnership Facility
FDL	Local Development Funds (<i>Fonds de développement locaux</i>)

FEDP	Forestry and Economic Diversification Project
FIP	Forest Investment Program
FM	Financial Management
FMU	Forest Management Unit
FY	Fiscal Year
GEF	Global Environment Facility
FGRM	Feedback and Grievance Redress Mechanism
GHG	Greenhouse Gas
GOC	Government of the Republic of Congo
GWP	Global Partnership on Wildlife Conservation and Crime Prevention for Sustainable Development (or Global Wildlife Program)
GRS	Grievance Redress Service
HWC	Human Wildlife Conflict
IBRD	International Bank for Reconstruction and Development
ICCWC	International Consortium to Combat Wildlife Crime
IDA	International Development Association
IFO	<i>Industrie Forestière d'Ouessou</i>
INDC	Intended Nationally Determined Contribution
INTERPOL	International Criminal Police Organization
IP	Implementation Progress
ISR	Implementation Status and Results Report
IGA	Income Generating Activities
IPDP	Indigenous Peoples Development Plan
IPMP	Integrated Pest Management Plan
IPP	Indigenous Peoples Plan
IPPF	Indigenous Peoples Plan Framework
LATF	Lusaka Agreement Task Force
LCIP	Local Communities and Indigenous Peoples
MEFDDE	Ministry of Sustainable Development, Forest Economy and Environment (<i>Ministère de l'Economie Forestière du Développement Durable et de l'Environnement</i>)
MOU	Memorandum of Understanding
MS	Moderately Satisfactory
MU	Moderately Unsatisfactory
M&E	Monitoring and Evaluation
NGO	Non-Governmental Organization
NNNP	Nouabalé-Ndoki National Park
NPNP	Ntokou-Pikounda National Park
NPV	Net Present Value
OKNP	Odzala-Kokoua National Park
OP/BP	Operational Policy and Business Procedures
O&M	Operation and Maintenance
PDO	Project Development Objective
PF	Process Framework
PIM	Project Implementation Manual
PIU	Project Implementation Unit
PP	Project Paper

PPP	Public Private Partnership
PRSP	Poverty Reduction Strategy Paper
QCBS	Quality and Cost Based Selection
REDD+	Reducing Emissions from Deforestation and Forest Degradation, and fostering conservation, sustainable management of forests, and enhancement of forest carbon stocks
RENAPAC	Network of Indigenous People of Congo (<i>Réseau National des Peuples Autochtones au Congo</i>)
RGPH	General Population and Housing Census (<i>Recensement Général de la Population et de l'Habitation</i>)
ROC	Republic of Congo
RPF	Resettlement Policy Framework
SDC	Community Development Areas (<i>Série de développement communautaire</i>)
SDR	Special Drawing Rights
SMART	Spatial Monitoring and Reporting Tool
SMP	Simplified Management Plan
TGI	<i>Tribunaux de Grands Instances</i>
TNS	Sangha Trinational (<i>Tri-National de la Sangha</i>)
TRIDOM	Tri-national Dja-Odzala-Minkébé
TTL	Task Team Leader
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Convention on Climate Change
WCS	Wildlife Conservation Society
WEMS	Wildlife Enforcement Monitoring System
WEN	Wildlife Enforcement Network
XAF	Central African Franc (<i>Communauté Financière Africaine</i>)

Regional Vice President:	Makhtar Diop
Country Director:	Ahmadou Moustapha Ndiaye
Country Manager:	Djibrilla Issa
Senior Global Practice Director:	Karin Kemper
Practice Manager:	Benoit Bosquet
Task Team Leader:	Julian Lee

REPUBLIC OF CONGO

Congo: Additional Financing for Forestry and Economic Diversification Project (P158604)

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ADDITIONAL FINANCING DATA SHEET

Republic of Congo

Congo: Additional Financing for Forestry and Economic Diversification Project (P158604)

AFRICA

GEN07

Basic Information – Parent									
Parent Project ID:	P124085	Original EA Category:	B - Partial Assessment						
Current Closing Date:	30-Nov-2017								
Basic Information – Additional Financing (AF)									
Project ID:	P158604	Additional Financing Type (from AUS):	Scale Up						
Regional Vice President:	Makhtar Diop	Proposed EA Category:	B						
Country Director:	Moustapha Ndiaye	Expected Effectiveness Date:	27-July-2017						
Senior Global Practice Director:	Karin Kemper	Expected Closing Date:	26-July-2021						
Practice Manager/Manager:	Benoit Bosquet	Report No:	113228-CG						
Team Leader(s):	Julian Lee								
Borrower									
Organization Name	Contact	Title	Telephone	Email					
Ministry of Sustainable Development, Forest Economy and Environment (MEFDDE)	Joachim Kondi	Project Coordinator	+242 069784445	joachim.kondi@gmail.com					
Project Financing Data - Parent (Forestry and Economic Diversification Project – P124085) (in US\$ Million)									
Key Dates									
Project	Ln/Cr/TF	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date		
P124085	IDA-51210	Effective	24-May-2012	13-Jun-2012	27-Mar-2013	30-Nov-2017	30-Nov-2017		
Disbursements									
Project	Ln/Cr/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P124085	IDA-51210	Effective	US\$	10.00	10.00	0	6.22	38%	62%

Project Financing Data - Congo: Additional Financing for Forestry and Economic Diversification Project (P158604)					
<input type="checkbox"/>	Loan	<input checked="" type="checkbox"/>	Grant	<input type="checkbox"/>	IDA Grant
<input type="checkbox"/>	Credit	<input type="checkbox"/>	Guarantee	<input type="checkbox"/>	Other
Total Project Cost:		6,509,761		Total Bank Financing: 6,509,761	
Financing Gap:		0.00			
Financing Source – Additional Financing (AF)				Amount	
BORROWER/RECIPIENT				-	
International Development Association (IDA)				-	
Global Environment Facility (GEF)				6,509,761	
Total				6,509,761	
Policy Waivers					
Does the project depart from the CAS/CPS in content or in other significant respects?					No
Explanation					
Does the project require any policy waiver(s)?					Yes
Explanation					
The project has not been consistently rated moderately satisfactory (MS) or above over the past 12 months. On the grounds of improvements in performance, the project has since January 2017 once again been rated MS for Implementation Progress (IP) and Satisfactory for Development Objective (DO). An exception to OP/BP 10.00, paragraph 29 has been granted to allow the project to receive this additional financing.					
Team Composition					
Bank Staff					
Name	Role	Title	Specialization	Unit	
Julian Lee	Team Leader (ADM Responsible)	Environmental Specialist	Environment and NRM	GEN07	
Clément Tukeba	Procurement Specialist	Senior Procurement Specialist	Procurement	GGO07	
Issa Thiam	Financial Management Specialist	Finance Officer	Financial Management	WFALA	
Claudia Pardinas Ocana	Lawyer	Senior Counsel	Legal	LEGAM	
Marie Roger Augustin	Legal Analyst	Legal Analyst	Legal	LEGAM	

Lucienne M. M'Baipor	Safeguards Specialist	Senior Social Development Specialist	Social Safeguards	GSU01
Grace Muhimpundu	Safeguards Specialist	Junior Professional Officer	Social Safeguards	GSU01
Claude Lobo	Safeguards Specialist	Environmental Specialist	Environmental Safeguards and NRM	GENDR
Ruma Tavorath	Safeguards Specialist	Environmental Specialist	Environmental Safeguards	GEN07
Aurelie Rossignol	Team Member	Natural Resource Management Specialist	Environment and NRM	GEN07
Alexandra Stefanescu	Team Member	Consultant	Operations	GEN07
Nevena Ilieva	Team Member	Operations Adviser	Operations	GEN07
Sara Kimweri Mbago	Team Member	Senior Agribusiness Specialist	Agriculture	GFA07
Virginie Vaselopulos	Team Member	Senior Program Assistant	Operations	GEN07
Josiane Maloueki	Team Member	Program Assistant	Operations	AFMCG

Extended Team

Name	Title	Location

Locations

Country	First Administrative Division	Location	Planned	Actual	Comments
Congo, Republic of	Department of Sangha	Nouabalé-Ndoki National Park, Ntokou-Pikounda National Park, Ngombé UFA, Pokola UFA, Kabo UFA, UFE Pikounda-Nord	X		
Congo, Republic of	Department of Likouala	Nouabalé-Ndoki National Park, Loundougou-Toukoulaka UFA	X		
Congo, Republic of	Department of Cuvette	Ntokou-Pikounda National Park	X		
Congo, Republic of	Department of Brazzaville	Brazzaville	X		

Institutional Data				
Parent (Forestry and Economic Diversification Project-P124085)				
Practice Area (Lead)				
Environment & Natural Resources				
Contributing Practice Areas				
Cross Cutting Topics				
[X] Climate Change				
[] Fragile, Conflict & Violence				
[] Gender				
[] Jobs				
[] Public Private Partnership				
Sectors / Climate Change				
Sector (Maximum 5 and total % must equal 100)				
Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Agriculture, fishing and forestry	Agricultural extension and research	3		
Agriculture, fishing and forestry	Forestry	20		
Public Administration, Law, and Justice	Public administration-Agriculture, fishing and forestry	77		
Total		100		
Themes				
Theme (Maximum 5 and total % must equal 100)				
Major theme	Theme	%		
Social dev/gender/inclusion	Participation and civic engagement	16		
Rural development	Rural markets	9		
Environment and natural resources management	Biodiversity	13		
Environment and natural resources management	Environmental policies and institutions	45		
Environment and natural resources management	Land administration and management	17		
Total		100		

Congo: Additional Financing for Forestry and Economic Diversification Project (P158604)				
Practice Area (Lead)				
Environment & Natural Resources				
Contributing Practice Areas				
Cross Cutting Topics				
[X] Climate Change				
[] Fragile, Conflict & Violence				
[] Gender				
[] Jobs				
[] Public Private Partnership				
Sectors / Climate Change				
Sector (Maximum 5 and total % must equal 100)				
Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Agriculture, Fishing and Forestry	Public administration	45		
Agriculture, Fishing and Forestry	Forestry	45	16	64
Industry, Trade and Services	Agricultural markets, commercialization and agri-business	10		
Total		100		
Themes				
Theme (Maximum 5 and total % must equal 100)				
Major theme	Theme	%		
Social Development and Protection	Social Inclusion: Indigenous People and Ethnic Minorities	5		
Urban and Rural Development	Rural Development: Rural Markets, Rural Non-farm Income Generation	40		
Environment and Natural Resource Management	Climate change: Mitigation	20		
Environment and Natural Resource Management	Renewable Natural Resources Asset Management: Forests Policies and institutions, Biodiversity	35		
Total		100		
Consultants (Will be disclosed in the Monthly Operational Summary)				
Consultants Required? Yes.				

I. INTRODUCTION

1. **This Project Paper (PP) seeks the approval of the Executive Directors to provide an Additional Financing (AF) grant from the Global Environment Facility (GEF) in the amount of US\$6,509,761 to the Republic of Congo (ROC) to scale up activities of the ongoing Forestry and Economic Diversification Project (FEDP, the “parent project”).**¹ The AF is proposed in response to an endorsement letter from the Government of the Republic of Congo (GOC) dated June 17, 2016, requesting the World Bank to implement a project to strengthen the management of wildlife populations and to improve livelihoods in the Northern ROC. The World Bank separately received a letter from the Ministry of Finance on September 6, 2016, requesting the World Bank to structure the GEF funds as additional financing to the FEDP.² This AF aims to complement existing project funding that will allow for an extension of the programmatic approach the Bank is taking in the forest sector.

2. **The request for the AF forms part of the GOC’s Northern Congo Emission Reductions Program (ER-P).** This program seeks to align systematically various funding instruments to Reduce Deforestation and Forest Degradation, and foster conservation, sustainable management of forests, and enhancement of forest carbon stocks (REDD+) on a transformational scale across Sangha and Likouala departments, which contain the country’s largest contingent expanse of forest.³ The AF would form part of the GEF Global Partnership on Wildlife Conservation and Crime Prevention for Sustainable Development, also known as the Global Wildlife Program (GWP), which promotes investments in biodiversity conservation, wildlife preservation and sustainable livelihoods in Africa and Asia. The present AF would constitute a child project under this umbrella program, using GEF resources to contribute to three focal thematic areas: Biodiversity, Land Degradation, and Sustainable Forest Management.

3. **The GEF resources would add incremental value to the FEDP** by including in the programmatic REDD+ approach previously uncovered protected areas located within the accounting area of the upcoming Northern Congo ER-P. This area is home to important populations of a number of threatened species. The GEF funds would also enable increased support for the implementation of local management plans, and expansion of agroforestry approaches into new areas where slash-and-burn agriculture is currently practiced, thus reducing habitat loss and protecting threatened species. They would lastly allow for national-level measures to address poaching.

4. **Parent project background: The FEDP was approved by the Board of Executive Directors on May 24, 2012 in an amount of US\$32.6 million,** including US\$10.0 million from IDA and US\$22.6 million in government co-financing. The closing date per the financing agreement is November 30, 2017. The World Bank approved a Level 1 restructuring of the FEDP

¹ Credit No. IDA 5121.

² The GEF lists the AF under the name “Strengthening the Management of Wildlife and Improving Livelihoods in Northern Republic of Congo”. This name is different from the project name as the decision to merge the GEF funding with the FEDP was only taken during project preparation.

³ The ER-P is also expected to receive support from the Forest Carbon Partnership Facility’s Carbon Fund, the Forest Investment Program, the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities, and the Central Africa Forest Initiative, as well as complementary projects supported by UNDP and the French Development Agency.

on October 2, 2015. This included a simplification of project activities, a revision of the Project Development Objective (PDO), a corresponding change in the results framework, and the addition of an integrated pest management plan. The current PDO is to increase the capacity of the forest administration, local communities, and indigenous peoples to co-manage forests. It would remain unchanged. The project closing date would be extended from November 30, 2017 to July 26, 2021 for a total of 3.5 years. The AF will not trigger additional safeguard policies, and remains Category B – partial assessment.

5. **The FEDP is currently rated satisfactory for Development Objective (DO) and moderately satisfactory for Implementation Progress (IP).** However, the DO and IP ratings have not been consistently in the satisfactory range for the past 12 months. However, on the grounds of recent improvements in performance, the project has received an exception to OP/BP 10.00, paragraph 29. The project is in full compliance with its covenants, including safeguards, procurement, audit and financial management reporting requirements.

II. BACKGROUND AND RATIONALE FOR ADDITIONAL FINANCING

A. PROJECT BACKGROUND

6. **The ROC has a small population of 4.1 million and is classified as a low middle-income country, largely due to its large oil revenues, with a recorded Gross Domestic Product of US\$8.55 billion in 2015.**⁴ Located in Central Africa, the country has a wealth of assets that have the potential to build a robust economy and improve the living standards of its population. In the last decade, economic growth rates were high, and on the back of rising oil production, the country posted the second fastest rate of economic growth in Sub-Saharan Africa. Accelerated development during this time led to major infrastructure projects that opened up previously remote forest areas to economic activity. However, a recent dramatic drop in oil prices has lent urgency to the Government's drive to diversify its economy away from an overwhelming dependence on hydrocarbons. This represents a potential threat to the forest stock, as agriculture, forestry, and mining are among the key alternative sectors identified for development, which can have severe impacts on forests if not carried out responsibly.

7. **The ROC is home to 21.7 million hectares of the Congo Basin forest, the world's second-largest swath of tropical rainforest.** With a low historical rate of deforestation—0.052 percent per annum between 2002 and 2013—and forests covering 64 percent of the land area⁵, it is a typical example of a High Forest Cover and Low Deforestation country. Maintaining deforestation and forest degradation in such countries at low levels represents an important contribution to achieving the commitments made at the 21st Conference of the Parties of the United Nations Framework Convention to Combat Climate Change in Paris to limit the global temperature increase to well below 2°C in a cost-effective manner.

⁴ World Bank Open Data; <http://data.worldbank.org/country/congo-rep?view=chart>.

⁵ National Forest Inventory (Tableaux Superficie), 20 November 2015, Table 1.16 – REDD Area Classification.

8. **The ROC's forests are at once a source of livelihoods for remote populations and an important reservoir of tropical forest biodiversity.** In areas with few formal income sources aside from industrial logging, populations in forest areas conduct slash-and-burn agriculture, are engaged in artisanal timber extraction, collect non-timber forest products, and hunt both legally and illegally. These practices have negative impacts on the forest stock. At the same time, the country houses a diverse range of biomes, ecosystems and habitats, including evergreen forests, semi-deciduous forests, alluvial forests and mangroves, among others. These are also home to a rich fauna. Growing populations in forest areas pose challenges to biodiversity conservation and protection of the existing forest stock.

9. **The Government of the ROC has expressed its commitment to a low-carbon development agenda by pursuing REDD+ since 2008.** The Government recently finalized its National REDD+ Strategy that sets out key strategic options for achieving its vision of pursuing a low-carbon development pathway, including by supporting the creation of more efficient agricultural systems, and by protecting forest habitat. It is also finalizing the Emission Reductions Program Document for the large-scale jurisdictional Northern Congo ER-P for Sangha and Likouala following an 18-month design period. The Government's flagship ER-P is fully in line with the draft National REDD+ Strategy. The ER-P yields an important opportunity to help set economic development activities on a green growth path by demonstrating the feasibility of innovative approaches to economic development that minimize impacts on forest carbon stocks, thus enabling the triggering of performance-based payments from the Forest Carbon Partnership Facility's (FCPF) Carbon Fund.

