



Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

Concept Stage | Date Prepared/Updated: 25-Jul-2018 | Report No: PIDISDSC24940



BASIC INFORMATION

A. Basic Project Data

Country Congo, Republic of	Project ID P166189	Parent Project ID (if any)	Project Name Northern Congo Agroforestry Project (P166189)
Region AFRICA	Estimated Appraisal Date Dec 06, 2018	Estimated Board Date Mar 20, 2019	Practice Area (Lead) Environment & Natural Resources
Financing Instrument Investment Project Financing	Borrower(s) Republic of Congo	Implementing Agency Ministry of Agriculture, Livestock and Fisheries, Ministry of Forest Economy	

Proposed Development Objective(s)

To strengthen climate smart agriculture and conservation practices in Community Development Zones in the departments of Sangha and Likouala.

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	16.00
Total Financing	16.00
of which IBRD/IDA	0.00
Financing Gap	0.00

DETAILS

Non-World Bank Group Financing

Trust Funds	16.00
Climate Investment Funds	16.00

Environmental Assessment Category

Concept Review Decision



B - Partial Assessment

Track II-The review did authorize the preparation to continue

Other Decision (as needed)

B. Introduction and Context

Country Context

Country overview

The Republic of Congo (ROC) is a lower-middle-income country in Central Africa with a capita gross national income at purchasing power parity of USD 5,380 (as of 2016). The country has a wealth of natural assets - including extensive forests, arable land, and minerals - that have the potential to build a robust economy and improve the living standards of its population. This potential remains largely unrealized, however. From 2011 to 2015, the ROC's annual growth rate averaged 3.9 percent, below the 8.5 percent target set by the 2012-2016 National Development Plan to achieve the country's ambition to become an upper-middle-income country by 2025. Factors that constrain more rapid and sustained economic growth in the country include: (i) recurring socio-political instability and civil wars; (ii) commodity (particularly oil) price volatility that drives economic cycles; and (iii) weak governance. The ROC has a relatively small population of 4.6 million which is growing rapidly at 2.8 percent per annum. Its population is highly concentrated in urban areas (64 percent) and the overall population density is one of the lowest in Africa, at 15 people per square kilometer (as of 2016).

Economic overview

Oil dominates the ROC's economy, accounting for more than half of GDP and more than 80 percent of exports. The economic crisis deepened in 2017, with GDP contracting by 4.6 percent, compared to 2.8 percent in 2016. New oil fields coming on stream in 2017 did not offset the depressed economy. Economic growth is expected to slowly recover with an average growth rate of 1.1 percent over 2018-2020, driven by the launch of the Moho Nord oil field and implementation of fiscal adjustment measures proposed under an IMF-supported program and the WBG DPO series under discussion as part of a coordinated policy response in the Central African Economic and Monetary Community (CEMAC).

Wood is the second-most important source of export revenues, accounting for about 6 percent of total exports in 2013. In 2014, The Congolese forest industry produced about 2.4 million m³ of logs. The total export value of primary timber products is around USD 455 million¹.

The agriculture sector is of major importance to the economy and food security but remains far below its potential. It only contributes 4 percent to GDP², as only 2 percent of the 10 million hectares of arable land are cultivated. However, the sector is a major source of employment, providing about 40 percent of jobs. Agricultural exports (palm oil, sugar,

¹ ITTO 2015, <http://www.timbertradeportal.com/countries/congo/>

² <https://www.export.gov/article?id=Republic-of-Congo-Agricultural-Sector>



and cocoa) are stagnant and the country suffers from a rapidly deteriorating trade balance for food. 14 percent of families are food insecure.

Poverty, inequality, vulnerability in the Republic of Congo

The poverty rate was 37 percent in 2017, significantly higher than in comparable middle-income countries. ROC ranks 135th out of 188 countries on the United Nations Development Program's (UNDP) 2016 Human Development Index. It underperforms on its social indicators compared to countries of similar income. In particular, inequality is high in Congo as the Gini coefficient (0.463) has remained practically unchanged despite sustained growth during 2000-2014. In other words, the poorest experienced a deterioration in their standards of living, whereas those in the middle of the distribution and a small share of the wealthiest households experienced a large increase in their welfare. Moreover, poverty increased in rural areas (71 percent) while it decreased in urban areas (20 percent). Also, women, youth, indigenous peoples, and those who lack political connections remain economically marginalized.

ROC ranks 135th out of 157 countries⁴ on the UNDP Gender Inequality Index⁵. Women earn less than men and are more likely to be self-employed. There is a clear gender gap with respect to access to services and ownership and control of economic assets by women. Labor market analyses show that gender employment gaps result from unequal access to education and skills. Despite 70 percent of the country's agricultural workforce being made up of women, it is estimated that Congolese women farmers are half as productive as men, largely because (a) they face additional barriers compared to men in accessing land, credit, and inputs, and (b) a higher share of their time is devoted to child rearing and household tasks. The economic contribution of women at the household level is also not recognized, and as a result, their ownership and control of productive assets, particularly of land, and their participation in decision making are limited. Even though the family code protects women against discrimination, women remain underrepresented in decision-making forums and leadership positions at local levels, including in producer organizations and cooperatives, politics, and higher levels of government. Transformation of the agriculture sector in Congo would require concentrated efforts to ensure women can access, (i) agriculture education and skills training (particularly young women), (ii) agricultural technology, improved seeds, agricultural advice, and entrepreneurship training, and (iii) laws that allow for ownership and control of economic assets by women.

The ROC is one of the most vulnerable countries to climate change – and agriculture and forests are among the most vulnerable sectors within the country. The country ranks 157th out of 182 countries on overall vulnerability and 179th out of 192 countries in its food sector on the Notre Dame GAIN index⁶. Temperatures in the region are expected to increase in line with global averages. The annual number of hot days and nights is expected to increase, while the number of cold days and nights is expected to decrease. Mean annual precipitation has decreased between the 1950s and 1980s, and greater fluctuations in intra-seasonal precipitation patterns have been observed in recent years. By the middle to end of the 21st century, mean annual precipitation is expected to increase. These climatic changes are projected to heavily impact the agriculture sector: Projected impacts include already elevated flood risks, increased vulnerability of rain-fed agriculture to more erratic rainfall, as well as changes in pest and diseases vectors due to rising temperatures.

