

PROJECT INFORMATION DOCUMENT (PID) CONCEPT STAGE

Report No.: PIDC2580

Project Name	CM -- FCPF REDD READINESS (P124293)
Region	AFRICA
Country	Cameroon
Sector(s)	Forestry (100%)
Theme(s)	Climate change (100%)
Project ID	P124293
Borrower(s)	MINEPAT, MINEPAT
Implementing Agency	Ministry of Environment, Nature Protection and Sustainable Development, Ministry of Environment, Nature Protection and Sustainable Development
Environmental Category	C-Not Required
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I. Introduction and Context

Country Context

Population and economic growth. Despite its potential, Cameroon's economic growth is lagging. Cameroon is endowed with significant natural resources, including oil, high value timber species, and agricultural products (coffee, cotton, cocoa). Untapped resources include natural gas, bauxite, diamonds, gold, iron, and cobalt. Nonetheless, economic growth has been lagging the average growth rate for sub-Saharan countries. Poor infrastructure, an unfavorable business environment, and weak governance hamper economic activity and make it difficult to reach the growth rates needed to reduce poverty in a sustainable manner. On its current trajectory, Cameroon is not likely to meet most Millennium Development Goals (MDGs). The country has shown relatively strong macroeconomic performance in the past years. Under a poverty Reduction and Growth Facility arrangement with the IMF, completed in 2009, Cameroon used windfall oil revenues to accelerate domestic debt payments, strengthen tax and customs revenue administration, raise investment, and normalize relations with creditors. The Bank supported these efforts through technical assistance, particularly in customs and public expenditure management. Debt relief under the HIPC Initiative and the MDRI helped firm up debt sustainability and together with the rise in international oil prices allowed the authorities to accumulate some deposits at the regional central bank. Cameroon has been slowly recovering from the adverse effects of the global crisis. After declining in 2009, due to the drop in commodity prices and volumes, Cameroon's exports rebounded in 2010. The recovery of non-oil sectors contributed to the increase in real GDP growth to 2.9 percent in 2010, from 2

percent in 2009. This recovery gained momentum in 2011 and 2012, with an estimated real GDP growth of 4.1 percent and 4.4 percent, respectively, driven by strong activities in agriculture, construction, and telecommunications. The declining trend in oil production reversed in 2012, contributing positively to the expansion in economic activities.

Progress in human development. The overall poverty headcount ratio in Cameroon is 40 percent (2007), with large socioeconomic and regional variations (north/south and urban/rural). Ranked 150th out of the 187 countries tracked in the 2011 Human Development Index (HDI), Cameroon is one of a group of countries whose HDI scores have deteriorated over the past two decades. Cameroon will likely not meet most of the Millennium Development Goals as only one out of seven MDG is currently on track (Universal primary education), three out of seven are partially on track (Gender equality; HIV/AIDS, malaria and other diseases; Environmental sustainability).

Plans for growth and transformation. National development priorities are expressed in the Government's long-term planning document, "Vision 2035", which envisions Cameroon as an "emerging nation, democratic and united in its diversity" by 2035. Anchored to the Vision 2035, the Growth and Employment Strategy (Document de Stratégie pour la Croissance et l'Emploi, DSCE) covers the 2009 – 2019 period, and envisions significant investment in infrastructure to stimulate growth, productive increases in agriculture and livestock farming, mining, key value chains, and in the business climate. Further, the DSCE looks to strengthen human development and develop more robust formal sector employment, puts emphasis on regional integration and promotes strengthened partnership with non-traditional donors. It also aims to strengthen governance, outlining specific initiatives related to corruption, public procurement, business climate, and civic participation.

Sectoral and Institutional Context

Forest cover in Cameroon. Cameroon belongs to the forest massif of the Congo Basin. 41.3% of its territory is covered with forests, or 19.1 million hectares of dense forest divided into 18.6 million hectares of dense moist forest, 227,818 ha of mangroves, 194,638 ha of transition forests and 28,396 ha of mountain forests. To these are added 1.3 million hectares of dry woodland, 12 million hectares of savanna woodland, 2.6 million hectares of shrub savanna and 2.6 million hectares of savanna mosaics (EdF 2010). The forests of Cameroon thus stock at least 5 Gt of Carbon (EdF 2010).

Institutional and Policy framework for Environment. The Ministry of the Environment, Nature Protection and Sustainable Development (MINEPDED) saw its missions strengthened in 2011 through the incorporation of the sustainable development dimension. The ministry counts more than 700 staff in five main technical directorates (Development of environmental policies, Conservation and Natural Resources Management, Promotion of Sustainable Development, Norms and Control, Environmental Information and Documentation Center).

