

PROJECT INFORMATION DOCUMENT (PID) CONCEPT STAGE

Report No.: PIDC2896

Project Name	Forest Dependent Communities Support Project (P149049)
Region	AFRICA
Country	Congo, Democratic Republic of
Sector(s)	Forestry (50%), General agriculture, fishing and forestry sector (25%), Public administration- Agriculture, fishing and forestry (25 %)
Theme(s)	Participation and civic engagement (20%), Land administration and management (20%), Other environment and natural resources management (20%), Decentralization (20%), Indigenous peoples (20%)
Lending Instrument	Investment Project Financing
Project ID	P149049
Borrower(s)	National Executing Agency
Implementing Agency	National Steering Committee
Environmental Category	B-Partial Assessment
Date PID Prepared/ Updated	14-Feb-2014
Date PID Approved/ Disclosed	14-Feb-2014
Estimated Date of Appraisal Completion	19-Sep-2014
Estimated Date of Board Approval	15-Jan-2015
Concept Review Decision	Track II - The review did authorize the preparation to continue

I. Introduction and Context

Country Context

The Democratic Republic of the Congo (DRC) is a country with huge potential. With its immense extraordinary agricultural and mineral resources, the second largest contiguous tropical rain forest block in the world, fertile land, huge hydroelectric potential and 70 million inhabitants, the DRC has the potential to become one of Africa's richest countries and one of the continent's key engines for growth. However, more than 80 percent of its population lives under conditions of extreme poverty (less than US\$1 a day). 71 percent of people are food insecure and 57 percent do not have access to basic health services.

Since 2001, the country has been recovering from a series of conflicts and is still a fragile country with enormous needs for reconstruction and economic growth, but with a severely constrained fiscal

space and weak institutions. This economic recovery has not benefited most of the population or the development of the private and formal sector. In 2009, over 70 percent of youth was underemployed.

DRC harbors half of all African rainforests, with 62 percent of its territory covered by some sort of forest ecosystem. Forests of all types make a critical contribution to the livelihoods of about 40 million people who are among the world's poorest, by providing them with food, household energy, medicine, building materials, and cash income.

While the rate of deforestation is relatively low (0.3 percent), the forest cover loss in absolute terms is one of the highest (350,000 ha per annum over the period 2000-2010), destroying forest-dwellers' traditional resources. In addition, rates could escalate rapidly in the future with an increase in political stability and rapid development of agriculture, mining and associated transport and energy infrastructure.

DRC has gained international recognition for implementing a national process of "REDD+ Readiness", led by the National REDD Coordination under the Ministry of Environment, Nature Conservation and Tourism (MECNT), whereby the country prepares itself for international financial flows supporting efforts to reduce emissions from deforestation and forest degradation. The national REDD+ strategy has been prepared through a participatory process. It identifies strategic options that can effectively and efficiently reduce emissions from deforestation and forest degradation, while maximizing co-benefits in terms of poverty reduction and biodiversity protection. Cross-sectoral policies and programs cover the agriculture, energy and transport sectors and the relevant Ministries are involved in the dialogue aiming at reducing deforestation.

DRC has prepared a Forest Investment Plan under the umbrella of the Forest Investment Program (FIP) to support activities that tackle the main drivers of deforestation and forest degradation in the country, and create intervention models that can be scaled up in the future. It mostly targets three wood supply basins: (i) Kinshasa (supported by WB project); (ii) Kananga/Mbuji-Mayi; and (iii) Kisangani (supported by AfDB projects). The intervention areas were selected through a participatory process at the national level.

Sectoral and Institutional Context

Forest and Rural sector

DRC harbors half of all African rainforests, with 62 per cent of its territory covered by some sort of forest ecosystem. Forests of all types make a critical contribution to the livelihoods of about 40 million people who are among the world's poorest, by providing them with food, household energy, medicine, building materials, and cash income. DRC's biodiversity is a globally important asset. The country ranks fifth in the world for plant and animal diversity and contains five Natural World Heritage Sites, more than the rest of Africa combined.