³ Republic of Congo's CPF FY2019-2022.

⁴ <http://hdr.undp.org/en/countries/profiles/COG>

⁵ The index shows the loss in potential human development due to disparity between female and male achievements in two dimensions, empowerment and economic status, and reflects a country's position relative to normative ideals for the key dimension of women's health. Overall, the GII reflects how women are disadvantaged in these dimensions. <http://hdr.undp.org/en/content/gender-inequality-index-gii>

⁶ ND-GAIN score explanation at <http://index.gain.org/ranking/vulnerability>



Sectoral and Institutional Context

Climate Change Commitments and Opportunities

Cognizant of global challenges and long-term domestic interests, the ROC is committed to a green growth development pathway, which includes REDD+⁷. Environmental protection and efforts to combat climate change constitute a pillar in the Poverty Reduction Strategy Paper for 2012-2016 (National Development Plan which is currently being updated for 2018-2022), with Reducing Emissions from Deforestation and Forest Degradation (REDD+) as a key strategy for achieving these goals. The ROC has been engaged in REDD+ since 2008, and with the support of the World Bank and UN-REDD, it has made substantial advances in preparing for the implementation of REDD+. In 2015, the ROC submitted to the United Nations Framework Convention on Climate Change (UNFCCC) an Nationally Determined Contribution (NDC) that presents conservation of the forest stock as a key contribution to climate change mitigation. It describes the Government's objectives to reduce emissions by half by 2025 promoting agroforestry systems and agroecological practices, in addition to implementing 80 percent of Congolese agriculture in savannahs. The NDC is conditional on receiving external support. The ROC furthermore signed the Central African Forest Initiative (CAFI) Joint Declaration in November 2015 with a commitment to seek "transformational change to reduce emissions from deforestation and forest degradation and contribute to sustainable development".

At the request of the Government, a World Bank made a series of policy notes on agriculture (P160644). One of them recommended a climate-smart agroforestry model for Northern Congo, where there is a high deforestation risk (see below section on the description of project area). The climate smart agriculture model proposes production systems intended to allow cocoa, one of the biggest potential deforestation drivers if not properly implemented, to become part of the solution to deforestation. The resulting REDD+-focused cocoa production approach is receiving closely coordinated support from Global Environment Facility through the World Bank-supported Forest Economy Diversification Project (FEDP – P124085), the IDA-funded Commercial Agriculture Project (CAP – P159979), the French Development Agency, and the Food Agriculture Organization of the United Nations.

Past initiatives have provided proof of concept for replicable approaches to cocoa- and agroforestry-based agriculture development. For example, since 2012, the ROC has partnered with CIB-OLAM to relaunch the cocoa sector through:

- (i) The promotion and implementation of sustainable productive orchards in degraded zones, providing support to 707 small producers, prefunding small farmers' shade cocoa production, and providing fertilizer. Jointly with the Government, CIB-OLAM gave micro-credit loans to 400 small producers and provided them with agricultural tools. Trainers were also recruited to provide the "proof of concept" for the commercialization of cocoa that meets international quality standards.
- (ii) Support to research and development to improve agronomic practices. Three "Office Café Cocoa" shops in the Sangha Department were rebuilt and technical support and training were provided to 500 small producers to manage cocoa plantations.

This initiative resulted in the production of 418 tons of cacao between 2012 and 2015. The Government, with support from the World Bank's Commercial Agriculture Project (CAP), is designing a second phase of the National Cocoa Development Plan (NDP), which will integrate climate-smart agroforestry as a basis for the relaunch of this sector.

ROC is developing an Emissions Reduction Program (ER-Program) in Sangha and Likouala⁸ that will be anchored by the

⁷ Reducing emissions from deforestation and forest degradation, and sustainable management of forests, conservation and enhancement of forest carbon stocks in developing countries.

⁸ https://www.forestcarbonpartnership.org/sites/fcp/files/2016/Apr/Official%20LOI%20September%202014_1.pdf



Forest Carbon Partnership Facility (FCPF) Carbon Fund’s performance-based payments for up to 11.7 million tCO₂e (tons of carbon dioxide-equivalent). In June 2017, the FCPF Carbon Fund Participants conditionally approved the Emission Reductions Program Document, and the government is currently engaged in completing a series of measures agreed to with Carbon Fund Participants for final approval.

The ROC successfully applied to the Forest Investment Program (FIP) for investments support for REDD+, receiving the endorsement of the FIP Sub-Committee for its Investment Plan (IP) of the National REDD+ Strategy in December 2017. This provides access to up to USD24 million. The IP covers the National REDD+ Strategy’s priority strategic options for achieving the government’s vision of a low-carbon development pathway. The Government is planning to use USD16 million for the Northern Congo Agroforestry Project to support the ER-Program (a second FIP-funded project will take place in Central ROC). This contribution constitutes a key building block of the ER-Program, and is intended to address shifting agriculture as a driver of deforestation, while allowing small farmers to partake in the ER-Program benefits (as shown in the table below). The FIP is accompanied by the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM), which will support community engagement in REDD+, and which be complementary to the FIP investment.

Table 1. Contribution of the FIP to the overall Emissions Reduction Program

Different interventions in Sangha and Likouala departments	Forest Concessions	Community Development zones	Protected Areas	Mining Areas	Agro-industrial Concessions
FCPF – ER-Program (P163361) USD 50 million 2019-2024	Reduced Impact Logging	Reinvestment in smallholder climate-smart agriculture based upon results of FIP investment (implementation)		Reduced Impact Mining	Reduction of Forest Conversion from Industrial Palm
	Logged to Protected Forest				Palm Out Grower Schemes
FIP – Northern Congo Agroforestry project (P166189) USD 16 million 2019-2024		Smallholder climate-smart agriculture (implementation)			
		Smallholders conservation payments			
World Bank - FEDP (P124085/158604) USD 6.5 million 2018-2021		Smallholder climate-smart agriculture (support to 1000 households between Nouabale Ndoki and Ntokou-Pikounda National Parks)	Biodiversity and protected area management		
		Community level governance			