10. **The accounting area of the ER-Program covers the northernmost part of the ROC and encompasses the departments of Sangha and Likouala.** The area extends across 12.4 million ha. The ER-Program zone boasts rich biodiversity and is home to nearly 300 species of birds and more than 60 species of mammals, including forest elephants, mandrills, Western gorillas, chimpanzees, common duikers, bongos, and buffaloes. The area's rich biodiversity has led the Government to create four large protected areas: Nouabalé-Ndoki, Ntokou-Pikounda, and Odzala-Kokoua National Parks, and the Lac Télé Community Reserve. However, poaching for ivory, trophies, and bushmeat threatens much of the major fauna across the landscape. Through its integration into the ER-Program, the AF will benefit from oversight by the National REDD+ Committee, thus contributing to improved cross-sectoral coordination and strategic orientation of development initiatives.

11. **The AF is fully aligned with national and World Bank Group strategies.** The project responds to the most current World Bank Country Partnership Strategy (CPS) for the ROC (FY13-17), in particular its foundation, "Strengthening Government Capacity and Governance", Outcome No. 3, "Improving Sector-Level Governance in the Forestry Sector". Both the CPS and the Government's 2012-2016 Poverty Reduction Strategy Paper (PRSP) as well as its National Development Plan for 2012-2016 acknowledge the need to diversify the Congolese economy and create new jobs, which is currently the highest priority of the Government. The AF's focus on agroforestry systems and the development of national parks as a basis for ecotourism are in line with these priorities, which are expected to be carried forward in the forthcoming Systematic Country Diagnostic. Finally, the AF contributes to the World Bank's corporate goal of ending extreme poverty through its focus on creating income opportunities for farmers in remote areas,

and its emphasis on improving the environmental sustainability of development in the Northern ROC.

12. **The project also aligns with the GEF-6 Programming Directions (2014-2018)** under which the ROC is participating in the GEF GWP, which promotes investments in biodiversity conservation, wildlife preservation and sustainable livelihoods in Africa and Asia. The project has been conceived with that in mind, targeting three focal areas – Biodiversity, Land Degradation, and Sustainable Forest Management. In addition, the project is also consistent with the Convention on the International Trade in Endangered Species of Flora and Fauna (CITES), an international agreement that aims to ensure that the international trade in specimens of wild plants and animals does not threaten their survival. Lastly, the project supports the implementation of Congo’s 2015-2016 National Ivory Action Plan, in particular Axes A, B, C, D, and E.⁶

B. PROJECT PERFORMANCE AND ACHIEVEMENTS

13. **The FEDP has made satisfactory progress towards meeting its PDO and moderately satisfactory Implementation Progress.** While implementation progress was initially slow owing to the project design having been too complex and with a broad array of activities – many of which were not under the control of the project’s line ministry – a restructuring and a subsequent action plan helped the project gain speed. As of February 28, 2017, 95 percent of the IDA credit were contractually committed. Delays in obtaining counterpart funds due to a government budget crisis as a result of low oil prices have significantly slowed down overall disbursements. This challenge has affected the whole portfolio of World Bank projects in the country. The total credit amount is expected to be fully disbursed by its original closing date, November 30, 2017.

14. **On October 2, 2015, the World Bank approved a Level I restructuring of the FEDP.** The following changes were approved:

- i. *Project Development Objective.* The PDO was simplified to reflect the cancellation of a component largely focused on the private sector, a sector the Ministry of Sustainable Development, Forest Economy and Environment (MEFDDE, *Ministère de l’Economie Forestière du Développement Durable et de l’Environnement*) had no purview over. The new PDO reads ‘to increase the capacity of the forest administration, local communities, and indigenous peoples to co-manage forests’.
- ii. *Project Components.* The restructured project includes three components focusing on: (i) modernizing the forestry administration, including the rolling out of information systems in the MEFDDE; (ii) supporting local and indigenous populations in forest concessions and reforestation perimeters to develop income-generating activities (IGA); and (iii) producing strategic knowledge for the reorientation of forest sector development as a key input to the country’s economic diversification strategy, and re-thinking the Ministry’s internal and external communication.

⁶ A: Legislation and regulations; B: Legal proceedings; C: Information-gathering and investigation; D: Inter-institutional cooperation on a national and international scale to combat wildlife crime; E: Enforcement operations.

- iii. *Results Framework.* Two PDO indicators were removed, two new indicators were added, and the intermediate results indicators were revised.
- iv. *Safeguard Policies Triggered.* Agroforestry activities for local communities were added in the new Component 2, which triggered OP 4.09 on Pest Management. As a result, a pest management plan was developed and the Environmental and Social Management Framework was updated.

15. The key accomplishments of the project to date are summarized by component as follows:

Table 1. FEDP accomplishments to-date (by component)

Project activities (post-restructuring)	Accomplishments to-date	Current rating
Component 1: Capacity building of the forest administration <ul style="list-style-type: none"> • Development of computerized management systems for the ministry and training of ministry staff • Internet connections have been installed in ten Departmental Forestry Directorates • The development of application texts for the forest code is underway 	<ul style="list-style-type: none"> • 91% of agents of the decentralized forest administration with access to up-to-date information and data (121% of target) • 3,755 field missions completed for control and sensitization purposes by the departmental forestry directorates, including by brigades (125% of end target) • First draft of application texts submitted to MEFDDE 	Moderately Satisfactory
Component 2: Involvement of local communities and indigenous people in forest resource management <ul style="list-style-type: none"> • Preparation of simple management plans • Microprojects to operationalize the management plans, with a focus on agroforestry 	<ul style="list-style-type: none"> • 117,195 ha of community development zones in forest concessions with simplified management plans (target exceeded) • 12,758 direct project beneficiaries reached 	Moderately Satisfactory
Component 3: Prospective work and communications <ul style="list-style-type: none"> • Prospective studies • MEFDDE communications 	<ul style="list-style-type: none"> • 150,244 visits to MEFDDE website (250% of target) • 1,132 people sensitized during information campaigns • 12 validated prospective studies including recommendations (end-target met) 	Moderately Satisfactory

16. **Procurement compliance is rated Moderately Satisfactory** pending increasing skills transfer from fiduciary consultants to local staff.

17. **Financial Management (FM) is rated Moderately Satisfactory**, pending receipt by the World Bank of an inventory of all project assets and a report on the project's performance from the Inspectorate General of Finance by the time of the next supervision mission.

18. **Implementation of social and environmental safeguards is rated Moderately Satisfactory**, pending receipt by the World Bank of Environmental and Social Impact Notices and increased supervision of the implementation of the Integrated Pest Management Plan. Safeguards supervision to date has assessed the project's environmental and social risks to be localized and manageable, without significant or irreversible impacts. The Project Implementation Unit (PIU) has in place two international safeguards experts.

19. **FEDP counterpart fund contributions have been Unsatisfactory** due to the government's fiscal constraints. Ongoing discussions between the CMU and the government are addressing this issue.

20. **The project is substantially compliant with all legal covenants.** There are no fiduciary, environmental, social or other safeguard issues, and all financial audit reports are unqualified.

21. **M&E performance is rated Satisfactory.** The PIU has been working satisfactorily on collecting and consolidating detailed data to track progress as per the results framework.

C. LESSONS FROM ORIGINAL PROJECT/OTHERS

22. The proposed operation takes into account the following lessons learned from implementing the parent project:

- a. Based on the experience of the parent project, in which procurement in the past caused some delays, the AF is structured around a limited number of key contracts to facilitate implementation and avoid procurement becoming a bottleneck for efficient implementation.
- b. The importance of taking a value-chain approach to agroforestry activities was recognized in the parent project and has influenced the design of Component 2.
- c. The importance of early implication of local communities in protected area planning and management has been a core lesson transferred from Odzala-Kokoua National Park to Ntokou-Pikounda National Park, and forms a methodological approach to Component 4a. Simultaneously, the need to provide attractive IGA options to communities emerged as an important lesson from that park and from Nouabalé-Ndoki National Park, as well as from the Impact Evaluation of GEF Support to Protected Areas and Protected Area Systems. This has informed the selection of intervention sites for Component 2, which is designed to complement Component 4a.

D. RATIONALE FOR ADDITIONAL FINANCING

23. **The AF is required to scale up the development effectiveness of the project and more comprehensively achieve the project's objective of improving co-management of forest resources.** By scaling up activities in terms of both geographic coverage and intervention types, additional households in Northern Congo are expected to be able to better manage forest resources and improve their livelihoods, biodiversity of global importance across 427,000 ha will be better protected, and the GOC will be better equipped to fight wildlife crime. (See Annex 5 for an analysis of the AF's incremental impact).

24. **The scale-up AF would allow for an extension of the programmatic approach the ROC is taking to its forest sector in Northern Congo,** where the REDD+ process is being used to raise significant funds for forest investment, while targeting a landscape of 12 million ha for a transformational program to reduce forest-based greenhouse gas emissions. The AF would further this goal by both extending existing FEDP activities and creating complementary ones. The AF would further the PDO's vision to improve co-management of forests by expanding existing activities to include and cover previously unfunded areas, while also supporting the management

and development of protected areas in an effort to protect and derive value from the full diversity of the ROC's forest resources.

25. Structuring the GEF funds as AF would allow the GOC to utilize the FEDP PIU. The FEDP has illustrated that it can take a significant amount of time to get a PIU in the ROC to become effective in managing a World Bank-financed project. The PIU is now functioning increasingly well, and there is value in the MEFDDE preserving one such center of competence to execute its projects, also in light of the increasing REDD+ funds – including from the Forest Investment Program – that are expected to come online in the near future. This approach should also achieve economies of scale across the portfolio. The size of the AF in relation to the parent project's budget indicates that the FEDP can accommodate the proposed scale-up of activities.

26. **Eligibility for Additional Financing:** The proposed AF fully meets the majority of criteria of suitability and appropriateness:

- a. Scaled up and additional activities are consistent with the development objective of the project and strategically aligned with the CPS;
- b. The project does not have any major unresolved fiduciary, environmental, social or safeguard issues;
- c. The Client indicates strong interest in scaling up development impact of the ongoing project through the Additional Financing;
- d. Implementation capacity and project arrangements are adequate for the magnitude and scope of the expanded activities;
- e. Government resources and other donor financing were not available;
- f. The project has complied with all legal covenants.

27. As mentioned earlier, Development Objective (DO) and Implementation Progress (IP) have not been consistently in the satisfactory range over the past 12 months. An exception to OP/BP 10.00 has therefore been granted on the grounds of improvements in performance. Implementation progress was rated MU between February 13, 2015 and November 25, 2015, and again between March 11, 2016 and July 27, 2016, owing first to delays in the restructuring, and then to lack of progress in implementation and weak disbursements. As captured in recent ISRs, following broadly successful implementation of an action plan, having reached a set disbursement target, and having advanced in planning key remaining activities, that rating was raised to Moderately Satisfactory (MS). Disbursements have also accelerated since the restructuring. Progress towards achievement of the PDO had been rated MS, with the exception of the period between March 11, 2016 and July 27, 2016, while implementation delays and the availability of counterpart funding were being addressed. Following significant progress against results indicators, the DO was further upgraded to Satisfactory on January 24, 2017.

III. SUMMARY OF PROPOSED CHANGES

Summary of Proposed Changes

The proposed changes aim to improve co-management of forests. Additional funds would be allocated to Component 2 to support implementation of simplified management plans and agro-forestry

approaches, benefiting households through increased incomes, while reducing deforestation and forest degradation. Component 4 would be newly created to protect high-conservation value forests in protected areas with a long-term view of promoting economic development, and to support national-level anti-poaching measures. These changes are expected to scale-up the project impact and align with the ER-Program that Congo is developing with funding from the Forest Carbon Partnership Facility (FCPF) in the Sangha and Likouala departments. Another new component, Project Management, is also being added with a small allocation of funds to cover PIU operational costs. The project end date would be extended by 3.5 years to July 26, 2021. The results framework would be updated to reflect additional funds and activities. The Environmental and Social Management Framework, Resettlement Framework, Indigenous Peoples Plan, and Pest Management Plan have been updated, and a Process Framework has been developed to supplement the parent project's suite of safeguard instruments.

Change in Implementing Agency	Yes [] No [X]
Change in Project's Development Objectives	Yes [] No [X]
Change in Results Framework	Yes [X] No []
Change in Safeguard Policies Triggered	Yes [] No [X]
Change of EA category	Yes [] No [X]
Other Changes to Safeguards	Yes [] No [X]
Change in Legal Covenants	Yes [X] No []
Change in Loan Closing Date(s)	Yes [X] No []
Cancellations Proposed	Yes [] No [X]
Change in Disbursement Arrangements	Yes [] No [X]
Reallocation between Disbursement Categories	Yes [] No [X]
Change in Disbursement Estimates	Yes [X] No []
Change to Components and Cost	Yes [X] No []
Change in Institutional Arrangements	Yes [] No [X]
Change in Financial Management	Yes [] No [X]
Change in Procurement	Yes [] No [X]
Change in Implementation Schedule	Yes [X] No []
Other Change(s)	Yes [] No [X]

Development Objective/Results

Project's Development Objectives

Original PDO

The Project Development Objective is to increase the capacity of the forest administration, local communities, and indigenous peoples to co-manage forests.

Change in Results Framework

Explanation:

The existing PDO would be retained. One new PDO indicator and two intermediate indicators would be added to the results framework to capture new activities. These new indicators also meet the reporting requirements under the GWP. Targets would be revised upward for one PDO and one intermediate indicator.

Compliance

Covenants - Additional Financing (Congo: Additional Financing for Forest and Economic Diversification Project - P158604)

Source of Funds	Finance Agreement Reference	Description of Covenants	Date Due	Recurrent	Frequency	Action
GEF	Sch 2, Section I, B.1	The Recipient shall, not later than three (3) months after the Project's Effective Date, revise and update, in accordance with terms of reference acceptable to the World Bank, the Project manual.	October 27, 2017	<input type="checkbox"/>		New

Conditions

Source Of Fund	Name	Type
GEF	Sch 2, Section IV, B.1 (b) No withdrawal shall be made for payment under Category (3) unless the Recipient has entered into a Management Contract, acceptable to the World Bank, with a Management Contractor for Part D.1(a) of the Project in accordance with Section I.D of Schedule 2 to this Agreement.	Disbursement

Description of Condition		
As a condition of disbursement for funds pertaining to Ntokou-Pikounda National Park, the Recipient shall enter into and maintain for the duration of the AF a partnership agreement with a private service provider for the joint management of said park, and jointly with the service provider nominate a management board acceptable to the World Bank.		
Source Of Fund	Name	Type
GEF	Sch 2, Section IV, B.1 (c) No withdrawal shall be made for payment under Category (4) unless the Recipient has entered into a Management Contract, acceptable to the World Bank, with a Management Contractor for Part D.1(b) of the Project in accordance with Section I.D of Schedule 2 to this Agreement.	Disbursement
Description of Condition		
As a condition of disbursement for funds pertaining to Noubalé-Ndoki National Park, the Recipient shall maintain for the duration of the AF a partnership agreement with a private service provider for the management of said park.		

