

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

Report No.: PIDC99720

Project Name	Cote d'Ivoire Forest Investment Program
Region	AFRICA
Country	Cote d'Ivoire
Lending Instrument	IPF
Project ID	P162581
Borrower Name	Ministry of Environment and Sustainable Development
Implementing Agency	Permanent REDD+ Secretary
Environment Category	B - Partial Assessment
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Initiation Note Review Decision	The review did authorize the preparation to continue

I. Introduction and Context

Country Context

Ivory Coast is located in West Africa and has a total surface area of 322,463 km². It is bordered by Liberia and Guinea to the west, Mali and Burkina Faso to the north, and Ghana to the east. To the south, its long coastline of 550 km runs along the Gulf of Guinea. The country is divided into two main geographic regions: a forest zone in the south (48.2% of the surface area), and a savanna zone in the north (51.8% of the surface area).

The population, which was estimated at 6.7 million in 1975, increased to 22.7 million in 2014 (RGPH, 2014), with an average annual population growth rate of 2.6% in 2014 (compared to 3.8% in 1975). This rapid growth results from a combination of high natural population growth and significant immigration from neighboring countries (with non Ivorians making up 24% of the population). The population is young, with 77% of the population under the age of 35. About half of the population lives in urban areas (50.3%), and urbanization is increasing, going from 32% of the population living in urban areas in 1975 to 42.5% in 1998. This demographic dynamic has put increasing pressure on natural resources, especially in the forest zone, where the vast majority of the population lives (75.5%) compared to 24.5% in the savanna zone.

The long political-military crisis (2002-2011) had a significant economic and social impact on the country. The poverty rate was estimated at 46% in 2015 (INS, 2015), and the country ranked 172nd (out of 188) on the 2015 Human Development Index (HDI) of the United Nations Environment Program (UNEP). Since 2012, Ivory Coast has shown new economic momentum, with a GDP growth rate estimated at 8.3% in 2014.

The agricultural sector is the main driver for economic growth employing more than two thirds of the active population, and producing approximately 28% of its GDP and over 50% of its export

earnings. Ivory Coast is the world largest producer and exporter of cocoa and the sector accounts for about a third of total exports. In 2012, over 4 million people worked in the cocoa sector, a full quarter of the population (CEA, 2014).

Sectoral and Institutional Context

Ivory Coast located in the inter-tropical zone of West Africa, is divided into three main ecological zones: (i) in the north, the Sudanese sector, characterized by alternating wooded and grassy savannas, clear forests and lateritic plateaus; (ii) in the center, the mesophilic sector, a transition zone consisting of a mosaic of savannas, clear forests and semi-deciduous dense forests; and (iii) in the south, the ombrophile area, characterized by dense rainforest. Added to these three main zones, are the swamp forests, the montane forests to the west and the mangroves along the coast.

The forest areas are administered by three different entities based on the following statuses: (a) the Permanent Forest Estate of the State which covers 6,267,730 ha (19% of the total country area) and includes: (i) 233 Gazetted Forests, 4.196 million ha), managed by the National Forest Development Agency (SODEFOR); and (ii) eight National Parks (including Tai, the largest reservoir of biodiversity in West Africa) and five fauna reserves totaling 2,071,730 ha, managed by OIPR; and; (b) the Rural Forest Domain of the State managed by the Ministry of Water and Forests (MINEF) constitutes a reserve of lands where priority is given to agriculture and which may be granted for forest exploitation.

The forest cover, estimated at 37% of the territory in 1960, decreased to less than 14% in 2010 (AFD, 2013). The average deforestation rate increased from 1.5 percent/year between 1900 and 1980 to around 3.5 percent/year between 1980 and 2008 (SOFRECO 2009), and was then the highest in the World. Between 2000 and 2008, during the political crisis, the deforestation rate reached 25 percent in the Gazetted Forest reserves (SOFRECO 2009). According to SODEFOR (2014), the encroachment rate in Gazetted Forests (GF) increased from 18% of the total area in 1996 to around 50% in 2014.

The main direct causes of deforestation and forest degradation for both GFs and the Rural Domain forests are: (i) the massive expansion of extensive slash-and-burn agriculture; (ii) the uncontrolled harvesting of forests, including for firewood (currently estimated at 20 million m³ per year, a figure that continues to grow fueled by lack of protection and significant shortcomings in the management of GFs and to a lesser extent national parks, (iii) bushfires (which are also agriculture-related); and (iv) mining, notably small-scale gold mining.