EU/DFID VPA-FLEGT USD 11.19 million 2018-2025	Forest sector governance				
AFD - PPFNC USD 8 million 2018-2022	Forest sector governance	Community level governance			
AFD - Cocoa project USD 5.8 million 2018-2022		Smallholder climate-smart agriculture (research)			
World Bank - Commercial Agriculture Project X percent of USD 100 million 2018-2023		Smallholder climate-smart agriculture (infrastructure, 2nd National Cocoa Development Plan)			Greening of agro-industrial activities
Central Africa Forest Initiative USD 20 million 2019-2023	Land-use planning				
GCF - FAO Amount and period to be confirmed		Smallholder climate-smart agriculture (implementation)			
World Bank Integrated Public Sector Reform project USD 1.5 million 2018-2023	Forest Governance	Local governance			

Description of the Project Area

The two northernmost departments of Sangha and Likouala cover 12.4 million ha, 11.7 million (or 94 percent) of which are forested. This represents 52 percent of the national forest area. With an estimated population of 306,000 (109,000 in Sangha and 197,000 in Likouala), population density is only 2.5 people per km². The poverty rates in Sangha and Likouala are 64 percent and 67 percent, respectively, about twice the national average.

Sangha and Likouala could represent a future deforestation hotspot. The main direct causes of deforestation and forest degradation are: (i) unsustainable shifting agriculture; (ii) unsustainable or illegal logging; (iii) industrial agriculture development and (iv) mining. These direct causes are exacerbated by indirect drivers of deforestation and degradation: (i) weak governance, (ii) lack of policy coordination and land use planning, (iii) poverty and insufficient enabling conditions for sustainable economic activities, and (iv) population growth and infrastructure development. Changes in these indirect factors will affect the rate and type of future deforestation and degradation.

The majority of Sangha and Likouala has been allocated as industrial concessions. The two departments contain 17



forest concessions operated by 12 firms (6.6 million ha), two agro-industrial concessions operated by two firms (200,000 ha), 13 mining exploration and research concessions belonging to 13 firms (including overlapping claims of forestry concessions). In addition, the area includes three national parks and a community conservation reserve (2.7 million ha), and 2.9 million ha of unattributed areas. Concession management implies that communities face access restrictions. In the case of forest concessions with management plans, logging companies leave a portion of the concessions to forest communities, called Community Development Zones⁹ (CDZ), in which communities can practice agriculture and economic activities.

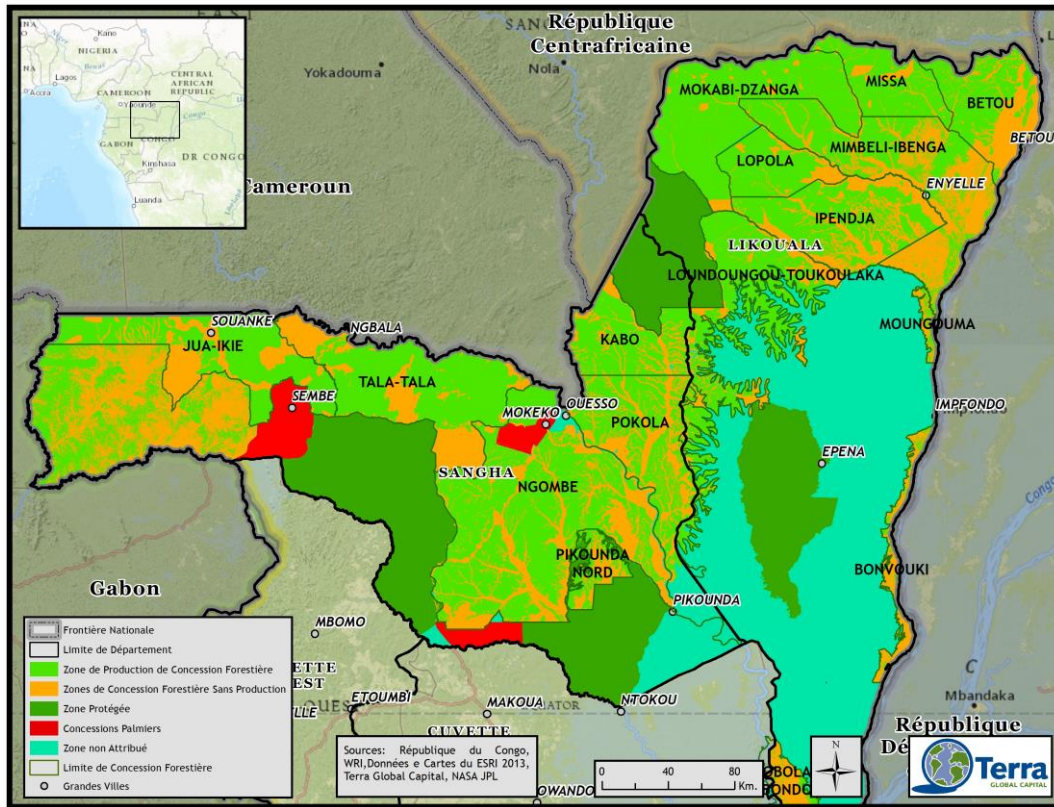


Figure 1. Map with the attribution of lands in the project area (Source: Sangha-Likouala Emission Reductions Program Document, Republic of Congo)

In these CDZs, the most common income-generating activity outside the formal forestry sector is shifting agriculture. The most common crops are cassava and maize, though most communities also rely on non-timber forest products and informal forestry for household consumption. Slash and burn practices don't offer competitive yields, which generally limits incomes. As the practices are extensive, agriculture represents a major driver of deforestation and forest degradation, and therefore is an important contributor to greenhouse gas (GHG) emissions. The significant indigenous population mostly relies on hunting and gathering for its livelihood, with limited small-scale agriculture.

⁹ The community development zone is a set of village terroirs centered around trees, forests and other natural resources likely to contribute to the development of economies rural communities and the fight against poverty. It takes into account natural forests and artificial habitats, agricultural land, fallow land, fishing and hunting areas. Surface is calculated based on the necessary agricultural surface / household and the necessary forest surface /household times a demographic factor. Today about 56,000 ha are under CDZs.