Risk	
Risk Category	Rating (H, S, M, L)
1. Political and Governance	Moderate
2. Macroeconomic	Substantial
3. Sector Strategies and Policies	Moderate
4. Technical Design of Project or Program	Substantial
5. Institutional Capacity for Implementation and Sustainability	Substantial
6. Fiduciary	Moderate
7. Environment and Social	Moderate
8. Stakeholders	Substantial
OVERALL	Substantial
Finance	
Grant Closing Date – Additional Financing (Congo: Additional Financing for Forestry and Economic Diversification Project – P158604)	
Source of Funds	Proposed Additional Financing Loan Closing Date
Global Environment Facility Trust Fund	26-July-2021

Loan Closing Date(s) – Parent and Restructuring (FEDP – P124085)					
Explanation:					
Ln/Cr/TF	Status	Original Closing Date	Current Closing Date	Proposed Closing Date	Previous Closing Date(s)
IDA-51210	Effective	30-Nov-2017	30-Nov-2017	26-July-2021	
Change in Disbursement Estimates (including all sources of Financing)					
Explanation:					
As a result of the AF, the GEF contribution will add an incremental US\$6,509,761 to the US\$10 million IDA Credit. The revised estimates reflect the new closing date.					
Expected Disbursements (in US\$ million) (including all Sources of Financing)					
Fiscal Year	2017	2018	2019	2020	2021
Annual	4.50	3.50	2.01	1.00	0.30
Cumulative	9.70	13.20	15.21	16.21	16.51
Allocations – AF (Congo: Additional Financing for Forestry and Economic Diversification Project, P158604)					
Source of Fund	Currency	Category of Expenditure	Allocation	Disbursement % (Type Total)	
			Proposed	Proposed	
GEF	US\$	(1) Goods, works, non-consulting services, consultants' services, operating costs and training under Part B.2, Part B.3, Part D.2 and Part E of the Project	3,315,560	100	
GEF	US\$	(2) Micro grants under Part B.2(b)	342,596	100% of amounts disbursed	
GEF	US\$	(3) Goods, works, non-consulting services and consultants' services, operating costs and training under Part D.1(a) of the Project	2,677,873	100	
GEF	US\$	(4) Goods, works, non-consulting services and consultants' services, operating costs and training under Part D.1(b) of the Project	173,732	100	
Total:			6,509,761	100	

Components				
Change to Components and Cost				
<p>Explanation:</p> <p><u>Component 2</u>: Involvement of local communities and indigenous peoples in forest resource management (US\$2.33 million): The AF would build on the project’s development of simplified management plans for the community development areas (<i>séries de développement communautaires</i>) in forest concession areas located in Sangha and Likouala, and in identifying priority income-generating agroforestry investment opportunities. The additional financing would enable ongoing capacity building for implementation of said plans, while also enabling the funding of additional priority investments that can raise incomes while reducing deforestation and degradation. Current efforts largely center on cocoa production, and this activity would be expanded, in particular in areas surrounding protected areas.</p> <p><u>Component 4</u>: Habitat and biodiversity conservation (US\$3.85 million):</p> <p><u>Subcomponent 4.a</u>: Development of National Parks (US\$2.85 million): This new sub-component would support two protected areas in Sangha and Likouala. It would aim to increase the protection of pristine forest areas in the ER-P area with a triple goal of supporting REDD+ efforts, protecting biodiversity, and creating opportunities for income generation. The sub-component would contain two primary activities:</p> <ul style="list-style-type: none"> i. Development of Ntokou-Pikounda National Park (NPNP) (US\$2.68 million): The project would fund the development of a management plan, the construction of infrastructure, the hiring, training and equipment of staff, efforts to include the community in park management and to provide safe drinking water, and early-stage management of the park. ii. Development of Nouabalé-Ndoki National Park (NNNP) (US\$0.17 million): The AF would finance targeted investments in tourism development to support efforts to gradually increase the economic viability of this pristine protected area. <p><u>Sub-Component 4.b</u>: Implementation of the National Anti-Poaching Strategy (US\$1.00 million): The AF would fund the implementation of priority recommendations resulting from the application of the analytical toolkit of the International Consortium to Combat Wildlife Crime (ICCWC), including the establishment of a criminal records management system, training on conducting regional investigations into wildlife crime, conducting a legislative review, and the establishment of canine units in selected ecoguard units.</p> <p><u>Component 5</u>: Project Management (US\$0.33 million): The AF would provide the Project Coordination Unit with the means to cover its operational expenses.</p>				
Current Component Name	Proposed Component Name	Current⁷ Cost (US\$M)	Proposed Cost (US\$M)	Action
Capacity building of the forest administration		18.11	18.11	N/A
Involvement of local communities and indigenous people in		11.49	13.82	Revised

⁷ All costs in this table include government co-financing.

forest resource management				
Prospective work and communications		3.00	3.00	N/A
	Habitat and biodiversity conservation	N/A	3.85	New
	Project Management	N/A	0.33	New
Total:		32.60	39.11	

IV. APPRAISAL SUMMARY

Economic and Financial Analysis
<p>Explanation:</p> <p>The development impact of those portions of the project whose economic impact can readily be assessed is projected to be positive. While agroforestry microprojects build upon the experience of the parent project, the project follows a framework approach, such that farmers will receive a range of options for which they will be eligible for support. As a result, expected returns have been quantified on the basis of each of the sets of activities farmers could select from a menu of options. These suggest that agroforestry activities can be very profitable: The projected economic rate of return (ERR) for the activities promoted is estimated to range between 29 percent and 155 percent (not counting positive externalities in terms of nutrition and food security). The net present value (NPV) per ha over 20 years is estimated to be between US\$2,903 and US\$46,778. In a region where farming incomes are very low, the predicted returns are very attractive.</p> <p>The remaining interventions under the AF do not lend themselves to traditional economic analysis. Capacity building and anti-poaching interventions do not carry quantifiable economic returns due to their indirect returns. Early-stage investments in biodiversity conservation that lay the basic foundation for later economic development of the resource do not carry an immediately quantifiable and attributable return on investment.</p> <p>The public rationale of the investment is justified through the AF’s aim to address government weaknesses by relaxing binding constraints to public sector performance in the co-management of forest resources. In addition, support for biodiversity conservation is justified through a set of market failures that lead to an under-supply of conservation.</p> <p>The World Bank added value stems from its role in assisting the Government design its ER-P, for which the World Bank is the primary development partner, and of which the AF would form an integral part.</p>
Technical Analysis
<p>Explanation:</p> <p>With respect to Component 2, the parent project has been working with local governance structures and implementation partners to improve local development planning and implementation capacity, and has gained experience in conducting agroforestry microprojects in the intervention area. Lessons from this experience have flowed into the design of the AF, in particular with respect to the importance of addressing value chain constraints in remote areas. The economic attractiveness of these activities favors the long-term sustainability of the approaches promoted. In Component 4, park management and</p>

development activities in the two national parks are feasible from a technical standpoint, and the social risks have been a focus of project preparation. The involvement of a long-term partner for management of the facilities in NNNP and for NPNP as a whole will help increase the sustainability of activities beyond project-end. The proposed anti-wildlife crime activities have been selected so as to focus on a few, core activities controlled by the MEFDDE to minimize project complexity and external implementation risks. These activities build on existing in-country initiatives and/or international experience, and involve strong partners.

Social Analysis

Explanation:

The expected social benefits of the proposed AF at the local level comprise enhanced management of forest resources in the forest concession areas located in Sangha and Likouala; strengthened participation of local communities in decision-making processes; and creation of new IGAs in the project area. Participation of women will receive emphasis to ensure the gender inclusion, particularly at local community level.

The AF has been designed in a participatory manner. In April 2016, a consultation process was carried out with the different actors involved in the implementation of IGAs within the departments of Sangha and Likouala, including local communities and indigenous peoples (LCIPs). Representatives of the national government formulated the design of the project, while regional governments and local authorities provided inputs. The project will be implemented with the participation of local stakeholders.

The project triggers OP/BP 4.10 on Indigenous Peoples, 4.11 on Physical Cultural Resources, and 4.12 on Involuntary Resettlement. The Environmental and Social Management Framework (ESMF) has been updated to include measures related to activities in the national park and to anti-poaching. Since this project triggers OP/BP 4.12 on Involuntary Resettlement, the Resettlement Policy Framework (RPF) has been updated. A Process Framework (PF) has been developed to account for activities in NPNP. The instruments were disclosed in-country and by the World Bank on February 6 and 7, 2017, respectively. The PIU has an international social safeguards specialist on staff.

The Indigenous Peoples Plan (IPP, disclosed in-country and by the World Bank on February 6 and 7, 2017, respectively) consultations with IP groups living in Sangha and Likouala raised a number of concerns, which include the ability to maintain their traditional lands, increased marginalization, inability to defend their rights, and loss of cultural identity. Mitigation measures proposed in the IPP include capacity building of IP associations as well as support in establishing associations, agricultural skills development and provision of improved agricultural inputs, support for animal husbandry, and income generation activities. The project will ensure, to the extent possible, the inclusion of the above-mentioned proposed activities by IPs once project-specific sites are established. The IPP captures these recommendations and puts forth mitigation measures and activities designed to benefit the IP communities in the project area.

The project prepared an RPF, which establishes the approach to resettlement, should the project induce any. The parent project did not acquire land as most activities were undertaken on Government-owned forest concessions, and a similar approach will be adopted under the current AF to minimize negative impacts. Although the project may not induce involuntary resettlement, it will most likely restrict access to the protected areas in Ntokou-Pikounda National Park (NNNP). The PF aims to mitigate and reduce impacts on LCIPs dependent on the resources based on a number of consultations with affected communities. Risks raised in the PF include reduced access to forest resources for LCIPs, which they may depend on for their livelihoods. The participatory preparation process of the PF led to

recommendations that include specific activities to support LCIPs to find alternative resources, food aid, capacity building, and financial support. The PF identifies priorities, capacity building needs, economic opportunities, various actors and stakeholders, potential activities, and an estimate of the costs and timeline for the implementation of the PF. Once the project identifies specific sites in the first year of operations, a Resettlement Action Plan would be elaborated, with more specific mitigation measures as proposed in the PF, as well as livelihood restoration activities.

Environmental Analysis

Explanation:

The proposed activities under the AF are expected to have a positive impact on the environment in the form of improved land management, reduced deforestation and forest degradation, improved protected area management, and improved capacity to address poaching. The tourism enhancement initiatives are expected to have a positive impact on increasing tourism over the long term. However, this increase is not expected to be significant given the difficult travel environment within the country and the remote location of the national parks. Some of the activities proposed are likely to have an environmental footprint, however of moderate and localized character. The potential risks relate to the income enhancement activities, such as deforestation; change of land use; increased hunting etc. The related component was already being financed under the parent project and the issues and mitigation measures were satisfactorily addressed in the original ESMF. New activities under the AF are infrastructural rehabilitation and new minor civil works associated with improved park management. These infrastructure activities are to take place outside the park perimeters and therefore are not expected to have a significant impact on the protected flora and fauna of the park. The construction works will have potential impacts such as pollution of land and water through indiscriminate discharge of oil, wastewater, solid waste; movement of heavy vehicles and dumping of construction materials; noise and emissions from machinery; and possible disruption of wildlife movement. The influx of construction workers could result in social issues such as interaction with local communities, spread of HIV/AIDS; while construction activities could have occupational safety issues if proper safety measures and protective equipment are not provided.

The project triggers OP/BP 4.01 on Environmental Assessment, 4.04 on Natural Habitats, 4.36 on Forests, and 4.09 on Pest Management. Potential issues have been identified and mitigation measures detailed in the ESMF prepared for the AF phase. To ensure satisfactory compliance with the ESMF, the PIU will commission an independent environmental audit of project activities at the end of year 2 of the AF. The PIU has a full-time international environmental safeguards specialist who will continue to be on the roster during the implementation phase of the AF. The ESMF also includes provisions for additional technical support for training on environmental due diligence. Within its implementation review responsibility, the World Bank will provide additional training to PIU and other stakeholders on environmental and social aspects and improvements.

Risk

Explanation:

The risk rating remains Substantial.

- (i) Macroeconomic: The government's tight fiscal space as a result of the depressed oil price has slowed down the pace of implementation of the parent project. It has also negatively impacted the implementation of its National Cocoa Development Plan, which in turn could endanger the implementation of further support to farmers for forest-friendly cocoa cultivation techniques. As a mitigation measure, the project would focus on supporting communities in the implementation of

other agroforestry systems within the framework of the simplified management plans currently being developed, so not to depend on cocoa.

- (ii) Capacity for Implementation and Sustainability: Creating sustainable financing for the management of NPNP beyond the project duration will be important. However, the ROC has a strong track record of collaborating with outside institutions to finance its flagship parks, such as in the case of Nouabalé-Ndoki and Odzala-Kokoua National Parks. To mitigate this risk, the tasks for the selected park management entity would include design of a business plan and external fundraising. The management agreement the government would enter into with a private service provider would commit both parties to a 5-year renewable partnership with a view to evaluating the possibility of entering into a delegated management arrangement based upon satisfactory performance and lessons learned from other parks. This arrangement would provide a more predictable operating environment for the management entity and an incentive for fundraising, which the pre-identified NGO has significant experience in and expressed commitment for.
- (iii) Technical Design of Project or Program: The Substantial rating (higher than the parent project's current rating of Moderate) stems from the targeted promotion of sustainable practices for agricultural intensification in forest areas, which pose the risk of engendering a rebound effect. To manage this risk, the project employs a combination of approaches: participatory land use planning; support for local governance and oversight; limiting support to previously heavily degraded or deforested land as per the baseline study, including use of remote sensing imagery; incentives for adopting sustainable practices and intensification (land sparing); contracts with both farmers and communities based on forest conservation, with payments for environmental services through a parallel operation financed by the Forest Investment Program; and detailed monitoring.
- (iv) Stakeholders: The acceptability of strengthening the management of Ntokou-Pikounda National Park could lead to social tensions. The PIU conducted extensive consultations during preparation, and incorporated community concerns into project design. Communities are to have a voice in park management, including through formal representation on the management board, benefits from the creation of a park management structure will target surrounding communities as a priority, and extensive community development activities have been designed to align with park operations.

Exceptions to Bank Policies

Explanation:

An exception to OP/BP 10.00 has been granted to allow the project to receive additional financing on the grounds of improved project performance.

V. WORLD BANK GRIEVANCE REDRESS

28. Communities and individuals who believe that they are adversely affected by a World Bank supported project may submit complaints to existing project-level grievance redress mechanisms or the Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the Bank's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an

opportunity to respond. For information on how to submit complaints to the World Bank's corporate GRS, please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

ANNEX 1: REVISED PROJECT RESULTS FRAMEWORK

Project Name:	Congo: Additional Financing for Forestry and Economic Diversification Project (P158604)			Project Stage:	Additional Financing	Status:	FINAL
Team Leader(s):	Julian Lee	Requesting Unit:	GEN07	Created by:	Alexandra Stefanescu		
Product Line:	GEF	Responsible Unit:	GENDR	Modified by:	Julian Lee		
Country:	Republic of Congo	Approval FY:	2017				
Region:	AFRICA	Lending Instrument:	Investment Project Financing				
Parent Project ID:	P124085	Parent Project Name:	Forestry and Economic Diversification Project				
Project Development Objectives							
Original Project Development Objective - Parent:							
To increase the capacity of the forest administration, local communities, and indigenous peoples to co-manage forests.							
Proposed Project Development Objective - Additional Financing (AF):							
To increase the capacity of the forest administration, local communities, and indigenous peoples to co-manage forests.							
Results							
Core sector indicators are considered: Yes				Results reporting level: Project Level			
Project Development Objective Indicators							
Status	Indicator Name	Core	Unit of Measure		Baseline	Actual (Current)	End Target
No change	Percentage of agents of the decentralized forest administration with access to	<input type="checkbox"/>	Percentage	Value	0	91	75
				Date	31-Dec-2011	11-Jan-2017	30-Nov-2017
				Comment			

	up-to-date information and data						
No change	Forest area with simplified management plans under implementation	<input type="checkbox"/>	Hectare (ha)	Value	0	117,196	15,000
				Date	31-Dec-2011	11-Jan-2017	30-Nov-2017
				Comment	A simplified management plan is one that has been validated by CDMCs, is implemented through microprojects, and is monitored by CDMCs		
No change	Increase in field missions for control and sensitization purposes by the departmental forestry directorates, including by brigades	<input type="checkbox"/>	Number	Value	300	3,765	3,000
				Date	31-Dec-2011	11-Jan-2017	30-Nov-2017
				Comment			
New	Area brought under enhanced biodiversity protection	<input checked="" type="checkbox"/>	Hectare (ha)	Value	0	0	427,000
				Date	3-Oct-2016	05-May-2019	26-July-2021
				Comment	Based on METT Score improving to at least 35		
Revised	Direct project beneficiaries	<input checked="" type="checkbox"/>	Number	Value	0	12,768	16,000
				Date	31-Dec-2011	11-Jan-2017	26-July-2021
				Comment			Target revised upward from 15,000

No change	Female beneficiaries	<input type="checkbox"/>	Percentage	Value	0	30	40
				Date	31-Dec-2011	11-Jan-2017	26-July-2021
				Comment			
Intermediate Results Indicators							
Status	Indicator Name	Core	Unit of Measure		Baseline	Actual(Current)	End Target
No change	Percentage of MEFDDE staff and managers trained	<input type="checkbox"/>	Percentage	Value	0	68	50
				Date	31-Dec-2011	11-Jan-2017	30-Nov-2017
				Comment			
No change	Share of MEFDDE activities in the ministry's annual work plan that are planned in the monitoring and evaluation system	<input type="checkbox"/>	Percentage	Value	0	100	50
				Date	31-Dec-2011	11-Jan-2017	30-Nov-2017
				Comment			
No change	Share of referrals in new forestry law for which application texts have been drafted	<input type="checkbox"/>	Percentage	Value	0	0	100
				Date	31-Dec-2011	11-Jan-2017	30-Nov-2017
				Comment			
Revised	Households that benefited from microprojects	<input type="checkbox"/>	Number	Value	0	885	1,200
				Date	31-Dec-2011	11-Jan-2017	26-July-2021
				Comment			Target revised upward from 1,000
No change	Functioning local governance structures established to oversee simplified management plans	<input type="checkbox"/>	Number	Value	0	48	30
				Date	31-Dec-2011	11-Jan-2017	30-Nov-2017
				Comment			
No change	Visits to MEFDDE website	<input type="checkbox"/>	Number	Value	0	150,244	60,000
				Date	31-Dec-2011	11-Jan-2017	30-Nov-2017
				Comment			

No change	People sensitized during information campaigns	<input type="checkbox"/>	Number	Value	100	1,132	200,000
				Date	31-Dec-2011	11-Jan-2017	30-Nov-2017
				Comment			
No change	Validated prospective studies including recommendations	<input type="checkbox"/>	Number	Value	0	12	12
				Date	31-Dec-2011	11-Jan-2017	30-Nov-2017
				Comment			
New	Tools deployed to combat wildlife crime	<input type="checkbox"/>	Number	Value	0	0	2
				Date	3-Oct-2016	3-Oct-2016	26-July-2021
				Comment			
New	Wildlife/wildlife product seizures at program sites	<input type="checkbox"/>	Number	Value	0	0	100
				Date	3-Oct-2016	3-Oct-2016	26-July-2021
				Comment			

ANNEX 2: PROPOSED CHANGES TO THE RESULTS FRAMEWORK AND RATIONALE

Republic of Congo Additional Financing for the Forestry and Economic Diversification Project (FEDP) (P158604)

Proposed Revisions to the Results Framework		Comments/ Rationale for Change
PDO Results Indicators		
<i>Current</i>	<i>Proposed change</i>	
Percentage of agents of the decentralized forest administration with access to up-to-date information and data (End of project target: 75)	Continued	
Forest area with simplified management plans under implementation (End of project target: 15,000 ha)	Continued	
Increase in number of field missions for control and sensitization purposes by the departmental forestry directorates, including by brigades (End of project target: 3,000)	Continued	
Area brought under enhanced biodiversity protection (ha)	New	The indicator has been added to cover activities in NPNP. Enhanced biodiversity protection is based on Management Effectiveness Tracking Tool (METT) score > 35
Number of direct project beneficiaries (End of project target: 16,000)	Continued; target increased	The target for this indicator has been revised upward from 15,000 to reflect additional microproject activities.
Percentage of female beneficiaries (End of project target: 40)	Continued	
Intermediate Results Indicators		
<i>Current</i>	<i>Proposed change</i>	
1.1. Percentage of MEFDDE staff and managers trained (End of project target: 50)	Continued	
1.2. Share of MEFDDE activities in the ministry's annual work plan that are	Continued	

Proposed Revisions to the Results Framework		Comments/ Rationale for Change
planned in the monitoring and evaluation system (End of project target: 50)		
1.3. Share of referrals in new forestry law for which application texts have been drafted (End of project target: 100)	Continued	
2.1. Households that benefited from microprojects (End of project target: 1,200, of which 40% female)	Continued	The target for this indicator has been revised upward from 1,000 to reflect additional microproject activities.
2.2. Functioning local governance structures established to oversee simplified management plans (End of project target: 30)	Continued	
3.1. Visits to MEFDDE website (End of project target: 60,000)	Continued	
3.2. People sensitized during information campaigns (End of project target: 200,000)	Continued	
3.3. Validated prospective studies including recommendations (End of project target: 12)	Continued	
4.1. Number of tools deployed to combat wildlife crime (End of project target: 2)	New	The indicator has been added to capture anti-wildlife crime measures introduced under Component 4b and to meet GWP core indicator requirements
4.2. Number of wildlife/wildlife product seizures at program sites (end of project target: 100)	New	The indicator has been added to measure the effect of a primary activity in Component 4b, the deployment of canine teams.