Environment in Cameroon. Environmental management in Cameroon is governed by law No. 96/12 of August 5, 1996, which defines the principles governing the rules in environmental matters in Cameroon: precaution, preventive and corrective action, payment for resulting pollution, liability, participation and subsidiarity. Furthermore, it develops the coordination and financing of the environmental policies.

National Observatory on Climate change. Established in December 2009, the mission of the National Observatory on Climate Change is to monitor and evaluate the socio-economic and

environmental impacts of the measures to prevent, mitigate and/or adapt to the harmful effects and risks tied to climate change. It is responsible, among other things, for initiating and promoting studies concerning, impacts and risks linked to climate change; for collecting, analyzing and disseminating climate related information; as well as proposing measures for mitigating and/or adapting to harmful effects and risks tied to climate change.

World Bank involvement in the forest sector. The World Bank has a long history in its support to the forest sector in Cameroon. Between 1990 and 1997, the Bank focused exclusively on policy dialogue to improve Cameroon's policy framework and to eliminate major distortions. Recent support included US\$35 million a joint IDA and GEF Development Policy Lending (DPL) instrument for the Forest and Environment Sector Program (FESP) which was closed on December 2011. While there were challenges with the full delivery of some forest sector interventions, the World Bank has continued to engage the government in areas where there were opportunities to continue constructive engagement on forests. For example supporting national park development of forested areas as part of the Lom Pangar dam project, or carrying out an analysis of land-use planning related to mining and forests, or others.

The Conservation and Sustainable Use of Ngoyla-Mintom Forest Project is a significant ongoing operation from the World Bank in the forest sector. This is a US\$3.5 million full-sized and stand-alone GEF Project, with a five-year implementation period. The project aims at improving the conservation and management of the core area and the access to income-generating activities for local communities. The project is in line with FCPF goals seeking to reduce emissions from deforestation and forest degradation and is recognized as an important REDD+ priority pilot project in Cameroon.

REDD+ Engagement. The Republic of Cameroon has been highly involved in the development of the REDD+ process since its emergence at the international level in 2005 and through its engagement at the sub-regional level in the «Commission des Forêts d'Afrique Centrale» (COMIFAC). As part of its commitment to REDD+, Cameroon initiated a process of reinforcement of its technical and institutional capacity to become ready for REDD+ ("REDD+ Readiness" process). The country prepared a Readiness Preparation Proposal (R-PP), which was endorsed by the Participants Committee of the Forest Carbon Partnership Facility (FCPF) in October 2012 but finally approved by the Participants Committee (PC) members in February 2013. The R-PP lays out a roadmap for achieving 'Readiness' to engage in an international REDD+ mechanism, and puts forward a request for USD3.6 million from the FCPF to implement this roadmap. The R-PP was prepared in close consultation with various stakeholders, including civil society and Indigenous Peoples representatives, and the private sector. A Steering Committee was put in place which provides policy guidance and overall coordination for REDD+, supported by a National Technical REDD+ Secretariat, managing the day-to-day REDD+ agenda. The country is committed to using REDD+ as a climate change mitigation tool for enhancing sustainable development. In 2012, an inter-ministerial decree on REDD+ was signed by the Prime Minister, which has catalyzed high interest amongst the various sectors engaged in land use. The challenge moving forward is to ensure the active participation of these relevant stakeholders as well as other interest groups to help develop inclusive and pro-poor REDD+ strategies and effective institutions.

Civil Society and Indigenous Peoples involvement. Civil society and indigenous peoples have been active in the REDD+ Readiness process in Cameroon since 2009. In 2011, civil society (CSOs) and indigenous peoples (IPs) organizations set up the REDD and Climate Change Platform. This

platform brings together CSOs and IPs groups involved in human rights, social protection, environmental governance, rural development, etc., from all ten regions in Cameroon. These organizations joined the Platform as they saw significant opportunities and benefits from REDD+. Despite initial tensions, a strong partnership between the Platform and MINEPDED exists where resources have been provided by MINEPDED to the Platform to strengthen its decentralized structures and allow for more active engagement of local population during the Readiness phase. Ten regional platform antennas were created and the Platform intends to decentralize even further to Communes and Villages. The R-PP consultation figures show that 67 percent of persons consulted are from NGOs and Indigenous Peoples. This strong involvement will continue during the strategy preparation process.