Relationship to CPF

The Northern Congo Agroforestry Project is aligned with the Country Partnership Strategy for the ROC. The FY12-16 CPS (fifth pillar – territorial development and environmental protection) recognizes REDD+ as an opportunity to drive non-oil-based growth and set the country’s development path on a more sustainable track. The forthcoming Country Partnership Framework FY19-22 is expected to expand on the opportunity REDD+ represents as a driver for forest-smart development, and on sustainable agriculture as a means of economic diversification.

The project directly contributes to the World Bank’s corporate goals of alleviating extreme poverty and building shared prosperity in a sustainable fashion: It focuses on a remote rural area that suffers from chronic underinvestment, and that display high poverty rates. It aims to reduce the rate of deforestation, placing particular emphasis on the sustainability of income generation in a vulnerable forest area.

Furthermore, the project directly contributes to the action areas “creating climate-resilient landscapes” and “promoting climate smart agriculture” in the World Bank’s Africa Climate Business Plan. The project also aligns with the World Bank Group’s Climate Change Action Plan (2016) and Forest Action Plan (FAP) (2016). These strategic documents confirm the World Bank’s commitment to deploy performance-based mechanisms to support client countries’ efforts towards achieving a low-carbon development trajectory. Specifically, the FAP defines a programmatic approach as its operational centerpiece to move away from an instrument-driven approach to combine various instruments (technical assistance, investments, and performance-based payments) supported by a mix of financing sources. In the ROC, the World Bank is supporting this approach by building on REDD+ readiness support through the FCPF Readiness Fund (USD 8.6 million), and strategically bundling financing from the FIP, the Global Environmental Facility (GEF) (USD 6.5 million), CAFI (USD 20 million), and IDA (a portion of the USD 100 million Commercial Agriculture Project P159979, as well as USD 1.5 million from the Integrated Public Sector Reform Project P160801) as up-front investments for the ER-Program, which will be anchored by performance-based payments from the FCPF Carbon Fund (USD50 million).



C. Proposed Development Objective(s)

To strengthen climate smart agriculture and conservation practices in Community Development Zones in the departments of Sangha and Likouala.

B. Key Results

- (i) Area under improved climate smart agriculture practices (ha);
- (ii) Households adopting climate-smart agriculture practices (number)
- (iii) Farmers reached with agricultural assets or services (number) (disaggregated by sex) (CRI)
- (iv) Forest area brought under Payment for Environmental Services schemes (ha)
- (v) Households benefitting from Payment for Environmental Services Schemes (number)
- (vi) Net GHG emissions (tCO_{2eq.}) (CRI)
- (vii) Share of target beneficiaries with rating 'Satisfied' or above on project interventions (climate smart agriculture, benefits and benefit sharing, other) (disaggregated by sex) (citizen engagement indicator)

D. Concept Description

The project is intended to address shifting agriculture as a driver of deforestation, while allowing small farmers to partake in the ER-Program benefits. To do so, the project will work with communities to promote climate-smart agriculture practices that consume less area, generate higher yields and diversified crops that are resilient to climate change.

Description of the climate-smart agroforestry approach

The project will adopt a climate-smart agroforestry approach focusing on two types of agricultural production systems with complementary benefits:

- (i) Cocoa-based agroforestry system on moderately degraded sites.
- (ii) Climate smart production of subsistence crops on severely degraded to non-forest sites.

This dual approach achieves higher overall productivity per unit area, improved control of potential diseases, increased economic profitability, and strengthened ecosystem services (conservation of biodiversity, maintenance of soil fertility, carbon sequestration). Agroforestry systems provide flexibility and resilience that are important to smallholder farmers affected by high production and market risks driven by climate change and the volatility of world cocoa prices respectively. The promotion of production systems will be conditional upon a set of criteria to be fulfilled by beneficiaries described in Box 1.

Box 1. Set of conditions to receive financial support from the project



To ensure land tenure is respected, the project will draw on the experience of the FEDP (P124085), working closely with customary landowners and relying on the arbitration of the Community Development Management Committees¹⁰ (CDMC) responsible for ensuring the implementation of the Simple Management Plans in the Community Development Zones. The agroforestry activities will therefore be carried out with an authorization of agricultural production issued by the customary landowners.

1. Site selection

Choosing appropriate planting sites reduces the risk of deforestation from new cocoa planting. From a forest conservation standpoint, sites that are already degraded are preferable. A World Bank study defines five classes of degradation, incorporating both the national forest definition and the minimum non-anthropogenic degradation threshold (75 percent) defined in ROC’s Emission Reductions Program Document. These are: non-degraded, lightly degraded, moderately degraded, severely degraded, and deforested (see Figure 2).