ANNEX 3: DETAILED PROJECT DESCRIPTION

A. BACKGROUND

29. **The proposed AF spans two departments in the Northern ROC: Sangha and Likouala.** The project area includes two of the protected areas in the Northern ROC (Nouabalé-Ndoki National Park (NNNP) and Ntokou-Pikounda National Park (NPNP)) and the following five logging concessions:

Logging Companies	Logging Concessions	Concession Area (ha)	No. of villages	No. of residents	Percent women	Percent women
Congolaise Industrielle des Bois (CIB)	Kabo	296,000	23	3,834		
	Pokola	452,200	18	14,850	48	52
	Loundoungou-Toukoulaka	571,100	23	5,697	51	49
	Pikounda-Nord	92,000	1	82		
Industrie Forestière d'Ouessou (IFO)	Ngombé	1,159,643	16	4,120	49	51
Total	=	2,570,943	81	28,583		

30. **Forest cover:** Within the project area, the forest cover of Sangha Department is estimated at 5,557,100 ha⁸, 49 percent of which are primary forests (e.g. 75 percent canopy cover including old growth terra firma forest and semi-deciduous forests), 4 percent degraded forests (e.g. all forests with less than 75 percent canopy cover), and 44 percent swamp forests (e.g. along major rivers that are temporally or permanently inundated and characterized by soils with poor drainage). In Likouala, forest cover is estimated at 6,172,900 ha, 33 percent of which are primary forests, one percent degraded forests, and 65 percent swamp forests.

31. **REDD+.** The ROC has been engaging in REDD+ since 2008 and is developing an ER-P for result-based payments in the departments of Sangha and Likouala to deliver significant climate impact and critical development benefits. It follows a multi-sectoral approach and is aligned with three strategic options of the draft National REDD+ Strategy, namely building governance capacities, sustainable forest management, and improvement of agricultural systems.

32. **Biodiversity:** The project area boasts rich biodiversity. It is home to nearly 300 species of birds and more than 60 species of mammals, including forest elephants, Western lowland gorillas, chimpanzees, bongos, leopards and hippopotamuses. Scientists have also identified some 1,000 plant species and a rich diversity of forests, including mahogany ones. Flooded forest swamps are home to various species, including yellow-backed and black-forehead blue duikers.

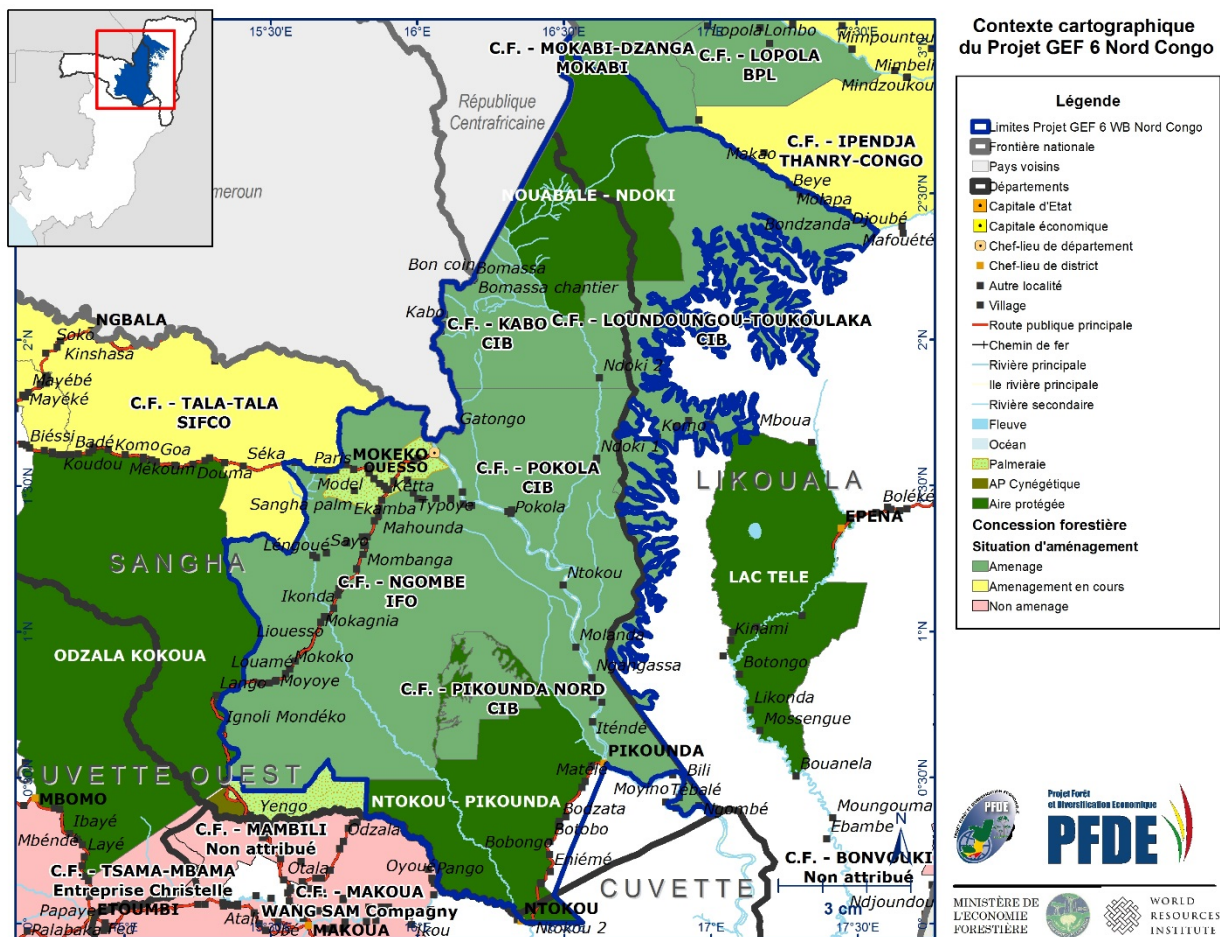
33. The area's rich biodiversity has led the Government to create four large protected areas: Nouabalé-Ndoki, Ntokou-Pikounda, and Odzala-Kokoua National Parks, and the Lac Télé Community Reserve. NNNP and Odzala-Kokoua are managed with the involvement of

⁸ Draft Emission Reduction Program Document (ERPD) – Congo, May 2016, pg. 118

management partners drawn from the international NGO community, whereas NPNP, only established in 2012, has only very minimal management. Both NPNP and NNNP are classified as Key Biodiversity Areas. Their rich biodiversity makes them particularly valuable in providing global environmental benefits.

34. The GOC committed to a tri-national initiative for an integrated and sustainable management of protected areas complex comprising Lobéké (Cameroon), NNNP (ROC) and Dzanga-Sangha (CAR), known as the Trinational Sangha area, a UNESCO World Heritage site. This transnational initiative, coupled with a similar one in the Trinational Minkébé-Odzala-Dja (TRIDOM) area of the ROC, Gabon and Cameroon, as well as with national strategies, has been the basis for the management of biodiversity in the Northern ROC over the past two decades. It involves multifaceted bilateral and multilateral donor support, and has garnered promising results, particularly in the reduction of poaching in certain areas, the promotion of wildlife conservation through incipient development of ecotourism, the involvement of communities in the management of resources, and improved livelihoods for local communities. In parallel, the GOC also set up a sustainable management strategy mobilizing forest concessionaires to develop areas outside of the national parks to preserve essential wildlife habitat by supporting actions in the protected areas for an integrated natural resources management approach.

Figure 1: Map of Project Intervention Zone



35. **Biophysical characteristics:** The Northern ROC is home to relatively intact equatorial lowland rainforest of the Congo Basin, with a mostly closed canopy.⁹ The area has an equatorial climate, with high rainfall (1,500-1,600 mm per year) and high humidity (85 percent on an annual average). Rainfall is concentrated in two rainy seasons (March-May and September-November), with dry seasons in between. Soils in Sangha are typically schist-based in the central part and ferrallitic and hydromorphic alluvial in the eastern part, while in Likouala they are characterized by waterlogged peat soils under flooded forest and lateritic and hydromorphic alluvial in the central part.

36. **Population:** The project area has an estimated population of 306,000 (2015), of which 109,528¹⁰ are located in Sangha and 197,000 in Likouala. Population density is very low, at about 2.5 people per km². Natural population growth of 2.86 percent and migration from both within and without the ROC combine to increase the area's population. The area contains the following ethnic groups: Bakota, Bagandou, Bandjongo, Bandza, Bomassa, Bomitaba, Bondjos, Bondongo, Bakouélé, Bakas, Bondongo, Bonguili, Djem, Enyelles, Gbaya, Mbenzélé, Mbaté, Mboma, Moundjombo, Porn, Sango, Sangha-Sangha, Ka-aka, Lignélé, and Yasoua.

37. Populations in the forest concessions of the Northern ROC are concentrated in the Community Development Areas (*Séries de développement communautaire*, SDC). In the project area, these are home to an estimated 59,670 people (162 villages). The communities have largely free reign over land use of the SDCs. In addition, there are populations in the limited so-called *zones banales*, areas that are not designated as concessions, protected areas, or for similar formal land use.

38. **Indigenous population:** Most indigenous people in the project area still practice a hunter-gatherer lifestyle for significant portions of the year, although some have occasional employment in the forest and/or conservation sectors, and practice limited agriculture. Indigenous peoples are divided into clans while the local village communities are divided by lineage. A clan is a group whose members recognize descendants of a common mythical ancestor. The clan membership is a privilege inherited at birth. Within the project area, clans are patrilineal. For example, indigenous peoples in Loundoungou-Toukoulaka include nearly 80 clans. Clans fulfill a very important role in the social organization of indigenous people, since a person cannot marry a member of his clan. In the organization of local communities, a lineage member can justify his/her affiliation to the common ancestor of the group, which is real and not mythical, carried forward from generation to generation. The relationship between local communities and indigenous peoples is usually based on unequal economic alliances based on specific activities such as farming or hunting. These relationships often favor the economic interests of local communities over those of indigenous peoples.

39. **Economic activities of the local population:** Common IGAs in the project area include agriculture—with the most common crops being cassava, banana, maize and cocoa—gardening, farming, fishing and fish farming, although most communities also rely on forest foods for

⁹ Draft Emission Reduction Program Document (ERPD) – Congo, May 2016, pg. 30

¹⁰ National Center for Statistics and Economic Studies, General Population and Housing Census (CNSEE, RGPH 2007) and World Population Prospects: Revision, DVD Edition

household consumption. Gathering non-timber forest products (e.g. Marantaceae leaves, Gnetum, raffia, fruit) is common, and often practiced by women for household consumption and sale. The forestry industry is the major employer in the region. It has attracted significant numbers of people to the area through both direct and indirect employment. For example, Pokola has grown from 300 to 13,000 inhabitants since the arrival of Congolaise Industrielle des Bois (CIB), the largest forest company in the area. Small-scale trade occurs in the markets of population centers. Other limited sources of income include carpentry, food processing (milling grain and cassava) and professions such as domestic servants, hairdressers, etc. Much of the economic activity is of an informal nature. Indigenous communities mostly rely on hunting and gathering for their livelihoods, with limited small-scale agriculture.

40. **Development partner landscape:** The AF's geographical intervention area and the sectors it targets benefit from the support of multiple technical and financial partners, whose activities support the broad aims of the AF. These include the following pipeline projects: US\$16 million from the Forest Investment Program in support of agroforestry; an estimated US\$20 million from the Central African Forest Initiative, tentatively intended for national land use planning; US\$60 million in performance-based payments from the Forest Carbon Partnership Facility's Carbon Fund for emission reductions achieved across Sangha and Likouala; the EUR 7.5 million French Development Agency (FDA)-sponsored Northern Congo Forest Landscape Project, with a focus on sustainable forest management and anti-poaching in forest concessions; the EUR 5 million Cocoa Project, with which the FDA will focus on building the cocoa sector; and the US\$3.13 million GEF-funded UNDP Integrated and Transboundary Conservation of Biodiversity in the Basins of the ROC, which focuses on anti-poaching in the Western portion of Sangha. In addition, the European Union provides ongoing support to OKNP, and the United States Fish and Wildlife Service to NNNP.

41. **Challenges:** The project area faces a number of challenges, three of which are detailed below:

42. **Biodiversity loss.** The ROC is facing an organized and transnational criminal threat to its wildlife. In addition to established subsistence poaching of bush meat, elephants are being killed in large numbers in the northern part of the country by structured and heavily armed teams of poachers and traffickers to feed the growing global demand for ivory. As a result, forest elephant populations in Central Africa have declined by an estimated 62 percent between 2002 and 2011, and their range has declined by 30 percent.¹¹ Studies have shown that the Northern ROC forms part of a poaching hotspot,¹² and population loss between 2007 and 2014 in the Ngombe landscape (of which NPNP forms a part) was estimated at 17 percent.¹³ Poverty and lack of income-generating activities rank among the main drivers of supply of illicit wildlife products in the rural ROC, as rural populations have few alternatives to provide for their livelihoods.

¹¹ Maisels F, Strindberg S, Blake S, Wittemyer G, Hart J, et al. (2013) Devastating Decline of Forest Elephants in Central Africa. PLoS ONE 8(3): e59469. doi:10.1371/journal.pone.0059469

¹² Wasser SK, Brown L, Mailand C, Mondol S, Clark W, et al. (2015) Genetic assignment of large seizures of elephant ivory reveals Africa's major poaching hotspots. Science: doi: 10.1126/science.aaa2457

¹³ Thouless CR, Dublin HT, Blanc JJ, Skinner DP, Daniel TE, et al. (2016): African Elephant Status Report 2016: an Update from the African Elephant Database. Occasional Paper Series of the IUCN Species Survival Commission, No. 60. IUCN/SSC Africa Elephant Specialist Group. IUCN, Gland, Switzerland.

43. In 2015, the United Nations Organization for Drugs and Crime (UNODC) conducted a national assessment in the ROC, based on the International Consortium to Combat Wildlife Crime (ICCWC) Wildlife and Forest Crime Toolkit. They assessed the wildlife and forest crime threats in the country; the legal instruments available; the law enforcement system in place to deal with it; as well as any relevant active international technical cooperation. The ICCWC assessment report, finalized in September 2016, proposed specific recommendations and actions to improve the ROC's ability to adapt and address these threats.

44. **Land and forest degradation.** Given the ROC's natural population growth rate (2.86 percent¹⁴) and in-migration as a result of employment creation in the forestry sector, land degradation is continuing apace as a result of both small-scale shifting agricultural activity (primarily cassava) and informal forest production. This pattern is also observable around population centers outside the SDCs. In the two departments of the project area, this has been a major contributor to forest loss of 155,208 ha between 2003 and 2012 (0.14 percent per year).¹⁵ The main direct drivers of deforestation and forest degradation in the area have been identified as logging, agro-industrial production (palm oil), slash-and-burn agriculture and mining.

45. Accelerated development in the ROC during the recent period of high oil prices led to major infrastructure projects that opened up previously remote forest areas to economic activity. The recent dramatic drop in oil prices has lent urgency to the Government's drive to diversify its economy away from its overwhelming dependence on hydrocarbons. This represents a potential threat to the forest stock, as agriculture, forestry, and mining are among the key alternative sectors identified for development, which can have severe impacts on forests and on the local communities if not carried out responsibly.