DRC's current deforestation rate of 0.3% is relatively low in comparison to the average deforestation rate of the tropical countries. Yet, the country is among the top ten worldwide in terms of forest cover loss in absolute terms, with an estimated deforestation of more than 350,000 ha per annum over the period 2000-2010. Deforestation is concentrated in "hotspots" located mainly around the large cities of the country, as well as in the densely populated areas on the edge of the large forest block of the central basin. Household-scale slash and burn agriculture and exploitation

of woodfuel (including fuelwood and charcoal) and to a lesser extent timber harvesting are the major drivers of deforestation and forest degradation in DRC. They reflect the very strong dependence of the rural and urban populations on forest resources..

Dependence on biomass energy is a case in point. Over 90% of the urban population depends directly on biomass fuels (mainly charcoal and fuelwood) for energy needs, including cooking. CIFOR (2011) estimates that the city of Kinshasa alone consumes over 4.7 million m³ of wood annually for energy needs. The charcoal trade to Kinshasa was worth an estimated US\$143 million in 2010, more than three times the value of all formal timber exports in that year . Rural communities are also strongly dependent on protein sources from forests, including bush meat, with annual consumption estimated at over one million tons.

Though currently low, deforestation and forest degradation rates could escalate rapidly in the future with an increase in political stability and reconstruction of transportation infrastructure, both key to development objectives. Improved infrastructure facilitates access to forests, which could lead to increased conversion of forest to other land uses, logging and wildlife hunting and trapping. The rehabilitation of the RN4 in the Orientale Province is an example of potential new impacts of infrastructure development on forests, in this case in the form of a considerable increase in small-scale illegal logging for export to Uganda and other regional markets.

REDD+ in DRC

Reducing emissions from deforestation and forest degradation (REDD+) is an international mechanism under discussion that could offer concrete possibilities for DRC to seek financial rewards for the globally-significant environmental services provided by the promotion of conservation of forest carbon stocks, sustainable management of forest, and enhancement of forest carbon stocks. DRC has gained international recognition for playing a leadership roles on international negotiations around REDD+, and for implementing a national process of ‘REDD+ Readiness’, led by the National REDD Coordination under the MECNT. The national REDD+ strategy has been prepared through a participatory process. It identifies strategic options that can effectively and efficiently reduce emissions from deforestation and forest degradation, while maximizing co-benefits in terms of poverty reduction and biodiversity protection.

Cross-sectoral policies and programs covering not just the forest sector but also the agriculture, energy and transport sectors are needed to reduce deforestation. The Inter-Ministerial Committee on REDD+ was created to ensure cross-sectoral collaboration to achieve reduced deforestation, but it has not yet demonstrated its capacity for fostering a cross-sectoral policy consensus. At the technical level, the Ministries of Energy, Agriculture, Rural Development as well as Environment have been involved in the preparation of FIP activities through the Thematic Coordination groups which provide technical inputs to the project and to the REDD+ strategy in preparation. Achieving effective cross-sectoral coordination is an important challenge for delivering on REDD+ in DRC.

The Forest Investment Program in DRC

The Forest Investment Program (FIP) is an initiative under the Strategic Climate Fund (SCF). The FIP seeks to address the underlying drivers of deforestation and to catalyze transformational change by providing upfront investment to support the implementation of the REDD+ strategy, and generate information and experience for policy and regulatory changes.

DRC has prepared a Forest Investment Plan to support activities that tackle the main drivers of deforestation and forest degradation in the country, and create intervention models that can be scaled up in the future. The FIP Sub-Committee endorsed in July 2011 a \$60 million grant envelope for 2 projects implemented through the World Bank and the African Development Bank.

The FIP Investment Plan mostly targets three supply basins: (i) Kinshasa (WB project); (ii) Kananga/Mbuji-Mayi and (iii) Kisangani (AfDB projects). In each of those Basins, the projects aim at promoting sustainable forest management while improving the livelihood of rural communities. 3 areas have been targeted for implementing integrated REDD+ Projects (PIREDD).

Relationship to CAS

DRC's Country Assistance Strategy (FY13 – 16) has been approved by the Board in May 2013. This project is particularly in line with 3 of the guiding principles (making governance a principle for engagement, including the active engagement and participation of women, and nontraditional stakeholders, focusing on geographically targeted interventions and maintaining flexibility in the design and implementation.