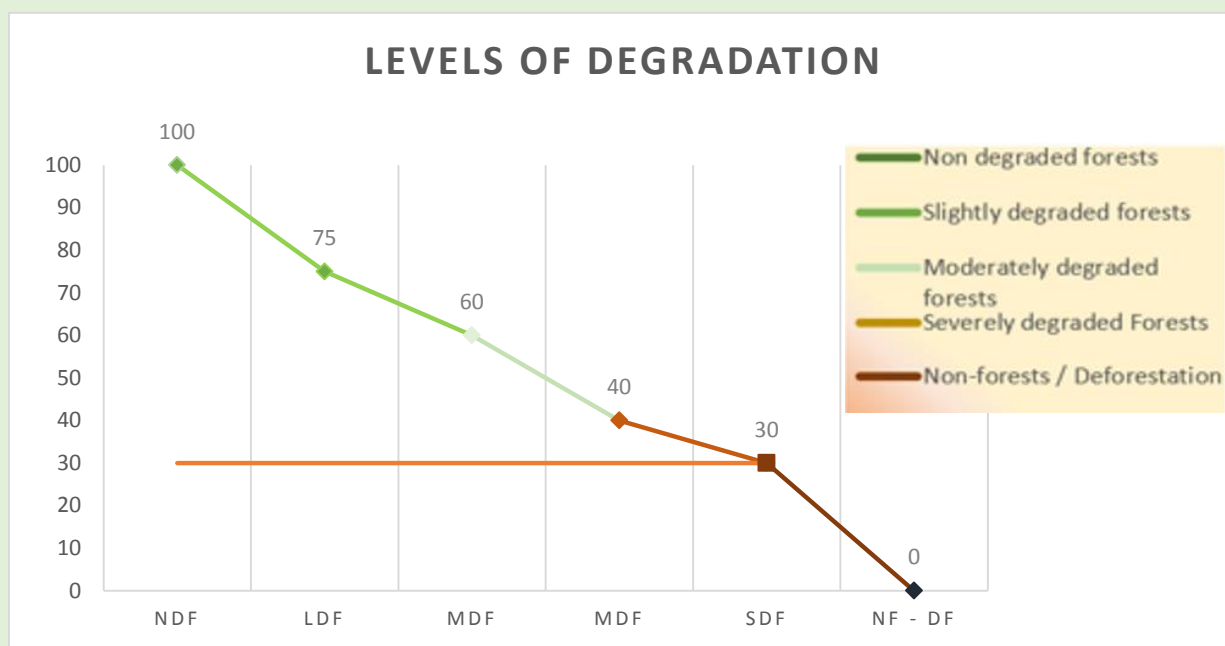


Figure 2. Levels of degradation

To preserve ‘non-degraded’ forest as defined in the Emission Reductions Program Document, the project will implement climate-smart agroforestry only in the last three categories of degradation levels, i.e. areas with 0-60 percent forest cover. Cocoa is best suited for moderately degraded areas (i.e. between 40-60 percent forest cover), and food-crop-based agroforests are most suited to severely degraded zones (i.e. 0-40 percent forest cover) due to their need for sunlight. A first mapping of suitable areas for cocoa plantation have been undertaken under the ER-Program estimating the available area of 17.000 ha. Areas with 60-75 percent tree cover can regenerate easily and are too shady for cocoa production, and will be the focus of conservation activities. This approach is compatible with cocoa certification and is even stricter than UTZ or Rainforest Alliance standards.

10 CDMCs 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 SMPs in the community development zones of forest concessions. 48 of these bodies received initial support from the FEDP (P124085), and played an active role in the development of the 15 SMPs the parent project sponsored. On the basis of the SMPs, the FEDP (P124085) already implemented a series of microprojects in its first phase.



2. Plot size

The average household in Sangha-Likouala cultivates 7 ha of land through shifting cultivation, rotating between clearing new land and leaving it fallow. The proposed agroforestry system will reduce average cultivated areas to 5 ha using the incentives described below, resulting in higher yields and profits. Farmers would be free to choose their preferred ratio of cocoa-based agroforestry and subsistence crop-based agroforestry systems on the 5 ha, provided the area meets the above site selection criteria.

3. Plantation density for the cocoa-based agroforestry system

Conventionally, cocoa is planted at relatively high densities of about 1,100-1,300 trees per hectare. However, such a practice only maximizes production for the first few years. After 4 to 5 years, competition between cocoa trees is exacerbated, leading to stagnating or even decreasing production. The project will limit cacao tree density to 850 per ha, and for fruit trees to 100 per ha. The long-term objective is to have a common cocoa planting density across the three categories of plantation sites (deforested, severely degraded, and moderately degraded) that reflects the optimal mix of economic and environmental benefits. Moving towards a common planting density will both create a sustainable, realistic environmental standard and will help to control the rebound effect¹¹.

4. Intercropping and integrated rotations

The climate benefits and economic profitability of cocoa systems can be enhanced through intercropping. Intercropping with different species will ensure both ecological viability and profitability as several of these species (i) mature in the first years after plantation and can provide economic benefits while cocoa is still growing (3-5 years on average to mature), and (ii) may provide non-timber forest products, such as caterpillars or pharmacopoeia, in addition to their use as agricultural crops. These species can also cover firewood needs. Finally, combining shade-grown cocoa production with food crops is expected to stimulate and diversify household incomes and improve food security.

To maintain soil fertility, the proposed approach for climate smart agroforestry production of subsistence crops and fruit trees includes a one-hectare rotating system, with cassava planted on half the land for two years and then on the other half hectare for two years. To replenish soil fertility, non-cassava areas would alternate between fallow (one-quarter hectare) and nitrogen-rich legumes, such as beans (a quarter of a hectare). Legumes not only enrich the soil with essential nutrients, they also meet communities' and indigenous people's nutritional needs. Beans can be consumed or sold as a cash crop. The total rotation cycle for the plot area takes 4 years.

5. Participant selection

Participating farmers will have to submit a microproject proposal to the Community Development Management Committee, which will assess its feasibility based on the respect of REDD+ requirements (package of conditions developed above). Following the microprojects' validation and in addition to the training, farmers will receive access to improved seeds through revolving funds mechanism described in sub-component 1.2. Specific attention will be paid to women's inclusion and participation to the project's activities. Only smallholders with a maximum of 5 ha will be eligible to participate.

6. Respect local land use planning

¹¹ The rebound effect in that case would consist in having such a keen interest for cocoa production that it would become uncontrollable and cocoa would become a driver of deforestation.



Agroforestry activities will only take place in the designated agricultural areas of Community Development Zones, as identified in participatory simple management plans (previously developed by the FEDP – P124085) and/or identified in a study underway with FEDP (P124085) support

The below figure presents the theory of change underlying the design of the proposed project.