46. **Socio-economic conditions:** Living conditions of LCIPs residing in these areas remain precarious. Poverty rates stand at 64.4 and 66.7 percent¹⁶, respectively, in Sangha and Likouala departments, compared to the national poverty headcount of 40.9 percent. Most homes are made of clay, the main local source of energy is wood, and there is a growing need for potable drinking water since the LCIPs supply their water from the river and other untreated sources. Due to the absence or degradation of sanitary structures in most villages, populations are prone to many diseases, the most common being gastrointestinal disease. Conditions are better in the main settlements surrounding sawmills operated by concessionaires, who provide much-needed infrastructure. In the ROC, 24.4 percent of the population is chronically malnourished.¹⁷ Although no regionally disaggregated data was available, with poverty levels in Sangha and Likouala significantly higher than the national average, malnutrition is expected to be high in the project area.

¹⁴ Draft Emission Reduction Program Document (ERPD) – Congo, May 2016, pg. 34

¹⁵ Draft Emission Reduction Program Document (ERPD) – Congo, May 2016, pg. 223

¹⁶ World Bank calculations based on the 2011 ECOM survey

¹⁷ Cadre stratégique de lutte contre la malnutrition au Congo, Government of the Republic of Congo, April 2015, <http://faolex.fao.org/docs/pdf/con157341.pdf>

B. PROJECT DESCRIPTION

47. **Theory of change.** The AF would support the FEDP’s objective of increasing the capacity of the forest administration, local communities, and indigenous peoples to co-manage forests. The AF would target the following key outcomes:

- (a) Increased involvement of local communities and indigenous peoples in forest resource management;
- (b) Improved habitat and biodiversity conservation

48. The AF supports the theory of change of the GWP by improving law enforcement efforts in the ROC, a participating country in the program. Specifically, it supports both community involvement and strengthening of state-led enforcement efforts as contributions to tackling wildlife crime, and thus aims to reduce the supply and trafficking of poached products. The AF also supports Aichi Targets 5, 7, 11, and 12 of the United Nations Convention on Biological Diversity.¹⁸ The AF is aligned with the National Biodiversity Strategy and Action Plan (August 2015), and will support implementation of Objectives 5, 7, 11, 12, and 15. The project also supports the Elephant Protection Initiative, an African-led conservation program to eradicate the ivory trade and stop the continued slaughter of the continent’s elephants by poachers, which the government joined on January 13, 2016.

49. Table 1 presents the revised costs by component:

Table 1: Revised Costs per Component (US\$ million)

Component	Original Financing	Additional Financing	Total Financing
1: Capacity building of the forest administration	18.11	0.00	18.11
2: Involvement of local communities and indigenous people in forest resource management	11.49	2.33	13.82
3: Prospective work and communications	3.00	0.00	3.00
4: Habitat and biodiversity protection	0.00	3.85	3.85
5: Project management	0.00	0.33	0.33
Total	32.60	6.51	39.11

¹⁸ Target 5: By 2020, the rate of loss of all natural habitats, including forests, is at least halved and where feasible brought close to zero, and degradation and fragmentation is significantly reduced. Target 7: By 2020 areas under agriculture, aquaculture and forestry are managed sustainably, ensuring conservation of biodiversity. Target 11: By 2020, at least 17 percent of terrestrial and inland water, and 10 percent of coastal and marine areas, especially areas of particular importance for biodiversity and ecosystem services, are conserved through effectively and equitably managed, ecologically representative and well connected systems of protected areas and other effective area-based conservation measures, and integrated into the wider landscapes and seascapes. Target 12: By 2020 the extinction of known threatened species has been prevented and their conservation status, particularly of those most in decline, has been improved and sustained.

50. **Component 1: Capacity building of the forest administration (Total US\$18.11 million, including US\$5.56 million original IDA and US\$12.55 million original counterpart funds).**

51. This component will remain unaffected by the AF.

52. **Component 2: Involvement of local communities and indigenous people in forest resource management (Total US\$16.15 million, including US\$5.07 million original IDA, US\$8.75 million original counterpart funds, and US\$2.33 million AF).**

53. The AF would scale up the project's existing agro-forestry activities as a means to reduce the ongoing deforestation and forest degradation caused by traditional slash-and-burn techniques. Through these activities, the AF would seek to simultaneously improve community livelihoods by increasing and diversifying income streams and nutrition. Investments would take a value-chain approach.

54. The four forest concessions in the project area have approved forest management plans, which delineate their SDCs. The parent project created simplified management plans (SMPs) for each of the SDCs, identifying and prioritizing development needs. The AF would primarily seize upon the SMPs developed in a participatory way under the original project to expand agroforestry activities to additional households in the intervention area.

55. **Baseline Study:** To identify priority sites for investments, the AF would expand upon the SMPs by conducting a baseline study of the pedology, economics, the state of forest degradation, and the potential for human-wildlife conflict. The study would analyze the suitability of individual sites, the economic potential of the investments, their potential for contributing to forest landscape restoration, and the market potential and necessary marketing support to be provided by the project. The study would also analyze the areas available in both traditional and legal terms and procedures for demarcation of fields in collaboration with the *Ministère des affaires foncières*, so as to prevent any tenure conflicts. On the basis of these analyses, the study would identify suitable microprojects and sites. It would further identify community leaders with experience in certain agroforestry value chains to build upon their knowledge and practices, and households in which the involvement of women in agroforestry can be bolstered. The study will base itself on the SMPs, the degradation maps developed for the ER-Program, and the cocoa feasibility study financed by the French Development Agency (AFD). It will determine the number of target villages and households, available land area, and geographic location.

56. The AF would focus on already degraded areas located around settlements in the SDCs of the forest concessions located between NNNP, NPNP, and OKNP. In an effort to achieve synergies with Component 4a, additional emphasis would be placed on supporting communities with a history of cocoa production on the Ntokou to Pikounda axis, to the southeast of NPNP. This is expected to provide incentives for communities to reduce their infringement on the park itself. Support to these communities would be limited to existing degraded forest areas located outside of NPNP, to the east of the road linking Ntokou and Pikounda. Care would be taken to select activities that minimize human-wildlife conflict in the park's buffer zone (thus excluding support for banana or maize production in combination with cocoa, for example, but permitting support for cocoa cultivation and non-crop-based activities, such as aquaculture or small livestock raising).

Support would also be provided to deter animals from farmers' plots, for example by promoting beekeeping or chili fencing.

57. To create further synergies with Component 4a, a target group for the microprojects would be small-scale poachers, in an effort to convert them to legal means of income and reduce poaching rates. This approach has been successfully tested in OKNP. The activity would be carried out in close coordination with conservation authorities and managers in the region. It would require identifying poachers on the basis of judicial records and voluntary identification of poachers. A reintegration program would then be designed in collaboration with conservation managers.

58. **Strengthening Local Governance:** Rural communities in the ROC are ruled by village chiefs and neighborhood chiefs. The latter, as representatives of the state, are charged with providing strategic direction, coordination, and monitoring of village activities from an administrative standpoint.¹⁹ In addition, Community Development Management Committees (*Comités de gestion du développement communautaire, CGDCs*) promote community participation in local development.²⁰ The FEDP has been supporting these bodies in the project area.

59. To strengthen the ability of local communities to implement their SMPs, enable them to better promote the socio-economic interests of the populations they serve, and to support the priority investments the project will carry out, the AF would provide organizational capacity building support to two sets of local governance structures:

60. Local Development Funds (*Fonds de développement locaux, FDLs*): These constitute a form of local governance, but also of development finance. Each SDC with a management plan has such a structure, which is charged with administering the royalty fee of FCFA 200/m³ that forest concessionaires pay to communities based on their production. The management of the funds is incumbent upon a coordination committee in each Forest Management Unit (FMU). These committees are composed of representatives of local government, communities, the forest concessionaire, and the forest brigades. They examine and approve microprojects submitted to them. Microprojects are supposed to support local development depending on needs identified by the communities, such as public infrastructure, agricultural tools, etc. However, the money is frequently unused due to insufficient quality of the submitted projects. Support to increase the flow of funds from these existing sources would allow the AF to leverage additional funds for community development by improving project management, thus increasing the reach of the project and improving a core mechanism of the ROC's forest management system.

61. The AF would therefore support the FDLs (and the protected area funds in the two national parks, which derive their contributions from tourism revenues in the parks) to increase the flow of available funds from their accounts and enable them to better fulfill their mission to reduce poverty. To this end, the AF would provide technical support to the coordination committees to improve the governance of the FDLs and improve their ability to guide beneficiaries in structuring, implementing and monitoring their microprojects. The AF would also provide support to

¹⁹ Décret n°2010-792 du 31 décembre 2010 relatif à l'administration du quartier et du village.

²⁰ Décret n°2013-280 du 25 juin 2013 portant création, attributions et organisation du comité de gestion et de développement communautaire

economic, social, and cultural interest groups in identifying, designing, and managing microprojects to improve the quality of the proposals the FDLs receive.

62. CGDCs are a local governance structure provided for by Congolese law. Organized at the village or neighborhood level, they are responsible for the development and implementation of simplified management plans in the community development areas of forest concessions. However, in practice, they are rarely functional. Forty-eight of these bodies therefore received initial support from the FEDP, and played an active role in the development of the 15 SMPs the parent project sponsored. On the basis of the SMPs, the FEDP already implemented a series of microprojects in its ongoing phase. The AF would provide operational support from a qualified NGO to the CGDCs to set up and operate revolving funds that would disburse funds for the implementation of microprojects to the communities they serve (see below). For both the FDLs and the CGDCs, opportunities to increase the role women play in decision-making would be exploited. An exchange for selected community leaders with successful community governance projects in the region could be envisioned.

63. **Scaled-Up Agroforestry Microprojects:** With a view to improving household incomes and nutrition while reducing the footprint of individual farmers on the forest, the AF would scale up and further diversify the agroforestry microprojects the FEDP has been piloting in the area. This would involve the provision of inputs to production and training in new agricultural techniques, and would occur in close coordination with the Ministry of Agriculture.²¹ Participation in these activities will be strictly voluntary, and will focus on small farmers (0-5 ha). Between 108 and 660 additional households would be targeted, depending on the activities selected from a menu of options presented. Where possible, priority would be provided to involving women in agroforestry.

64. Soils in the project area are generally ferralitic, hydromorphic, and swampy, and therefore need careful maintenance to preserve their fertility. Farmers generally do not practice organic fertilization due to a lack of means and knowledge. Although shifting agriculture has traditionally enabled the restoration of fertility through fallow periods, with increasing population pressure, rotation cycles have accelerated, leading to declining soil fertility. Even where agroforestry systems are practiced, field observations have indicated that yields may not be sustainable due to nitrogen loss. This poses a risk to the forest cover as populations are forced to move into previously untouched forest areas. Maintaining soil fertility and reducing the pressure on the forest thus requires interventions at the scale of individual plots and their farmers to enable them to engage in practices that are at once profitable and sustainable.

65. The AF will therefore support farmers in adopting two types of agroforestry systems. Both are designed to sedentarize agriculture and reduce the footprint on the forest:

- a. Sustainable agriculture: Close to settlements, and only on previously deforested land, systems combining subsistence crops with cash crops, in systems that mix a rotation of annual crops (peanuts, beans, eggplants, peppers), medium-cycle crops (cassava, yam), perennial crops (citrus, avocado, African plum), and leguminous, nitrogen-fixing

²¹ In parallel, the Forest Investment Program is exploring options for using payments for environmental services to provide further incentives to farmers to regulate their footprint in the forest.

varieties (*Leucaena leucocephala*, *Glyricidia sepium*, *Albizia lebbeck*, *Brachiaria brizantha* etc) in hedgerows to delimit plots and maintain soil fertility. These systems aim to provide both nutritional and income improvements for households.

- b. Shade-grown cocoa cultivation: Building on the parent project's successes, and only on previously degraded land, shade cocoa in combination with bananas and maize. Each plot would implement one of three models depending on the plot's pre-existing state degradation. The density of cocoa trees would vary with each model as a function of the shade trees still standing on the plot as determined in the baseline study.

66. While farmers would be able to choose the model they would like to pursue, the baseline study would inform the range of potential options for any particular plot of land.²² For the first model, the project would sensitize farmers on the benefits of agroforestry systems, followed by training for interested farmers. Training would be provided on the use of improved varieties, agroforestry systems and intercropping, soil conservation techniques, organic fertilization (including mulching, composting, and burying of biomass, in particular of leguminous species), pest management, wildfire management, processing of agricultural outputs, and marketing of products. The project would also create community demonstration plots to promote the use of organic fertilizers and nitrogen-fixing species. Nurseries for these species would be established. Farmers willing to sign up to the project would be able to select the agroforestry system that seems most appropriate to them, and in addition to training would receive improved seeds and seedlings for the first growing cycle.

67. For the second model, efforts would build directly on the support currently provided to 160 farmers under the parent project and would expand the activity. Plots eligible for support would be identified in the baseline study mentioned above, and would be limited to fully or partially degraded land, so as to prevent intentional degradation as a means for accessing project support.

68. With cocoa seedlings being provided through the National Cocoa Development Plan, the AF would ensure transport of seedlings to more remote areas (such as Pikounda, where a demonstration plot would also be created that would also serve as a base for intercropping, grafting, etc.), financial support for the preparation of the fields, as well as basic inputs into production. The farmer training program established under the parent project would be replicated, focusing on production techniques that maximize quality and yield in an effort to enable farmers to sell to buyers at a premium. Training would concentrate on international production standards, preparation of fields, planting, maintenance, harvesting, and processing. Extension workers would follow production to provide quality assurance and supervise the sustainability of the activity.

69. The project would provide further support for managing human-wildlife conflict (HWC), which poses a risk to farmers' yields in an area that is home to a significant number of large mammals, in particular in its protected areas. The AF would fund expert consultants to identify

²² As a result, it is not possible to provide the number of participating households or the area that will be covered ex-ante. However, on the basis of the available budget and the per-hectare cost of the different intervention types, the target range can be defined as between 326 ha benefiting 108 households and 662 ha benefiting 662 households. The assumptions for the low scenario is that farmers select the most capital-intensive microprojects, and that each farmer receives support for 3 ha. The assumption for the upper bound assumes that farmers select the least capital-intensive microprojects and that each farmer receives support for 1 ha.

appropriate control measures. Promising methods include beekeeping (which can simultaneously increase crop fertility and serve as an income stream; the activity is also particularly popular among indigenous peoples) and chili fencing.

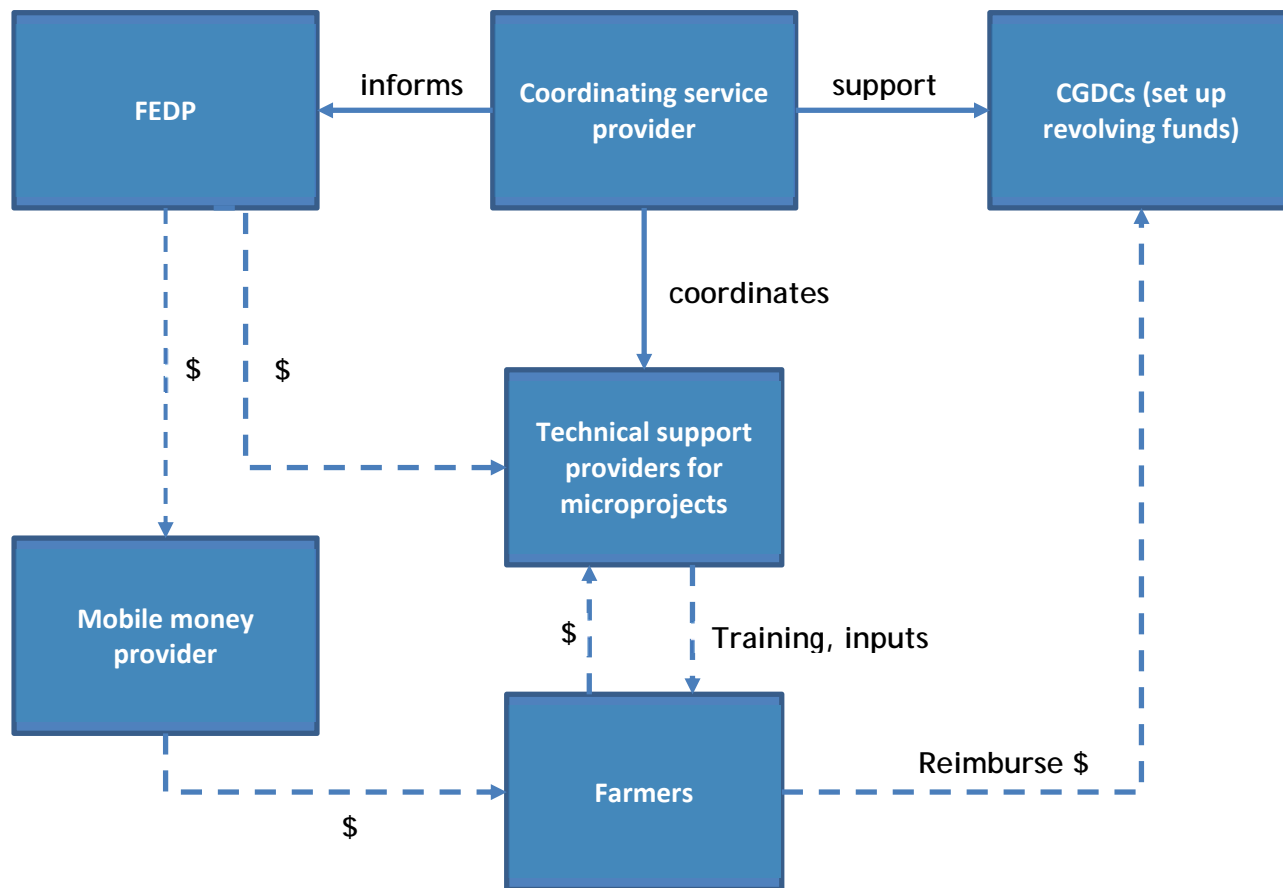
70. To maximize the reach of the project, all support to farmers would flow through revolving funds administered by the CGDCs or the coordination committees of the LDFs. These would receive support from an organization experienced in administering revolving funds to ensure transparent management. Grants would be provided to the CGDCs/LDFs based on submissions made to the project. The Project would disburse funds to farmers through a mobile money provider to finance the purchase of materials to implement the microprojects. Farmers would then reimburse the revolving fund administered by the CGDCs/LDFs according to a pre-defined repayment schedule harmonized with the harvesting schedule of their crops, so that the funds could be reinvested in additional microprojects.