The main indirect causes, which have a broader yet highly significant impact on forestry resources, are: (i) the growing demographic pressure and the acute poverty of agricultural and rural households, which forces them to exploit available natural resources extensively; (ii) the lack of intensification of smallholder farming and related low incomes; (iii) the lack of opportunities to generate non-agricultural rural incomes; and (iv) the increasing urbanization in forested zones. Currently, 76% of the population live in forested zones and the country has 10 cities with populations over 100,000.

To reverse the trend of deforestation and forest degradation, the country has engaged in the REDD+ process, with support from the World Bank and other partners such as UNDP, AFD and FAO since 2011. This led to a first grant in 2014 of USD3.8 million from the Forest Carbon Partnership Facility (FCPF)-Readiness Fund managed by the World Bank and USD3.2 million from the ONU-

REDD under the FAO. The Readiness Fund and the ONU-REDD fund are designed to assist forest countries to prepare a national REDD+ strategy and policy framework, establish a reference scenario for emissions from deforestation and forest degradation, and establish a national monitoring, reporting and verification (MRV) system for emissions reductions. The Readiness Fund recognizes that emission reductions require basic reforms and investments in the forest sector and other influencing sectors, and helps countries prepare to access longer term financing sources, including results based financing. In this context, the country was accepted in October 2015 in the pipeline of the FCPF-Carbon Fund and is preparing an Emission Reduction Program in the Agriculture sector in the South West around the Tai National Park for performance-based payments by the FCPF-Carbon Fund.

In parallel to the FCPF, Ivory Coast applied for the Forest Investment Program (FIP), a funding window of the Climate Investment Fund (CIF), which is broadly designed to introduce transformational change to low-carbon and climate-resilient development through scale-up funding. Within the CIF, the FIP complements other REDD+ financing mechanisms by supporting the efforts of developing countries to reduce emissions from deforestation and forest degradation and promote sustainable forest management and enhancement of forest carbon stocks, and addressing in particular the underlying causes of deforestation and forest degradation and the obstacles that have hampered past efforts. The FIP also includes a Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM), which supports community engagement in forest and REDD+-related consultations, decision making and implementation.

After its selection under the FIP in May 2015, the country prepared an Investment Plan (IP) which was approved by the FIP Sub-Committee in June 2016 with a caveat that further analysis be conducted. These studies pertain to: (i) an analysis of overlapping claims on the degraded lands of the central belt given that one of the aims of the IP is to reduce human pressure on the gazetted forests in the South West (the current cocoa belt) by encouraging people through incentives to return to areas they abandoned in the center (former cocoa belt). If others have occupied those lands, there are likely to be tensions, hence the rationale of conducting an analysis on how the overlapping claims will be addressed and how potential disputes over the lands will be addressed; (ii) a gender and social analysis in the IP target zones; and (iii) clarification on the Payment of Environmental Services (PES) scheme proposed in the IP including its sustainability. The proposed grant will finance technical assistance to conduct these studies as well as national workshops to review and validate the studies.

Relationship to CAS/CPS/CPF

The Country Partnership Framework for Ivory Coast FY16-FY19 focuses on two cross-cutting areas, governance and spatial inequalities, with three major focus areas: (i) sustaining strong private sector-led growth; (ii) building human capital for inclusive growth, social cohesion and youth employment; and (iii) strengthening public financial management and accountability. While its primary focus is on forest restoration and conservation, the nature of the IP activities and beneficiaries lends significant direct or indirect support to the objectives relating to the CPF first two focus areas: (i) Objective 1: Improve productivity in agriculture/agribusiness value chains; and (ii) Objective 4: Formalize and enhance access to land for business and agriculture.

II. Project Development Objective(s) Proposed Development Objective(s)

The objective of the Grant is to support the Republic of Cote d'Ivoire with developing additional studies to inform the Forest Investment Plan.

Key Results

- 1) Conflict resolution mechanism for potential overlapping claims of degraded lands;
- 2) Analysis on gender and social diagnostic; and
- 3) Analysis of the PES scheme and its sustainability.

III. Preliminary Description

Concept Description

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:	0.25	Total Bank Financing:	0
Financing Gap:	0		
Financing Source			Amount
Climate Investment Funds			0.25

VI. Contact point

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