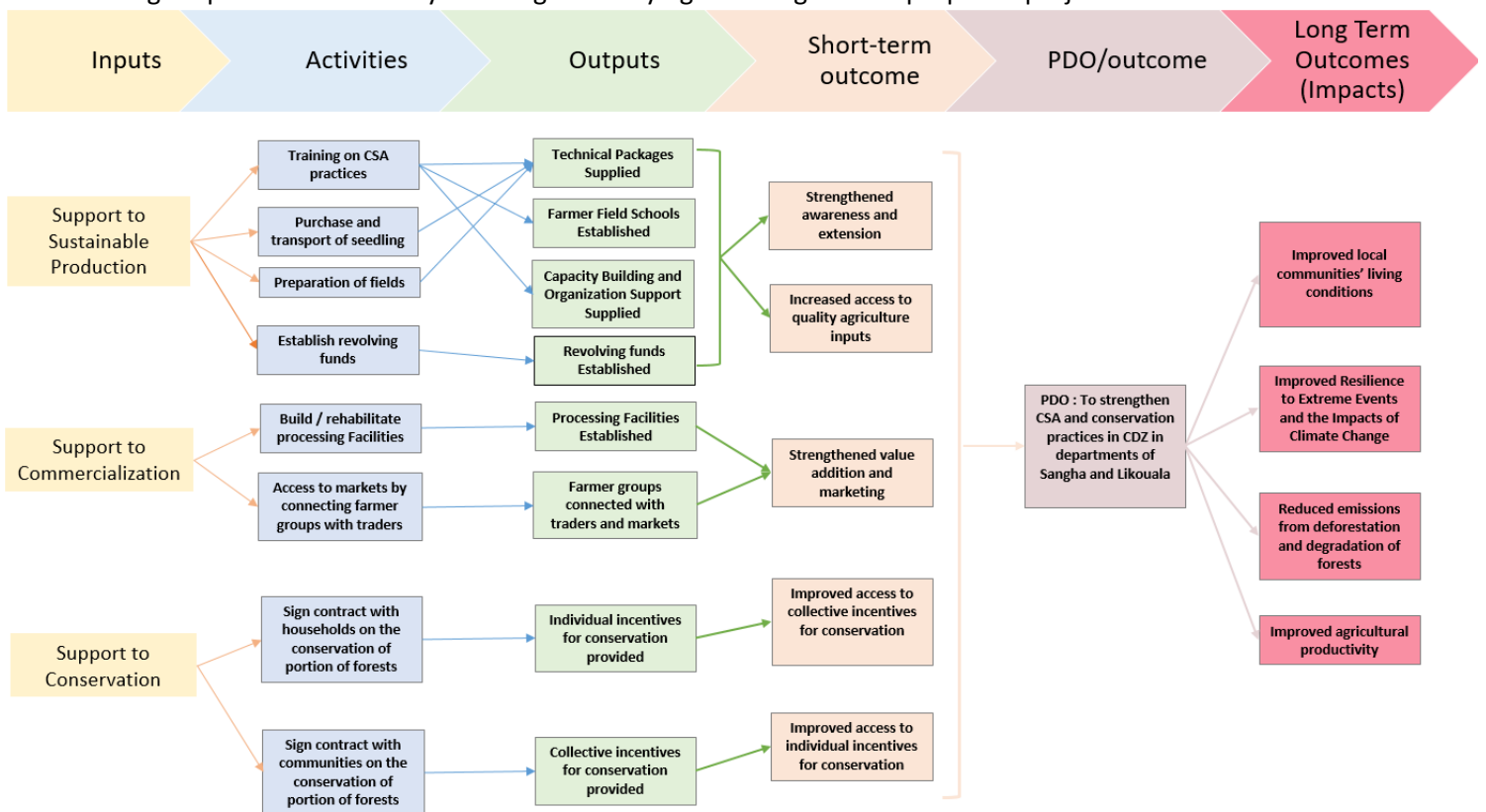


Figure 3. Proposed theory of change



1. Description

The project will be divided into three main components to provide adequate and comprehensive support to the implementation of the model described above.

Component 1: Support to climate smart agricultural production (USD 9 million)

This component would promote the adoption of CSA practices and improving access to inputs that enable both improved subsistence crop production for household consumption and cash crop production for income generation, including through cocoa. Specific attention will be paid to include women and especially young women in this component as it will enable them to get access to agricultural education, skills training, agricultural technology, improved seeds, agricultural advice, and entrepreneurship training and will then contribute to address gender inequality in the project area.

Sub-component 1.1: Promotion of CSA practices through awareness raising, capacity building and technical assistance (USD 2 million)

For cocoa production, the project will promote an agroforestry approach built on the experiences of FEDP (P124085), where agroforestry microprojects focused on banana-cocoa systems are already under implementation in the project area. The farmer training program established under the first phase of the FEDP project (P124085) will be replicated, focusing on production techniques that maximize yield and quality in an effort to enable farmers to sell to buyers at a premium. Training will concentrate on international production standards, preparation of fields, planting, maintenance, harvesting, and processing.

For subsistence crop production, the project will promote site-specific agroforestry-based approaches to production. The project will sensitize farmers to the benefits of agroforestry systems and provide training based on a farmer field school approach. Training will cover a range of practices depending on the specific context, including 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 and wildfire management.

Sub-component 1.2: Facilitating access to high-quality inputs using revolving funds (USD 5 million)

This sub-component scales up of revolving funds the FEDP (P124085) is piloting. In addition, to receive support under this sub-component, participants will need to adhere to the principles described in Box 1.

For cocoa production, participants will receive access to a package including inputs for planting, growing and harvesting. In particular, they will gain access to high quality hybrid cocoa seedlings produced following strict production standards under the National Cocoa Development Plan¹². The project will ensure the purchase and transport of seedlings, financial support for the preparation of fields, as well as basic inputs into production. Synergies will be developed with (i) the Cocoa Relaunch Project (AFD); (ii) research centers that have already performed studies on improved seeds such as the International cooperation Center for Agricultural Research (Centre de coopération Internationale de Recherche Agricole pour le Développement - CIRAD), the Institute for Agricultural Research (Institut de Recherche Agricole - IRA), etc.; and (iii) private companies like CIB-OLAM.

For subsistence crop production, farmers will receive a package providing access to high quality inputs for crop planting (i.e. seed material), growing (i.e. [organic] fertilizer, materials for integrated pest and soil fertility management) and

¹² The Cocoa NDP is currently under development by the Government through technical assistance financed through the Commercial Agriculture Project. The experts chosen to write this Cocoa NDP phase 2 already developed the feasibility study of the cocoa relaunch in the ROC.



harvesting, depending on the specific crops produced in the different project locations. Synergies will be developed with (i) other projects involving research on improved seeds such as the Eastern and Central Africa Agriculture Transformation Project (World Bank – P162416), which– focuses on maize, rice, beans and cassava; the Cocoa Relaunch Project (AFD); (ii) research centers that have already performed studies on improved seeds such as CIRAD, IRA, etc.; and (iii) private companies like CIB-OLAM.

To maximize project reach, all support to farmers will flow through revolving funds administered by the CDMCs or the coordination committees of the Local Development Funds (LDF). These will receive support from an organization experienced (to be funded under the FEDP – P124085) in administering revolving funds to ensure transparent management. The project will provide grants to the CDMCs/LDFs based on submissions made to the project. The project will disburse funds to farmers through a mobile money provider to finance the microprojects. Farmers will then reimburse the revolving fund according to a pre-defined repayment schedule harmonized with the harvesting schedule of their crops, so that the funds can be reinvested in additional microprojects.