71. **Processing:** To increase the incomes of farmers and ensure sustained commercial interest in the agroforestry systems, the AF would support processing and marketing of their products, both of which are generally underdeveloped in the project area, in particular for products other than cassava. To this end, the AF would establish and train farmer groups and provide simple mechanized processing units (mobile or in key centralized locations).

72. **Storage:** To enable farmers to reduce losses and benefit from periods of higher prices, the AF would support communities in renovating existing storage facilities for basic foodstuffs, and training farmers in the management of their products and storage techniques.

73. **Marketing:** High transport costs due to the bad state of infrastructure in the areas of production, insufficient competition between traders due to limited access to credit, the geographic dispersion of production, inadequate organization of producers, weak purchasing power of households, and insufficient information on markets all weaken the ability of farmers to profitably bring their product to market. To improve market access, the project would organize farmers into groups that would pool their products, thus providing sufficient volume for transporters (which often double as wholesale buyers) to bring their products to market. Further support would be provided to associations for budgeting, accounting, and marketing. The banana sector, which is particularly dependent on efficient transport networks due to the volumes produced, will be a focus of this activity, and lessons can be learned from the parent project's support to the sector. To improve the state of local infrastructure, synergies will be sought with other donor-funded projects, in particular a new commercial agriculture operation being planned by the World Bank.

Institutional set-up for support to microprojects:



74. **Component 3: Prospective work and communications (Total US\$3.00 million, no AF).**

75. This component will remain unaffected by the AF.

76. **Component 4: Habitat and biodiversity conservation (Total US\$3.85 million AF).**

77. **Sub-Component 4a: Development of National Parks (US\$2.85 million AF).** This new sub-component would support two protected areas in Sangha and Likouala. It would aim to increase the protection of pristine forest areas in the ER-P area with a triple goal of supporting REDD+ efforts, protecting biodiversity, and creating opportunities for income generation. The sub-component would contain two primary activities:

78. **Establishment of a park management structure in Ntokou-Pikounda National Park (NPNP) (US\$2.68 million AF).** NPNP was legally created in 2012, but the government has to date only been able to finance extremely basic management and protection activities comprising of five staff, including a park director, a deputy director, two anti-poaching agents, and one assistant, and only minimal operational budgets. As a result, the park is subject to poaching operations that mostly go uncontrolled. This new sub-component would aim to increase the protection of a pristine

forest area in the ER-P area with a triple goal of supporting REDD+ efforts, protecting biodiversity, and creating a basis for future opportunities for income generation.

79. **Park Governance:** The GOC has invited the Wildlife Conservation Society (WCS) to form a partnership for the management of NPNP.²³ In the Northern ROC, WCS already serves as the management partner for NNNP (since 1991) and the Lac Télé Community Reserve, as well as a partner to forestry companies and the government for the sustainable management of wildlife in the adjacent concessions of Pokola, Kabo, and Loundoungou-Toukoulaka (with CIB-OLAM) and Ngombe (with IFO). WCS thus covers a contiguous landscape in the intervention area between Odzala-Kokoua National Park, NPNP, and NNNP, creating substantial operational synergies from its various projects. The GOC, through the Congolese Agency for Fauna and Protected Areas (ACFAP, placed under the authority of the MEFDDE), has sought the support for the management of NPNP of WCS by means of a 5-year renewable partnership agreement, with a vision to enabling the sustainable management of the park. This agreement would build on lessons from a variety of parks in the ROC. MEFDDE, WCS, and the World Bank would jointly evaluate the agreement on an annual basis with a view to identifying options for improvement. Contingent upon satisfactory performance and based on lessons from management arrangements in other parks, the possibility of a transition to a full management delegation to the partner will be studied during the project lifespan.

80. Under such an arrangement, a dedicated management board would oversee the partnership and park management.²⁴ The board's responsibility would be to: 1) Provide strategic direction, 2) follow the development of the management plan; 3) review and adopt the annual logical framework, activity and financial reports, personnel salary structure, and staff procedures; 4) ensure the monitoring and evaluation of the park; 5) approve partnership, sub-contracting, and concession agreements; 6) approve the accounts, budgets, and annual and five-year work plans; 7) approve the business plans and annual work plans and their revisions; and 8) approve the procedures manual.

81. The WCS team would support the Park Director. It would be responsible for its financial and human resources management, and the implementation of the activities assigned in the partnership agreement.

82. The MEFDDE would ensure that the activities of the partnership fall within the strategies, policies, and laws in terms of preservation and development of natural resources, and contribute to the wellbeing of local communities.

83. **Park Management:** The project would hire WCS under a delegated management contract. WCS would furnish a coordinator, an administration, finance & logistics head, and community development head.

²³ Letter 01636/MEFDD/CAB/DGEF-DFAP, December 28, 2015. Minutes signed on March 9, 2017 have recorded the principles for the partnership between MEFDDE and WCS.

²⁴ Its nine board members would be drawn from the government (which would nominate the president and the rapporteur), WCS (which would nominate the vice-president and the secretary), three persons known for their commitment to and qualifications in conservation in Congo, and administration and finance), and two representatives of communities surrounding the park.

84. WCS would ensure the preparation of a management plan, professional development of the annual work plans, budgets, and business plans, execution of said plans, transparent financial management and administration, attracting additional investments, recruitment of its personnel, development of partnerships, as well as preparation and distribution of reports as required by the management committee and donors. It would also support the MEFDDE in the development and implementation of a standard operations manual for the park. Reporting to the board would cover all aspects of the park operations, including financial, technical, law enforcement, ecological, and community-related activities. Key Performance Indicators detailed in the annual work plan would be assessed on a yearly basis. Additionally, an annual staff performance evaluation would be conducted by the WCS Coordinator.

85. To support the Conservation and Biodiversity team, which will be responsible for law enforcement and comprises anti-poaching, law enforcement monitoring, human intelligence gathering, prosecution follow-up and surveillance activities, WCS would provide training to ecoguards. This would include training in the use of SMART software to collect systematic information on the park and organize their activities, in accordance with recommendations from the GEF Independent Evaluation Office.

86. The Administration, Finance & Logistics team would be responsible for all finance and administration matters (procurement, distribution of material, financial control, reporting, etc.). An Administration & Finance Coordinator would be based in the project area, with support from one of WCS's in-country offices. In addition to finances, all the storage, provisions and stocks will be the responsibility of this unit. The unit would also prepare annual financial reports. It would further ensure that the park has well maintained infrastructure, means of transport, etc., and would be in charge of overseeing construction projects.

87. The Community Development team would comprise activities from environmental education and outreach to providing services such as schools, clinics, and stores to the villages in the buffer zone, as well as alternative livelihood development. This unit is essential for building a conservation constituency around the park and for helping to prevent illegal activities while gathering insider's information. It would liaise closely with the service providers who will carry out activities under Component 2 of the Project, including to help identify small-scale poachers who could be incentivized to convert their livelihood basis to agroforestry activities.

88. A Research and Monitoring team would later provide ecological data to park managers, informing management decisions. This data includes diverse metrics ranging from long-range measures of the effect of climate change to the daily animal encounter rates at key wildlife hotspots. This provides information on the ecological health of the park, as well as human encroachment, and poaching events to inform anti-poaching operations.

89. **Activities:** The management partner would first develop a park management plan. The management plan would: 1) define the mission of the national park, 2) analyze the operating environment (institutional, legal, social, economic, cultural, political, including on access to natural resources, land rights, protected area governance), and 3) lay out the short-, medium- and long-term objectives of the park from a scientific, socio-economic (including benefit sharing), and administrative perspective. Emphasis would be placed on close consultations with surrounding

communities and on incorporating them in park management decision-making processes. The management plan would include a business plan that would be adapted to projected future operating and management budgets.

90. During the management planning phase, which is expected to last about one year, the AF would only provide basic staffing, equipment, and activities to allow for starting up park operations.²⁵ The management plan would make recommendations for any infrastructure development, including a basic park headquarters including staff accommodation, the location of which will be determined during this phase, but which would preferably take place outside the park. The design of the initial buildings would need to permit extension at a later date. Any infrastructure development would be subject to development of an ESMP. Equipment for headquarters would include a limited number of vehicles and boats, power generation, office and communications equipment, furniture for offices and staff quarters, and basic operating expenses. The project would also cover initial staff training, which would focus on surveillance and anti-poaching, and would take advantage of existing training regimes and facilities operated by WCS and/or the ranger training center at Lebango to be financed by a parallel UNDP/GEF project. The project would further provide equipment for staff, including uniforms, communications equipment, and patrol equipment. Finally, in this phase the project would provide support for ecoguard patrols in the form of rations.

91. Once the management plan is in place, the AF would finance the first phase of implementation of the management plan, which would include the construction of control posts in strategic locations, liaison offices, further training and equipment of staff, and the implementation of priority programmatic activities developed in the management plan.

92. Linkages would be created with Component 2 to provide a platform for interaction with surrounding communities, and incentives to reduce resource extraction from the park, most notably through agroforestry activities and the management of human-wildlife conflict, which would as a priority be targeted at communities living near NPNP. While constituting a key complement to the community development program NPNP would set up, Component 2 would provide start-up financing that will be beyond the reach of NPNP's own programs for some time to come. The financially self-sustainable design of the microprojects is expected to bolster community relations over time. In addition, on the basis of consultations during the project-planning phase, the project would provide improved drinking water access for neighboring communities.

93. **Development of Nouabalé-Ndoki National Park (NNNP) (US\$0.17 million AF):** NNNP is on much sounder financial footing, owing primarily to the long-term involvement of WCS, which has managed the park together with the government since 1993. The park is well-managed enough to attempt to increase its fledgling tourism revenues. The broader Sangha Tri-National Region's Ecotourism Development Strategy has outlined a way forward for the tourism sector,²⁶ and NNNP is seeking to gradually build a revenue stream from a steady but low base of 150 visitors per year. With an additional gorilla group being habituated for visitation, and historic numbers of tourists having reached four times current levels, the park has the demonstrated ability to absorb

²⁵ Human resources financed through the AF at all times would be limited to staff hired through the WCS Unit, but would exclude any law enforcement staff, including ecoguards or their direct supervisors.

²⁶ Eco-Tourism Development Strategy, Sangha Tri-National Region. Sangha Tri-National Foundation, 2015.

higher numbers of visitors. The vision for tourism in NNNP is to engage professional private tourism investors to build and manage a quality and environmentally friendly lodge near the park via a concession framework. Discussions are underway with a potential investor.

94. The AF would finance targeted investments in the park to increase its attractiveness to outside investors and to gradually diversify the income streams of this pristine protected area. Activities would focus on strengthening the park's capacity to accept visitors and professionalize operations before private investments can be feasible, taking into account important considerations such as security, liability, and staff capacity. Physical investments would be limited to areas outside the park boundaries but within the purview of the park management agency.

95. Guide training: NNNP has completed two rounds of an intensive training program, which includes site visits to Odzala and Dzangha Lodges and on-the-job training. This has resulted in the hiring of three new guides. The park aims to hire at least two more guides to handle the demands of multiple tourist groups. The training would be a six-week program for bilingual (French / English) guides.

96. Guide accreditation training: In an effort to raise the standards of guides in NNNP so as to attract more professional tourism agencies and ensure that guide positions remain staffed by Congolese nationals rather than companies bringing in outside guides, the AF would support the professional accreditation of its guides by a respected guide company.

97. First aid training: Given the remote location of NNNP, it is essential that key tourism and management staff receive professional first aid and emergency training adapted to remote settings. The AF would finance such a course.

98. Assessment by insurance company: For the park to engage in tourism at a professional level, it must take the necessary measures to assess security risks and reduce liability. The AF will fund the services of a consultant to advise on appropriate safety briefings for tourists, signage to guide tourists/employees in case of an emergency, and to draft an incident management document for the park. This document should provide clear instructions on recommended actions for incidents at different sites in the park.

99. Small infrastructure improvements in facilities located outside the physical boundaries of the park: 1) A river deck overlooking the Sangha River would be constructed outside the park to serve as a restaurant area. In addition, an eating area at the Mondika site would be constructed. 2) The Djeke drop-off point is the site where tourists are dropped off/picked up by vehicles before/after the 3-hour hike to Mondika, where they follow habituated gorillas. To make this trek more appealing to a range of tourists, a small gazebo and toilet would be constructed to enable tourists to prepare for the hike on the way in or wait for transport on the way out. The toilet will help to reduce spontaneous trips along the trail, thereby reducing the disease risk to wild apes. 3) At Ndoki Camp, where tourists are dropped off by vehicles before travelling to Mbeli by pirogue, existing small infrastructure would be rehabilitated. 4) Repairs would be carried out to the road network between the key tourist sites of Bomassa, Ndoki camp (the drop off site for Mbeli), and Sjeke (the drop off site for Mondika). 5) Refurbishment of the Kabo airstrip, located outside the park.

100. Media development: The AF would finance the production of signs, brochures, posters, illustrations and info-graphics that would be used on various materials to ensure consistent branding across the park.

101. Transport: Two vehicles would be dedicated to tourism activities to ensure that conservation operations such as anti-poaching patrols, research missions etc. are not compromised due to the schedules of tourists. The addition of the vehicles will allow tourism operations to remain independent. Two pirogues would facilitate transport of tourists to the sites.

102. **Sub-Component 4b: Capacity for national anti-poaching efforts (US\$1.00 million AF)**

103. The activities and actions outlined in this sub-component are based on the ICCWC assessment report's recommendations. Activities were prioritized based on feasibility and predicted impact, and coordinated with a parallel GEF-6 funded program administered by UNDP.²⁷

104. The Sub-component would focus on four activities:

105. **Establishment of a Criminal Records Management System (CRMS) and Database:** The ROC has no centralized database for the collection of criminal or judicial records related to wildlife and environmental crime. Consequently, persons arrested for wildlife crimes are frequently not recognized nor tried as repeat offenders. Similarly, the lack of a centralized database makes it difficult to track information pertaining to weapons, vehicles, and tools used, and potentially re-used, in the commission of these crimes.

106. Data collection on wildlife and forest crime is currently limited to two disparate systems, the Wildlife Enforcement Monitoring System (WEMS) and the Spatial Monitoring and Reporting Tool (SMART). WEMS is a web-based platform that allows for the collection and analysis of information on trans-border wildlife crime and has been maintained by the National Representative to the Lusaka Agreement Task Force (LATF) since 2011. SMART is an incident-based system used for measuring, evaluating and improving the effectiveness of site-based wildlife enforcement patrols, but does not capture and track investigative or judicial data. SMART is currently deployed and utilized by most ecoguard units in the TRIDOM and TNS areas. Neither has the capacity to combine judicial records and incident data, or to systematically communicate data across different jurisdictions.

107. The ICCWC report recommends the establishment of a CRMS (Recommendation 13). Such a system allows law enforcement agencies to collect, store, retrieve and analyze information

²⁷ Two activities of the UNDP and WB GEF-6 project directly relate to each other, allowing for broader program synergy and collaboration. First, the UNDP proposal supports the effective implementation of the Joint Judicial Monitoring Committee, with a primary mandate to monitor, assess and make recommendations for the improvement of judiciary responses related to wildlife crimes. This activity complements and supports the Legislative Review and efforts to set up a Specialized Environmental Chamber within the Congolese courts to hear wildlife and environmental cases. Similarly, both projects will establish canine detection units as embedded capacity within ecoguard units. Although these canine units will cover different geographic areas and support different protected areas, the implementing design and concepts are the same, affording an opportunity for sharing of resources and expertise across both projects.

on wildlife crime and the persons involved. The analysis of consolidated data to determine networks, patterns and trends enables improved strategic, tactical, investigative and administrative use. A centralized records system not only improves operational and investigative decision-making, but can also assist in identifying repeat offenders and those who play a lead role within criminal networks, ensuring that appropriate penalties are assessed. Upon implementation the system would become a fixed and permanent government system, increasing the capacity and effectiveness of both law enforcement operations and investigations as well as the judicial responses required to act as an effective deterrent.