The project aims at creating the capacities within the IP and local communities' organization to support a better natural resource management and to improve their inclusion in the sector policies. It is therefore fully in line with the first of the 3 main CAS Strategic objectives, which is "To increase state effectiveness and improve good governance". As the project is part of the REDD+ agenda that is supporting the outcome 1.2 "ensuring that the country gets a fair share of the revenues from its natural endowment". In addition, the project focus on local development and poverty alleviation is in line with the Strategic Objective Three: "To increase access to social services and raise human development indicators".

The proposed operation is also aligned with the Africa Strategy, which gives special attention to natural resources management. The strategy emphasizes the need to ensure that local communities benefit from natural resource extraction and that sustainable management of forests is critical for development and climate change.

The FDCS project is complementary to the FIP Investment Program. The FIP investment Plan aims at increasing the proportion of wood energy and agricultural product produced in a sustainable way, to promote sustainable management of natural forests and to increase the capacities to address direct and underlying drivers of deforestation and forest degradation, in particular the 3 targeted basins (Kinshasa, Kisangani, Kananga/Mbuji-Mayi).

Geographical complementarity. First, the areas for the consultations and the setting up of a National Steering Committee (NSC) are all included in the 3 Basins. While the FIP activities will only focus on portions of each basin, the area selected for this project will include surrounding sectors and territories in order to fit with the indigenous people (IP) and local communities (LC) living territories. In addition, it will reduce the risks of leakage from the FIP and mitigate the risk of creating tensions between the communities in the FIP investment areas and the ones in the same Basin but outside of the investment area.

Improve an inclusive participation. The FIP will invest through the existing official and traditional institutional framework (Village Development Committee, land tenure chiefs ("chef de terre"),

farmers' organization for spatial planning (CARG), provincial government and decentralized technical services...), in which the minorities may not be adequately represented. Therefore, the FDACS will support the inclusion of the indigenous people and local communities' representatives in these entities by building their capacities and bringing financial independence.

Complementary investments. While the FIP will support farmers' organizations to improve their planning and efficiency to increase the quantity of sustainable agriculture and timber products, this project will focus on improving the traditional livelihood for the indigenous people and the local communities – the focus will be less on agriculture, equipment and trainings, but more on securing the land rights or the non-timber forest product collection areas.

II. Proposed Development Objective(s)

Proposed Development Objective(s) (From PCN)

The objective of the project is to empower targeted Indigenous Peoples and Local Communities (IPLC) to benefit from and engage in REDD+ policies and FIP activities.

Key Results (From PCN)

24. Key results will be as follows:

Forest managed by the beneficiaries and under sustainable management (hectares);

Number of hectares impacted by a sub-project (hectares);

Capacity of the beneficiaries' organizations and impact on the REDD+ agenda;

Direct project beneficiaries (number) of which female (%) and youth (15 – 35 years of age) (%);

III. Preliminary Description

Concept Description

The proposed project will implement activities that are a national declination of the Thematic Areas and Potential Activities for Sub-Component 1 and 2 from the DGM Framework Operational Guidelines. They will be geared towards strengthening community capacity to: engage on policy; participate in land-use planning, production practices and organization; and to develop as entrepreneurs and businesses. FDACS will also finance demand-driven local investments held by community organizations. This approach complements, and contributes to Government's ongoing efforts to engage non-state actors, in particular local communities in sustainable natural resource management.

The proposed project components are as follows:

- Component 1 –Reinforce the role of IPs and LCs in the REDD+ process (approx. \$2.4 million).. This component will provide tailored support including on administrative and financial management issues and improve dissemination of information about REDD and its impact on IPs and LCs (including a communication strategy and workshops). The activities that could be financed out of this component will support both capacity building and knowledge exchanges. They may include: (i) large audience trainings and seminars for the communities; (ii) study tours, virtual discussions, development of community/farmer demonstration plots, community level internships to support a practical transfer of knowledge nationally, regionally, and internationally, (iii) selected scholarships, technical training in specialized institutes, and (iv) setting up cultural center to support knowledge transfer among the generations and promotion of the forest-dweller culture.