Sub-component 1.3: Support to value addition and marketing (USD 2 million)

This component would provide support to processing, storage and marketing of cocoa. During project preparation, support to processing, storage and marketing of banana will be further investigated. To this end, the project will work with existing farmer groups, or support their development where necessary. It will explore the creation of appropriate processing facilities at farmer group level (including possibly mobile units), support the renovation of existing (e.g. the ones developed under the initiative CIB-OLAM undertook jointly with the government) or the construction of new storage facilities, and train farmers in the management and storage of their products. Finally, the project will facilitate access to markets by connecting farmer groups with traders. The project will further provide support to associations for budgeting, accounting, and marketing. During preparation, the project team will further investigate if and how productive alliances can be implemented¹³. To improve the state of local infrastructure, synergies will be established with other donor-funded projects, in particular the World Bank Commercial Agriculture Project (P159979) and the FEDP (P124085).

Component 2: Payments for conservation (USD 4 million)

Payments for conservation to smallholders consist of incentives for the conservation of local community forests (located in the community development zones and the buffer zones of protected areas), in line with the Simple Management Plans developed.

Sub component 2.1 Collective incentives for conservation

The purpose of this type of payment is to try and offer economic alternatives¹⁴ to community activities that may be a threat to sustainable forest management (e.g. illegal logging). These payments will be based on performance¹⁵, that is to say on the number of hectares of forest preserved, which would have been deforested under a business-as-usual scenario. For example, communities may decide to designate a conservation area where they could collect non-timber forest products, and use performance payments to reinvest in projects that (i) benefit the entire community and (ii) are aligned

¹³ The ambition of the Northern Congo Agroforestry project as part of the ER-Program is to scale up significantly the existing successful sustainable cocoa production and promote further the beginning of a revived cocoa sector in the country.

¹⁴ Profitability of such alternatives will be further investigated with the elaboration of a detailed economic analysis to be prepared by QER stage.

¹⁵ Communities will receive these payments only if they comply with the guidelines associated with, respectively: (i) simple management plans, and (ii) reducing areas deforested and/or degraded.



with REDD+ objectives. This could include building a processing unit for agroforestry products, etc. The aim of these collective payments is to create communal incentives for conservation, compliance with the Simplified Management Plans, and agricultural best practices.

Sub component 2.2 Individual incentives for conservation

In addition to community payments for conservation, individual conservation payments will help smallholder farmers abandon shifting agriculture practices and limit rebound effects. Individuals will receive payments to reinvest part or all of these incentives in their sustainable agriculture model and in the maintenance of these new plantations. This incentive will be predicated on agroforestry activities being limited to small areas (less than 5 ha) so that it does not become a driver of deforestation. An individual with small agroforestry areas (less than 5 ha) but who will protect a large area of forest will receive more support than an individual who prefers to plant 10 ha or more of monocultural cocoa who will not receive financial support to production from the project. Participants will only be eligible for performance payments if they comply with the guidelines associated respectively with: (i) the simple management plans, (ii) the agroforestry schemes proposed by the project (Box 1), and (iii) the reduction in the area burned by their agricultural practices.

Monitoring of activities and compliance will be carried out regularly throughout the project life cycle through (i) participatory monitoring with communities to ensure that conditions for conservation payments are met; (ii) the CDMCs, (iii) the project implementation unit (with the aim to monitor Simple Management Plan implementation); (iv) the ER-Program management unit and the *Centre National d'Inventaire d'Aménagement forestier et de la Faune* (CNIAF) which, as part of the ER-Program's Monitoring, Reporting, and Verification, will regularly carry out monitoring using remote sensing and field verification; and (v) the private logging company responsible for the CDZ in question, who will also be responsible for the continued compliance with REDD+ requirements. Moreover, CDMCs will be audited annually by the project implementation unit to ensure their proper functioning and governance.

Component 3 - Project management, monitoring and evaluation (USD 3 million)

This component will finance project management, implementation, and monitoring and evaluation and will also provide support to MAEP/MEF capacity building for oversight; and detailed monitoring.

The project is expected to bring significant benefits to participating rural communities:

Livelihoods and socio-economic development: The approach allows improved overall productivity per unit area, disease control, profitability, and ecological services (conservation of biodiversity, maintenance of soil fertility, carbon sequestration, etc.). The proposed systems have significant yield potential (between 900 and 1200 kg / ha for cocoa) while reducing the consumption of chemical inputs, which carries both economic and environmental costs. Agroforestry systems provide flexibility and resilience that are important to smallholder farmers vulnerable to volatile world cacao prices and climate change. Farmers and households will further benefit economically from improved value chains in rural areas, strengthened capacities on agroforestry techniques, and job creation. The project will also contribute to establishing and rehabilitating basic local infrastructure.

Mobilization of additional climate finance: By reducing emissions, the project will contribute to the ER-Program, increasing its likelihood of success and of disbursing the up to US\$51 million in result-based finance that the FCPF Carbon Fund is planning to make available to the ROC.

Climate benefits: The project will support the planting of an estimated 5,000 ha of agroforestry and the conservation of



4,000 ha of natural forests over its 5-year implementation period. As a result, the project will reduce carbon emissions (avoided emissions) and increase carbon stocks up to 3.7 million tCO₂e over a 20-year period.

Biodiversity and other environmental co-benefits: The project's emphasis on sustainable land use management will result in multiple environmental co-benefits, notably the protection of primary forests that provide ecosystem services including maintenance of soil and water quality, erosion control, climate regulation, as well as biodiversity conservation. In a context of accelerated deforestation, climate-smart agroforestry systems provide habitat and migratory corridors for many wild species that live in the forest fragments surrounding intensive farming areas.

Governance: The project will improve the governance of natural resources through local-level simplified management plans as a basis for land use decisions on agricultural production and forest protection.

Gender: Women involved in farming will benefit from capacity-building and improved farming practices. Women involved in farming will benefit from improved farming practices and resulting increased incomes. In addition, PES schemes will place a special emphasis on the fair treatment of women, and the voice of women in local governance bodies will be promoted.