108. The CRMS and database would be housed in the MEFDDE within either the Wildlife and Protected Area Directorate (DFAP) or the Congolese Wildlife and Protected Area Agency (ACFAP). This would include contracting the support of a consultant to conduct a technical needs assessment to ensure compatibility with (and possibly building on) existing national crime databases, assist the government in identifying appropriate software or software extensions, and deploy a CRMS and database suitable for use at a national level. Key capabilities of the system should include: 1) The ability to consolidate multiple data sources, i.e. records from various jurisdictions allowing for the search, access and use of all records by authorized personnel; 2) Secure and encrypted web-based storage of data and records, with automated backup systems; 3) The ability to interface and either periodically feed into or make use of current data collection systems, including WEMS and SMART; 4) A standardized interface that is easy to use, encouraging timely and accurate data entry and use at multiple levels within the organization, with clear rules and standard operating procedures; 5) Allows for the easy identification of inactive or obsolete records in accordance with established policies and protocols; and 6) Should be flexible and expandable to allow for implementation in other agencies with a view to becoming the national records database for the Congolese government. The above capabilities would be based upon established criminal justice standards including; the Global Justice XML Data Model (Global JXDM), the National Information Exchange Model (NIEM), and the National Institute of Science and Technology (NIST) standards.

109. Implementation of the system would be accompanied by development of standard operating procedures, and identification and training of users. Training needs and objectives would be identified and a complete training plan developed and implemented that would ensure all users are trained to the level they require to ensure the system is useful and effective. Technical support would be provided for the duration of the project to ensure uptake and gradual handover of responsibilities to system managers. A study tour to a country with a functioning CRMS could also be funded.

110. **Strengthening international cooperation through formation and training of a Regional Wildlife Enforcement Network (Congo Basin WEN):** Current regional law enforcement cooperation in the ROC is largely limited to communication and coordination on cross-border patrols with neighboring countries. Regional cooperation on investigations of transnational wildlife crime and trafficking is minimal to non-existent. The ICCWC report highlighted international multi-agency cooperation as a priority action (Recommendation 21).

111. A standardized regional enforcement workshop would be organized by INTERPOL's Environmental Security Sub-directorate (ENS) (and possibly involve other ICCWC members) to

promote information and intelligence collection and sharing, as well as intelligence development at national and international levels, and create a capacity for multi-country operational planning. Participants from regional countries (including the ROC, Gabon, Cameroon, the Central African Republic and the Democratic Republic of the Congo) would include forestry and/or protected area law enforcement managers, police, customs, as well as representatives from each INTERPOL National Central Bureau and the Lusaka Agreement Task Force.

112. The training would include training and instruction modules on phases of a large-scale operation; defining operational goals, objectives and indicators; developing an information collection plan; selection of enforcement actions; risk assessment and management; and monitoring and evaluation. The training would be based on the Operational Planning Manual – A Guide to Preparing Large Scale Operations developed by the ENS and provided along with all associated templates to each participant. Participants would incorporate existing open cases into the exercises that the multi-national group would work on. The training would use a “train the trainer” model where trainers receive instruction and resources, including copies of both instructor and student manuals, in order to pass on knowledge at their duty stations.

113. The training would serve as a catalyst for formation of a regional Wildlife Enforcement Network (WEN). The WEN would be operationalized through a multi-national investigative operation. Participating countries would be required to submit an operational plan based on the training and templates provided for approval prior to receiving any funding in support of subsequent operations. The operational plan would be scrutinized by the International Criminal Police Organization (INTERPOL) and the World Bank to ensure it satisfactorily addresses all aspects of the operational planning process with an emphasis on safety (risk assessment and management) and due process. Mandating a subsequent operational period, following training, ensures that knowledge learned is put into practice and further solidifies the network and platform required for long-term regional law enforcement cooperation.

114. **Review of Wildlife Crime Legislation:** The ICCWC report recommended strengthening the legal system, including through legislation implementing the Convention against Transnational Organized Crime (Recommendation 16). The assessment recognized that although the law on fauna and protected areas²⁸ shows significant progress in combating poaching, it is no longer an adequate operational legal tool against cross-border wildlife crime led by organized criminal networks. The current legal system is not adequate to incriminate members of such networks, who take advantage of loopholes in national legislation. The assessment specifically recommends support for the drafting and validation of a law on the implementation of the Convention against Transnational Organized Crime and its additional protocols.

115. A judicial study carried out by WCS in 2016,²⁹ combined with a workshop organized in Ouessou relating to the "Conservation, Justice and Security in the Sangha Department" (5-6 September 2016), which brought together partners, magistrates and public authorities, revealed important issues on the implementation of the legislation itself. Law 37/2008 has loopholes, and is unclear in places, resulting in difficulties of interpretation. In addition, parliament has never published any application texts, highlighting that the law itself requires significant reform.

²⁸ Loi 37-2008 du 28 novembre 2008 sur la faune et les aires protégées

²⁹ Scoping study on the effectiveness of the judicial system at prosecuting wildlife crime in the Republic of Congo

116. The AF would provide follow-up to this judicial study with the following specific objectives: 1) Compile all shortcomings and loopholes identified within Law 37/2008, including by assessing conformity with the CITES framework; 2) Issue a proposal and prepare draft language for revisions to Law 37/2008; 3) Hold a workshop with magistrates to ensure the draft is understandable and incorporates any feedback and recommendations; and 4) Coordinate with other ministries to build support for the law's adoption by parliament.

117. In addition, the assessment report highlighted the need to establish a specialized panel of judges to oversee and hear wildlife crime cases in the courts (Recommendations 7 and 14). Currently wildlife crime cases are treated in the *Tribunaux de Grands Instances* (TGI) that encompass multiple types of criminal activity. One of the major findings from a WCS-led judicial study was that in certain courts in the country (i.e. courts in close proximity to wildlife and protected areas and farther from major urban centers), up to 80 percent of cases heard concern wildlife crime or other forms of environmental crime. There is therefore a particular need for judges and magistrates with specialized knowledge to oversee such cases and to sit in such courts.

118. The AF would employ a consultant to facilitate a round-table discussion between the MEFDDE and the Ministry of Justice, both of which have expressed willingness and support for the establishment of an environmental chamber at the TGI. The round-table would determine the institutional and legal mechanisms under which the environmental chamber would function, and develop an implementation plan.

119. **Establish canine detection units:** Canine detection units have proven to be highly effective at increasing the capacity of anti-poaching units throughout Africa, including in the ROC. They have been utilized to good result in East and Southern Africa as well a number of central African countries including Gabon and Cameroon. Properly trained and managed canine units can greatly increase the areas covered by patrols, looking for snares, bushmeat, firearms and poachers. Canine detection units can also greatly enhance the effectiveness of fixed inspection points such as border crossings and strategic access points. (ICCWC Recommendation 16).

120. There are no canine units attached directly to ranger or ecoguard units in the ROC. Currently the only canine detection unit is the *Programme Chiens Renifleurs* (PCR Congo), which is a privately staffed and managed program funded by the Aspinall Foundation. Located in Brazzaville, the unit consists of four dogs trained to detect ivory (raw, worked and/or shavings, remnants from the carving process), pangolin scales, bushmeat, weapons, and ammunition. Established in 2014, this private entity has deployed, when requested, in support of ecoguard patrols and vehicle checkpoints as well as in support of airport inspection at the Maya-Maya International Airport.

121. The AF will support the establishment of a canine unit embedded within an existing ecoguard unit in the TNS area to take advantage of existing facilities and resources, including housing and transportation, and to ensure the unit is institutionalized and considered an integral part of the unit's resources and capacity. The unit will consist of a dedicated manager to start up the program, and between 2 and 4 dog-handler teams. The program manager will have

responsibilities for training, personnel, logistics and financial management.³⁰ The program manager will be contracted to conduct program design and implementation, select suitable team members, select canines, and ensure capacity building and transition arrangement for full responsibility to selected ecoguard units.

122. Component 5: Project management (Total US\$0.33 million AF).

123. The AF will finance the continued equipment (vehicles, furniture, IT and office supplies) and operational costs of the project coordination unit.

³⁰ This complements a similar UNDP-GEF funded proposal that recommends locating canine units within existing ecoguard units in Sembe, Makoua, and Brazzaville, thus achieving significant landscape coverage in combination with the AF. Implementation can take advantage of this parallel activity potentially reducing initial research and start-up costs. Implementation can also take advantage of insights and lessons learned from the 2012 study “Assessing the Feasibility of Using Detection Dog Teams to Help Reduce and Detect Ivory and Bush meat Traffic in Gabon,” conducted by the WCS, in conjunction with Working Dogs for Conservation (WD4C) and the Gabonese National Park Agency (Agence Nationale des Parcs Nationaux (ANPN), the Ministry of Water and Forests (MINEF).

ANNEX 4: IMPLEMENTATION ARRANGEMENTS

A. IMPLEMENTATION ARRANGEMENTS

124. In consultation with the MEFDDE, it was agreed that the institutional and implementation arrangements of the AF would remain unchanged. The MEFDDE would continue to be the World Bank's main counterpart in its capacity as the project implementing agency. The ministry's Department of Studies and Planning (DSP) would have overall responsibility for project coordination and implementation. The MEFDDE would ensure that the project is correctly implemented in a timely fashion and that the PDO is achieved. The MEFDDE's PIU would remain in place, and would implement the AF, thus enabling continuity with the parent project. The project's steering committee would stay in place and continue to provide oversight.

125. The current approach of embedding expert consultants in the DSP through the PIU to work together with government officials to transfer capacity through on-the-job training would be continued for a maximum of two years. Expert consultants would thus continue to support procurement during the critical procurement period (one expert for a period of two years), financial management (one expert for the duration of the AF), and monitoring and evaluation and social safeguards (one the duration of the project). In addition, the MEFDDE would second one environmental expert on a full-time basis to cover environmental safeguards. Each expert would continue to be assigned a government counterpart to be trained on the specialist's responsibilities. The consultants would develop and implement training plans to ensure knowledge transfer to their counterparts, as has been the practice to date.

126. The existing PIM would remain in place. It includes detailed sections on procurement objectives, use of World Bank guidelines, Procurement Plan, thresholds for procurement methods and prior review, procurement tasks and responsibilities, strengthening procurement capacity, procurement categories, procurement steps, contract management and expenditure reports, publications of awards and debriefing, fraud, corruption, and documentation and filing system. The PIM is a live document, expected to be updated from time to time as agreed, to reflect agreed refinements to project procedures. It will be updated no later than three months after effectiveness to reflect the AF context and activities.

127. Sub-Component 4.a. requires special considerations for implementation: Overall responsibility for implementation of the activities in NPNP will lie with the partnership established to manage the park. The partnership would operate under the oversight of a management board. The project would hire the park management unit under a single-source delegated management contract with WCS.³¹

³¹ Single sourcing of WCS is justified as follows: WCS has a long-standing strong track record of park management in ROC in Nouabalé-Ndoki National Park, Konkouati National Park, and Lac-Télé Community Reserve ; WCS already has a fully-developed in-country institutional infrastructure (registered head office, satellite office in Ouesso), thus creating efficiencies in terms of both set-up time and overhead costs; WCS already manages the ecoguard units in the Ngombé forest concession, which abuts NPNP, thus substantially facilitating seamless coordination of protection efforts between the two areas; WCS's activities in other neighboring forest concessions and NNNP extend this advantage across the broader landscape; WCS has indicated its willingness to engage in a

B. PROCUREMENT

128. Based on its satisfactory performance to date, the current procurement arrangement set up within PFDE would remain and this unit will carry out all procurement activities. This procurement unit has benefited from the assistance of a specialized officer who has qualifications and experience to handle all procurement activities for this project.

129. Procurement for the proposed project will be carried out in accordance with the World Bank's "Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers", dated January 2011 revised July 2014; "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers", dated January 2011 revised July 2014.

130. The "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants" (October 15, 2006 and revised in January 2011); and the provisions stipulated in the Financing Agreement shall apply.

C. FINANCIAL MANAGEMENT

131. As part of this additional financing to the FEDP, a financial management (FM) assessment of the fiduciary FEDP unit was carried out. The objective of the assessment was to determine whether: (a) this unit has adequate financial management arrangements in place to ensure that the additional financing funds will be used for purposes intended in an efficient and economical way; (b) the project financial reports can be prepared in an accurate, reliable and timely manner; and (c) the project's assets can be safeguarded. The FM assessment was conducted in accordance with the Financial Management Practices Manual issued by the Financial Management Sector Board on November 3, 2005 as revised in March 2010. The assessment concluded that the existing financial management system (budgeting arrangement, accounting software, internal control system, funds flow arrangement and reporting system) is suitable for the implementation of the additional financial project; the overall residual financial management risk is substantial.

132. The FEDP unit has performed satisfactorily throughout the ongoing parent project since effectiveness. The following major strengths were identified: (i) project manual of procedures as well as project software are in place and functioning well, and fiduciary staff have been trained in the use of these tools; (ii) staff has been trained in the use World Bank fiduciary procedures.

D. SAFEGUARDS

133. The project's objective is to increase the capacity of the forest administration, local communities, and indigenous peoples to co-manage forests. As such, the overall environmental and social impact of the project is expected to be positive. The project would retain its Category "B" rating. The creation of the park management plan will focus on managing social impacts of the park, including allocating formal use rights for pre-existing activities in the park area through

long-term partnership, thus providing the basis for consistency and long-term sustainability of park management. In addition, the MEFDDE has already invited WCS to form a partnership.

the allocation of community use areas. Project activities to promote agroforestry approaches on degraded forest areas are expected to contribute to reduced impact on the forest cover and improved livelihoods for local communities. Improved management of NPNP is expected to increase the integrity of the national park, and only minor works are foreseen within the park.

134. **Existing Safeguards Instruments.** The original FEDP project prepared, consulted upon, and disclosed a full suite of safeguard documents: an Environmental and Social Impact Assessment (ESIA), which included an Environmental and Social Management Framework (ESMF), a Resettlement Policy Framework (RPF), an Indigenous Peoples Plan Framework (IPPF) and corresponding Indigenous Peoples Plan (IPP), and an Integrated Pest Management Plan (IPMP). No large-scale environmental or social impacts were identified from the project investment.

135. **Environmental and Social Risks.** The ESMF was updated and disclosed prior to appraisal. It will guide mitigation of potential identified risks and will continue to be applied to the scale-up activities. Negative social and environmental impacts of project activities are expected to be minor. Limited economic dislocation is possible in NPNP, as local indigenous and non-indigenous groups have traditionally used the park for various purposes (habitation, wood, medicine, hunting, etc). No physical resettlement will be carried out. The RPF will manage any potential involuntary resettlement or economic displacement as a result of any project-related activities, however the park management plan, which will be developed in a participatory manner, will also incorporate safeguards requirements. A Process Framework (PF) was developed to account for the development of increased access restrictions for NPNP under Component 4a, and the IPP and IPMP were updated to reflect new project locations and activities. They were disclosed prior to appraisal.

136. The project's expected social benefits include, but are not limited to: strengthened community participation in management of SDCs as a result of the implementation of the simplified management plans designed under the original project; enhancement of livelihood sources through agroforestry activities; and strengthened community participation in the management of NPNP.

137. The PIM includes detailed sections on safeguards, including positive environmental and social impacts, potential negative impacts, mitigation of potential negative environmental impacts, and mitigation of potential resource access restriction and implementation responsibilities.

138. **Safeguards performance to date.** The overall Safeguards performance under the original FEDP project has been rated Moderately Satisfactory (latest ISR, most recent in January 2017) pending receipt by the World Bank of Environmental and Social Impact Notices and increased supervision of the implementation of the Integrated Pest Management Plan. The Project Implementing Unit (PIU) includes an Environmental and a Social Development Specialist to supervise the safeguards implementation and ensure compliance with World Bank Safeguards Policies. Both are international consultants assigned full-time to the PIU. Additionally, the PIU benefitted from environmental and social safeguards capacity building that was conducted by the World Bank safeguards specialists. As part of a comprehensive safeguards capacity building effort in the CMU, the PIU will benefit from additional training in FY 2017.

139. **Indigenous Peoples.** The FEDP original project prepared an IPPF. Later, the project prepared IPPs based on the Local Development Plans for the savannah and forest zones.

140. **Resettlement and Land Acquisition.** In an effort to mitigate negative impacts with respect to OP 4.12, the original project avoided land acquisition. The project's infrastructure investments remained on Government-owned forest concession lands. The project is in possession of legal documents/titles for the lands. Therefore, the original project has performed no land acquisition so far. In this AF phase, the project would continue to restrict activities to Government-owned lands to minimize land acquisition. Where it operates on community land, the baseline study under Component 2 is expected to clarify land rights before enabling any activities to proceed.

141. **Feedback and Grievance Redress Mechanism (FGRM).** The PIU has closely collaborated with the Network of Indigenous People of Congo (Réseau National des Associations des Peuples Autochtones du Congo – RENAPAC) to address existing grievances/complaints throughout project implementation. The updated social safeguards instruments (RPF and IPP) establish a clear FGRM process to ensure its successful and systematic application in the AF phase. The parent project's FGRM will be extended to new project areas to manage and resolve conflicts.

ANNEX 5: INCREMENTAL COST ANALYSIS

142. **Baseline Scenario:** The baseline context is defined by: (i) Degradation of tropical rainforest and land due to shifting agriculture, (ii) Biodiversity assets and natural habitats of local, regional and global importance that are under increasing threat, and degradation of wildlife and natural habitats, but with insufficient national ability to protect them; and (iii) a poaching crisis, coupled with a lack of policy coherence and capacity to mount a coordinated response.