- Component 2 – Small grants (approx. \$3 million) aiming at promoting economic activities and rural livelihoods that enhance climate change adaptation and support the sustainable management of forest landscapes, including non-timber products. Those activities will provide grants to communities to engage in alternative livelihoods or in making their current livelihood more sustainable such as (i) community-led sustainable management, natural regeneration and restoration of forest landscapes; (ii) traditional farming and cultivation practices that enhance local agro-biodiversity, including medicinal and aromatic; (iii) agro-forestry production systems, agro-ecology tillage practices, reforestation and plantations; (iv) collection and processing of non-timber products (medicinal plants, essential oils, etc.); (v) indigenous/traditional landscape management practices including water and soil conservation, (vi) energy-saving practices including wood energy plantations, sustainable charcoal/briquette production, biogas/other renewable energy supply projects, in every case in a locally adapted form, operating at a community and family level.
- Component 3: Monitoring & evaluation (approx. \$600 000): This component will finance the costs of the National Executing Agency (NEA) which will implement the project. The NEA will be selected through a competitive process (see also section on Implementation Agency Assessment). The NEA will be in charge of developing review and risk assessment criteria, disbursing the grant projects, ensuring appropriate use of FDCS funds, maintaining documentation of country projects, and reporting to the WB on use of FDCS funds. In addition, under this component the NEA will undertake monitoring and evaluation activities of the various pilot activities.

Components and related activities will be further developed during project preparation and in consultation with communities in the target areas and with the support of the NSC.

The project will trigger environmental and social safeguard policies. Most of the areas where the investment may take place are remote areas, with critical ecosystem that in addition may play a sacred/cultural role for the local communities and the Indigenous People. Therefore, at concept stage, OP 4.01 (Environmental Assessment), OP 4.36 (Forests), OP 4.04 (Natural Habitats), and OP 4.12 (Involuntary Resettlement) have been triggered with OP 4.11 (Physical Cultural Resources) to be decided during preparation.

While Component 1 and 3 will mostly finance capacity building, the Component 2 (small grants) will have a direct impact on the ground – it will apply a community-driven approach, and for that reason neither the precise locations nor the potential impacts will be known at the time of the preparation. A programmatic Environmental and Social Management Framework (ESMF) has been prepared at the global level for the DGM as a whole and can be reviewed during preparation for any country-level activities. In addition, an ESMF has been established for the two FIP-funded projects for similar investments anywhere in the country. OP 4.12 has been triggered as a precautionary measure to manage impacts that may result from restrictions of access and also because the project may require land gazetting to the benefits of indigenous people. – a Process Framework will be prepared for the FIP and may be adjusted for the FDCS.

The FDCS will be designed and implemented with the following principles: (a) ownership and joint decision-making by IPs and LCs; (b) transparency and accountability in selection of implementing partners, members of governing bodies and beneficiaries; (c) flexibility, efficiency and administrative simplicity to enable easy and streamlined access to grants by IPs and LCs; and (d) social inclusion and equity by reaching out and ensuring the participation and the protection of women, children, elders, and other vulnerable elements of society. Particular attention will be given

to activities addressing gender-specific livelihood, health, and cultural issues, and activities promoting the engagement of youth. This may include communication efforts targeted at women and youth, designing grant windows focused on women and youth friendly activities, etc.

Sustainability will be a key element of design. During project preparation the team will explore inclusion of elements in design that strengthen the sustainability of activities financed through the FDCCS. This may include, for example, exploring partnership platforms, similar to the “plateforme de dialogue et de suivi participative sur les industries extractives”, between the Government and other stakeholders, and building resource partnerships with local governments. Lessons on sustainability will be drawn from similar facilities in DRC and other countries.

IV. Safeguard Policies that might apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01	x		
Natural Habitats OP/BP 4.04	x		
Forests OP/BP 4.36	x		
Pest Management OP 4.09		x	
Physical Cultural Resources OP/BP 4.11			x
Indigenous Peoples OP/BP 4.10	x		
Involuntary Resettlement OP/BP 4.12	x		
Safety of Dams OP/BP 4.37		x	
Projects on International Waterways OP/BP 7.50		x	
Projects in Disputed Areas OP/BP 7.60		x	

V. Financing (in USD Million)

Total Project Cost:	6.00	Total Bank Financing:	0.00
Financing Gap:	0.00		
Financing Source			Amount
Borrower			0.00
Strategic Climate Fund Grant			6.00
Total			6.00

VI. Contact point

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VII. For more information contact:

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