Private sector involvement - The project will create links between the private sector and small producers to strengthen value chains. This will help generate local employment opportunities for planting, maintenance, seedling production, service delivery, and arrangements for farmers, thus contributing to a positive dynamic. Private sector involvement is a key component of the REDD+ process that the FIP is a part of. Consequently, the FIP project may have a multiplier effect beyond its area of intervention.

SAFEGUARDS

A. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The project will take place in the two northernmost departments of Sangha and Likouala. These departments cover 12.4 million ha, 11.7 million (or 94%) of which are forested. This represents 52% of the national forest area. With an estimated population of 306,000 (of which 109,000 in Sangha and 197,000 in Likouala), population density is only 2.5 people per km². The poverty rates in Sangha and Likouala are 64 percent and 67 percent, respectively, about twice the national average. Common income-generating activities in the project area include agriculture and employment in the formal and informal forestry sectors. There are a lot of indigenous people in the area who mostly relies on hunting and gathering for their livelihoods, with limited small-scale agriculture.

B. Borrower's Institutional Capacity for Safeguard Policies

The management of environmental issues in the Republic of Congo is managed under the Ministry of tourism and environment. The direction générale de l'environnement (DGE), under the ministry of tourism and environment is in charge of the elaboration and implementation of environmental policies, as well as providing general guidance on Environmental And Social Impact Assessments (ESIAs) and their validation. However, the borrower capacity, both at the national and municipal level, to adequately implement the safeguard measures is considered weak. This is due to lack of



experts in environmental and social safeguards. As it has been identified through the Bank safeguards portfolio review in 2017, there is a need for capacity building for the experts in PIUs and key ministries, as well as a close collaboration with the DGE. The borrower's institutional capacity for safeguards policies is weak. However, the project will draw lessons from other ongoing projects (with similar activities in the same area) which have already been implementing safeguards instruments and measures.

C. Environmental and Social Safeguards Specialists on the Team

Grace Muhimpundu, Social Safeguards Specialist
Joelle Nkombela Mukungu, Environmental Safeguards Specialist

D. Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	PO/PB 4.01 is triggered as activities from subcomponent 1.2: "Access to high quality inputs through revolving funds"; and Subcomponent 1.3: "Support to value addition and marketing" are expected to generate environmental and social impacts. These impacts are foreseen to be moderate, site specific localized and manageable; so the project's proposed classification is the EA category "B". The Environmental Safeguards Policies triggered are PO/PB 4.01 "Environmental Assessment"; PO/PB 4.04 "Natural Habitats"; OP/PB 4.09 "Pest management and pesticides"; PO/PB 4.10 "Indigenous Peoples"; PO/PB 4.11 "Physical Cultural Resources"; OP/PB 4.12 "Involuntary Relocation"; PO/PB 4.36 "Forests"; PO/PB 17.50: Right of access to information. To ensure that any environmental issues by the project activities are appropriately addressed, the project will prepare an Environmental and Social Management Framework (ESMF) to serve as a guide for developing ESIA's and ESMP's as needed, when the exact location of sub-projects will be known. In particular, the ESMF will include a diagnostic of the project environmental and social risks and propose the environmental and social procedure for managing the sub-projects, including aspects related to labor influx, gender based violence's, child labor, as well as health and safety.
Performance Standards for Private Sector Activities OP/BP 4.03	No	NA
Natural Habitats OP/BP 4.04	Yes	OP/BP 4.04 is triggered to enable the project to perform the screening of the identified sites and their



		<p>vicinities relative to natural habitats, the aim is to avoid project activities to create significant degradation of natural habitats. Project will also seek to identify appropriate conservation measures, follow-up, assessment and management of natural habitats within the project area. The Government will be encouraged to provide necessary information to the people and to provide them with the right incentives to protect and to support the conservation of natural habitats and to facilitate, if necessary, the rehabilitation of degraded habitats. Mitigation measures will be included in the ESMF.</p>
Forests OP/BP 4.36	Yes	<p>The policy is triggered as the project is envisaging to implement its activities in both Sangha and Likouala departments - high forested departments (natural forest up 90%). Potential impacts and proposed enhancement/mitigation measures will be included in the ESMF.</p>
Pest Management OP 4.09	Yes	<p>OP/BP 4.09 is triggered because the project will supports activities related to agriculture, that might require the use of pesticides, fertilizers and other chemicals which can create negative effects on the environment. This policy supports the integrated pest control approaches. The project will prepare an Integrated Pest Management Plan (IPMP) as a standalone document, consulted upon, to ensure that environmentally friendly methods for pest control are applied, such as biological control, cultural practices, and the development and use of varieties that are pest and disease resistant or tolerant. The IPMP will be finalized and published in country and on the World Bank external website prior to appraisal.</p>
Physical Cultural Resources OP/BP 4.11	Yes	<p>The project triggers OP 4.11 (Physical and Cultural Resources) to ensure that should the project be located in, or in vicinity of, physical cultural resources, notably sacred sites of local communities (numerous in Likouala department), chance finds procedures along with guidance on sensitization will be included in the ESMF ,and should be part of every civil work contract, even where risks are deemed low.</p>
Indigenous Peoples OP/BP 4.10	Yes	<p>The project will implement its activities into the Likouala and Sangha departments where there is a presence groups identified as IPs as per OP 4.10 definition. In order to properly capture and ensure the inclusion of IPs, the project will prepare an Indigenous Peoples Plan (IPP) to properly capture and include IPs</p>



as beneficiaries of the Northern Congo Agroforestry project activities. The IPP will be finalized and published in country and on the World Bank external website prior to appraisal.

Involuntary Resettlement OP/BP 4.12 Yes

The project activities will not finance the purchase of land or buildings. The project will prepare a negative list which includes activities requiring land acquisition or involuntary resettlement. This will be detailed in the ESMF and in the PIM.

Safety of Dams OP/BP 4.37 No

The project activities are localized and will not have any impacts on dams.

Projects on International Waterways OP/BP 7.50 No

The project activities are localized and will not have any impacts on international waters.

Projects in Disputed Areas OP/BP 7.60 No

The project activities will not be in any disputed areas.

E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

Oct 15, 2018

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

It should take 2 to 3 months to the government to get the preparation grant and an additional 2 months to prepare safeguards instruments. The recruitment of the consultant could be done in parallel of the PPG request so that work can start as early as possible.

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