143. **Baseline Financing:** Given the additional financing nature of this project, the incremental cost analysis is essentially an update of the baseline project supported through earlier IDA financing. As a result, the baseline is ongoing and currently active projects constitute the baseline scenario. As summarized in Table 2 below, the baseline financing for this project is the financing that will be directed to sustain NPNP and NNNP, agroforestry, and anti-poaching activities in the project area over the lifetime of the additional financing (five years). It includes the Government's and IDA's contribution of US\$8,141,000 and US\$3,489,000, respectively, for agroforestry investments as part of the FEDP and contributions to project management. It also includes existing support from WCS for management of NNNP and wildlife management in the forest concessions of the intervention area of US\$21,600,000. National anti-poaching measures are cross-ministerial in nature and government budgeting does not enable estimates of funds dedicated to the sector. They are hence excluded from this tally.

Table 2: Baseline and Incremental Funding (US\$)

	Government	FIP	FCPF	GEF6	IDA	Other	Total
Baseline	8,141,000	0	0	0	3,489,000	21,600,000	33,230,000
Incremental	0	16,000,000	60,000,000	6,509,761	0	14,560,000	97,069,761
Total	8,141,000	16,000,000	60,000,000	6,509,761	3,489,000	36,160,000	130,299,761

144. **GEF Alternative:** The GEF financing will form part of the ROC's Sangha-Likouala ER-Program, and is therefore a core part of providing proof-of-concept for the country's REDD+ efforts at a jurisdictional scale. As such, it will contribute to the country's efforts to create a viable package of investments that will enable emission reductions and help unlock the US\$60 million in performance-based payments the FCPF is making available for this purpose, with an emphasis on the forestry sector. It also will bring to bear the GWP's theory of change to the parent project, extending activities to support the fight against wildlife crime. The incremental GEF support forms a child project under the GWP. GEF funding joins an estimated US\$16 million from the FIP (exact amount subject to completion of investment planning) which is expected to be invested in promoting agroforestry approaches, conservation agriculture, and payments for ecosystem services, with an emphasis on the cocoa sector in an effort to curb forest carbon loss resulting from shifting agriculture. An additional US\$14.56 million from the French Development Agency (AFD), which will be invested through two projects (Northern Congo Forest Landscape Project and the Cocoa Project), will target the development of a sustainable cocoa sector, as well as anti-poaching and sustainable forest management in Sangha and Likouala departments. Both projects are currently under development.

145. To respond to the growing wildlife crisis and international call for action, the GEF in June 2015 launched the Global Wildlife Program (GWP). Led by the World Bank, the GWP is a \$131 million grant program designed to address wildlife crime across 19 countries in Africa and Asia. The GWP serves as a platform for international coordination, knowledge exchange, and delivering action on the ground. The GWP builds and strengthens partnerships by supporting collaboration amongst national projects, captures and disseminates lessons learned, and coordinates with implementing agencies and international donors to combat the illegal wildlife trade globally.

146. National projects within the GWP form an integral part of a community of practice that promotes the sharing of best practices and technical resources. The AF represents a national project under the GWP. During the first year of implementation of the global program, Congolese participants already benefited from participation in two in-person knowledge exchange events that were held in Kenya and Vietnam. These events brought the GWP countries together to exchange experiences on various anti-poaching, anti-trafficking, and demand reduction issues. During project execution, the ROC will also have access to the documentation and materials produced during other virtual and in-person meetings of relevance to the activities to be financed by the GEF, in particular those related to protected area management, and judicial and legal instruments to combat wildlife crime.

147. **Incremental Cost Analysis:** The total cost of the baseline scenario is estimated to be US\$33.2 million (see Table 3). The GEF alternative is estimated at US\$130.3 million. By investing an incremental US\$6.51 million for the GEF alternative through this proposed additional financing, the GEF is leveraging an additional US\$16 million from the FIP, US\$60 million from the FCPF, and US\$14.6 million from AFD, thus enabling a total incremental investment of US\$97.1 million.

Table 3: Incremental cost matrix

Component	Category	US\$	Domestic Benefits	Global Benefits
1: Capacity building of the forest administration	Baseline	Unaffected by AF	N/A	N/A
	With GEF Alternative	Unaffected by AF	N/A	N/A
	Incremental cost	0		
2: Involvement of local communities and indigenous people in forest resource management	Baseline	10,000,000	Investments in sustainable agroforestry systems will remain limited, maintaining pressure on forests in community areas, and corresponding land degradation.	Insufficient management of community areas will result in continued pressure on forests, threatening valuable habitat and decreasing carbon stocks.
	With GEF Alternative	98,521,655	Sustainable agroforestry systems can be expanded, allowing for longer-term proof of concept, and a value chain approach to sustainable	Sustainable agroforestry systems lead to reduced land and forest degradation, and to more effective protection of globally significant biodiversity and carbon stocks.

			agroforestry can be adopted, leading to reduced pressure on forests and improved livelihoods.	
	Incremental Cost	88,521,655		
3: Prospective work and communications	Baseline	Unaffected by AF	N/A	N/A
	With GEF Alternative	Unaffected by AF	N/A	N/A
	Incremental Cost	0		
4: Habitat and biodiversity conservation	Baseline	21,600,000	NPNP would remain without a functioning management structure, and NNNP would be limited in its ability to accommodate tourists. The fight against poaching would continue to suffer from important funding shortfalls, limiting its effectiveness.	Globally significant biodiversity in NPNP would remain threatened, and the revenue-generating potential of NNNP would remain underexploited. The government's inability to stem the tide of poaching would permit continued depletion of globally significant biodiversity.
	With GEF Alternative	29,822,618	NPNP would receive a functioning management structure, and NNNP would be better able to accommodate tourists. The fight against poaching would benefit from strategic improvements.	Globally significant biodiversity in NPNP would receive better protection, and the revenue-generating potential of NNNP would be improved, laying a gradual foundation for diversified revenue streams and the park's ability to protect its biodiversity. The government's improved ability to fight poaching would reduce the continued depletion of globally significant biodiversity.
	Incremental Cost	8,222,618		
5: Project management	Baseline	1,630,000	N/A	N/A
	With GEF Alternative	1,955,488	N/A	N/A
	Incremental Cost	325,488		
Total	Baseline	33,230,000		
	GEF Alternative	130,299,761		
	Increment	97,069,761		

ANNEX 6: ECONOMIC ANALYSIS

148. **Development Impact:** The economic analysis of the AF centers on the agricultural microprojects in Component 2, as these constitute the only investment for which a return can be calculated. In Component 4, investments in NNNP are part of a long-term effort to gradually build an attractive product for ecotourism. It would not be possible to attribute any subsequent potential rise in tourism receipts to the investments made, as a) many intervening factors, such as political stability and the ease of obtaining visas will have confounding effects on causality, b) parallel investments are being made by the park operator in gorilla habituation, which equally will influence the attractiveness of the park, and c) in the early stages of tourism development, any investments need to be considered patient capital with attendant expectations on returns. Similarly, investments in NPNP serve to create a management structure and improve park protection, for which no return can be calculated aside from preservation of ecosystem services. However, there is insufficient data available to calculate the latter. Lastly, and in the same vein, investments in national anti-poaching also do not carry a monetizeable return on investment.

149. With respect to the microprojects that will be supported in Component 2, it is not possible to calculate a total return on investment, as the total area that would be put under cultivation depends on the suitable sites identified as part of the baseline study, and as farmers then would have a choice of which combination of crops to plant. As a result, returns on investment were calculated for each set of planting scenarios to illustrate the range of possible returns.

150. The returns would have been higher had it been possible to account for health benefits from a diversified nutrition regime associated with the sustainable agriculture activities in an area where traditional diets are largely based on cassava and plantains. Similarly, the ecosystem services resulting from improved land and forest management have not been accounted due to a dearth of data in the project area, but would further improve the activity's expected returns.

151. This limitation notwithstanding, in the case of carbon, an illustrative example can be provided: The EX-ACT tool evaluates the carbon sequestration potential per hectare of converting degraded land into tree crops to be 48 tCO₂e over a four-year period (and 166 tCO₂e over a 20-year period). Using a carbon price of US\$5/tCO₂, this would represent US\$830 per ha over a 20-year period. The AF expects to treat a minimum of 100 ha with cocoa agroforestry systems. Assuming the project only operated on degraded land, this would result in sequestered carbon of 16,600 tCO₂e over 20 years, this would represent the equivalent of US\$83,000. In the case of the sustainable agriculture activities, 44 tCO₂e are expected to be sequestered per hectare over a 20-year period, with a value of US\$220 per ha. As the AF expects to treat a minimum of 100 ha with such systems, this would result in 4,400 tCO₂e over a 20-year period, valued at US\$22,000.

152. The analysis assumed a discount rate of 10 percent, and calculated returns over a 20-year period using an exchange rate of CFA 580 to the US\$. Input costs including materials and training were taken into account to calculate costs. Returns were calculated using local market prices for the agricultural products produced.

153. The analysis shows that all but two combinations on the menu of options yield positive returns on investment (see Table 4). In particular, the cocoa-banana agroforestry systems yield

very high returns. Returns are highest in a high-density cocoa model (on mostly degraded forest land), and lowest in a low-density model (on more intact forest land). However, the range of returns, with IRRs ranging from 81 to 171 percent suggests that this approach is economically very attractive regardless of the model chosen. Indeed, all models are profitable after two years. The density of banana plants has the strongest impact on short-term returns, while the density of cocoa trees has the strongest impact on long-term returns.

154. Meanwhile, to evaluate the potential returns from the sustainable agricultural systems promoted, a series of combinations of crops were modeled, as well as low and high requirements for inputs to reflect varying local conditions: Using a low-input scenario with more profitable crops such as bananas, the IRR competitive with that of cocoa-banana systems, at 150 to 155 percent, and is still between 35 and 47 percent using less profitable crops such as cassava or beans. Using high-input assumptions and more profitable crops such as bananas, the IRR ranges between 29 and 63 percent. However, where input requirements are high, low fruit tree density mixed with less profitable crops such as cassava or beans yields negative IRRs.

155. A sensitivity analysis shows that, even if the performance of the systems were to be reduced by half, the lowest expected IRR would still be 14.5%. This suggests that the farming models proposed are robust to shocks.

156. Since farmers would have a choice of which plants to cultivate, and the yield assumptions would probably fall in between the two scenarios evaluation, it would be important for them to understand the trade-offs involved in crop selection. This includes highlighting trade-offs in their own nutrition levels and food security, which have not been incorporated into the modeling. The modeling does show, however, that a diversified sustainable agriculture system can be similarly attractive as cash crop production based on cocoa, with the result that increased food security need not represent a trade-off with incomes from cash crops. Farmers could diversify their risks by selecting a suitable combination of cash and subsistence crops, some of which they could also trade.

157. In all systems, incomes are expected to be significant, as measured in net present value over a 20-year period. They would range from US\$2,903 to US\$46,778 per ha, depending on the initial conditions of the plots (state of degradation) and the crop combinations chosen. This represents a significant increase from the status quo. The relatively higher returns of cocoa-banana systems on highly degraded land also highlight the importance of conducting the baseline study and assessing *ex ante* the state of degradation so that the project does not create perverse incentives by encouraging additional degradation.

Table 4: Economic Analysis of Microproject Options per Hectare

	Agricultural System	Total Investment NPV (US\$)	Total Recurrent Cost NPV (US\$)	Total Returns NPV (US\$)	NPV (US\$)	IRR (%)
High input requirements	Cocoa + Bananas (high cocoa density, 1100 trees/ha)	- 3,548	- 4,728	55,289	42,417	121
	Cocoa + Bananas (medium cocoa density, 800 trees/ha)	- 2,609	- 4,728	40,399	29,820	117
	Cocoa + Bananas (low cocoa density, 550 trees/ha)	- 2,547	- 4,728	27,645	18,286	81
Medium input requirements	Cocoa + Bananas (high cocoa density, 1100 trees/ha)	- 2,752	- 3,957	55,289	43,913	154
	Cocoa + Bananas (medium cocoa density, 800 trees/ha)	- 2,596	- 3,957	40,399	30,534	119
	Cocoa + Bananas (low cocoa density, 550 trees/ha)	- 2,462	- 3,995	27,645	19,038	85
Low input requirements	Cocoa + Bananas (high cocoa density, 1100 trees/ha)	- 2,536	-1,044	55,289	46,778	171
	Cocoa + Bananas (medium cocoa density, 800 trees/ha)	- 2,442	-1,044	40,399	33,336	132
	Cocoa + Bananas (low cocoa density, 550 trees/ha)	- 2,362	-1,044	27,645	21,821	96
High input requirements	Mixed system - high fruit tree (156/ha) with bananas	- 2,063	-35,646	49,316	10,365	63
	Mixed system - high fruit tree (156/ha) with cassava/beans	- 2,063	-35,646	34,842	-2,794	5
	Mixed system - low fruit tree (100/ha), high banana density	- 1,828	-35,646	40,849	2,903	29
	Mixed system - low fruit tree (100/ha), high cassava/bean density	- 2,063	-35,646	29,100	-8,013	-14
Low input requirements	Mixed system - high fruit tree (156/ha) with bananas	- 2,063	-19,565	40,311	16,797	155
	Mixed system - high fruit tree (156/ha) with cassava/beans	- 2,063	-19,565	34,842	11,825	47
	Mixed system - low fruit tree (100/ha), high banana density	- 1,828	-19,565	40,849	17,522	150
	Mixed system - low fruit tree (100/ha), high cassava/bean density	- 2,063	-19,565	29,100	6,605	35

158. The AF activities under Component 2 are expected to have a measurable, positive development impact with particular benefits flowing to local communities in remote rural areas, as quantified above. In addition, from a global public goods perspective, the carbon sequestration expected under the project yields additional benefits in the fight against climate change. Activities under Component 4a in the two national parks are expected to contribute to conserving globally important biodiversity resources. The conservation of these resources helps lay the foundation for future ecotourism development, which can provide a flow of economic benefits to the local and national economy. Similarly, activities under Component 4b are expected to contribute to the conservation of fauna of global importance, preserving the option value of the resource. At the same time, increases in the quality of law enforcement also reduce the influence of organized crime.

159. The project activities have been compared against plausible alternatives and constitute the preferred design. While the expected returns for various agricultural microprojects have been evaluated, the microprojects under Component 2 have been structured as a menu of options so that farmers can pick their preferred approaches and maximize non-economic value as well as economic value where appropriate. The enabling activities (training, support for local governance, storage, processing, and marketing) are necessary to support the sustainability of the microprojects. The approach for activities under Component 4a involved an assessment of the most effective approach for protected area management given local circumstances, and the costs of the partnership model chosen were qualitatively evaluated against the likely outcomes given local experience in several protected areas. The targeted approach of contracting WCS yields substantial synergies given the agency's longstanding presence in the ROC, which has resulted in a fully functional management infrastructure (including headquarters, field offices in the project area etc.) and country knowledge on which the activities can base themselves. Activities under Component 4b have been prioritized among a list of 25 options produced by UNODC according to their potential to contribute effectively and efficiently to the fight against wildlife crime by identifying possible choke points in the criminal value chain on which the government can build.

160. The sustainability of the activities has been found to be satisfactory. The microprojects under Component 2 are expected to be self-sustaining due to their projected profitability, and the capacity building and enabling support provided. The utilization of revolving funds, and the support provided to FDLs serve to further increase the leverage of the project's activities to mobilize additional existing resources that are currently underutilized. Activities under Component 4a fall into two categories: Investments in the tourism potential of NNNP are designed to improve over the long-term the financial flows that support park management and generate benefits for surrounding communities. They are further supported by WCS, the government's long-term management partner for the park. In NPNP, the creation of a slim management structure takes place in the context of a partnership whose longer-term, renewable duration provides an incentive for a private management partner with a long track record in conservation in the ROC and beyond to support park management. This longer-term engagement, independent of GEF funding, contributes to the likelihood that third-party funds will be mobilized to manage the park beyond the project duration. However, the government and the partner will be able to benefit from the assets created (physical capital, such as infrastructure; human capital, in the form of trained ecoguards) even in the event that such funding were to lag. Activities under Component 4b involve capacity building to increase the sustainability of the investments made, and involve key partners

in the conservation and law enforcement community to increase their reach and integration into daily operations. Finally, with the AF being a grant, no negative fiscal impact is expected.

161. **Public rationale:** The AF primarily seeks to address government weaknesses by relaxing binding constraints to public sector performance, allowing the MEFDDE to improve its effectiveness in contributing to co-management of forest resources.

162. In the case of Component 2, this takes place primarily through supplementing government extension services and providing assistance to overcoming barriers to market entry by small farmers in the form of information and initial investment support.

163. Concerning Component 4, the conservation of the ROC's rich biodiversity would not occur in the absence of public investment, a reality that results from a set of market failures: First, there is only limited market value attached to the financial flows that the national parks in question generate. The parks generate local public goods in the form of ecosystem services, but which – outside of carbon sequestration – cannot presently be monetized. Second, the positive externalities of conservation – the parks' total economic value – are not priced into the financial streams the parks generate. Third, the challenging investment environment in the ROC leads to an under-provision of investment by private entities. And last, the biodiversity in question constitutes a global public good that the government of the ROC is unable to safeguard without external assistance, in particular given the present fiscal crunch. The global public good character of the parks stems primarily from their biodiversity (possible future provisioning services, option and non-use values) and their role in carbon sequestration. As a result of these market failures, conservation is under-supplied by the market.

164. **World Bank value added:** The World Bank's value added stems from its ability to assist the government in mobilizing trust fund resources that allow it to formulate a coherent and well-coordinated ER-P in Northern Congo. As the primary partner to the Government of the ROC in designing such a Program by bundling resources from the FCPF, FIP, IDA, and CAFI, the World Bank is well positioned to assist the government in structuring its available GEF resources to support its ER-P.