Sub-national REDD+ Structures. The Government is committed to using the decentralization process to foster an inclusive approach to REDD+ Readiness. During the Readiness phase, as part of its institutional arrangements, decentralized and deconcentrated structures will be associated with the identification of strategy options and with strategy implementation. These structures will enable a participatory, “bottom-up” process that takes into account the aspirations of local communities and relevant stakeholders. Regional coordination structures will facilitate the link between the Technical Secretariat and the relevant officials at the Departmental level, whereas, the departmental technical committees will be in charge of managing the REDD+ activities at the local level. Coordinated by the Prefect, the departmental technical committees will consist of departmental representatives of the MINEPDED and the MINFOF, as well as of all the other stakeholders.

REDD+ Opportunities. The Republic of Cameroon expects that REDD+ can support the country in ensuring sustainable forest management, and provide incentives to address some of the main drivers of deforestation and forest degradation, such as slash-and-burn agriculture and fuelwood consumption. In addition, REDD+ is an opportunity to help the country address the issue of a national land use planning exercise that will mitigate impacts on forest cover from developments in other sectors, such as mining, commercial agriculture and infrastructure development. For this purpose, REDD+ should be considered as a sustainable development promotion instrument.

Related REDD+ ongoing initiatives in Cameroon. Current donor support for the REDD+ initiatives including those for the forestry sector in the Republic of Cameroon remain important.

Relationship to CAS

The current CAS (FY2010-FY2013) has nine CAS outcomes, divided between the governance foundation and the two strategic themes; increasing competitiveness and improving service delivery. The CAS Progress Report was finalized in December 2012. Governance has been identified as one of the main challenges to growth and development and the challenges persist in spite of a few improvements. In the R-PP, the government has also identified the governance as a cross-cutting development option.

The Bank is rethinking its engagement in the forestry and environment sector. Based on the challenges faced during the implementation of the forestry and environment DPL which closed in late 2011, the Bank is not expected to engage in any new lending operations in the forest and environment sector over the remainder of the CAS period. The Ngoyla Mintom GEF project will therefore be the only ongoing forests activity supported by the Bank. The Bank remains conscious that without proper planning, short term financial and economic gains will likely outweigh longer term sustainability goals and Cameroon’s permanent forest estate will be reduced considerably. The

Bank's support will, in the first instance; consist of strong policy dialogue and advice.

Climate Change discussions and mainly REDD+ will be the entry points for further and later engagement by the Bank in the sector in Cameroon. The Readiness Preparation grant can contribute directly to both objectives. By supporting the country in tapping into international payments for ecosystem services through REDD+, standing forests in Cameroon could become a source of economic diversification. In addition, by promoting equitable and transparent benefit sharing arrangements that reach forest-dependent communities and indigenous peoples, the Readiness process could contribute to ensuring that REDD+ effectively contributes to poverty reduction in rural areas.

II. Proposed Development Objective(s)

Proposed Development Objective(s)

The development objective of this grant is to reinforce Cameroon's capacities to design a socially and environmentally sound national strategy to reduce emissions from deforestation and forest degradation and to develop a national reference scenario of emissions from deforestation and degradation that takes into account national circumstances

Key Results

Institutions strengthened at national, regional, and departmental levels effectively coordinating and implementing REDD+ readiness with a grievance and redress mechanism operational;

A National draft REDD+ Strategy (including its implementation framework) incorporating SESA outcomes and recommendations is prepared in consultative manner and validated by national stakeholders. A draft framework for managing potential social and environmental risks of agreed REDD+ strategy options is prepared and validated;

A preliminary national/sub national forest emissions reference level, based on updated and quantified information of forest resources and national circumstances is established.

III. Preliminary Description

Concept Description

This REDD+ Readiness Preparation grant will provide funding to support Cameroon in the amount of US\$ 3.6 million in carrying out a subset of activities outlined in its Readiness Preparation Proposal (R-PP). The full R-PP includes all activities necessary for Cameroon to become ready for REDD+. However, the FCPF grant will fund only a portion of the US\$ 28.9 million needed to cover all R-PP planned activities.

FCPF will finance major components of the R-PP that have been prioritized by the REDD+ Technical Secretariat. This support is limited to technical assistance, analytical studies, capacity building, goods, operating costs, and consultation processes and does not include the implementation of site-specific REDD+ programs (carbon deals) on the ground. The activities have been prioritized keeping in view the comparative advantages of the FCPF and the likelihood of follow up work by others actors active in the REDD+ space in Cameroon.

COMPONENT 1: SUPPORT TO THE NATIONAL READINESS MANAGEMENT

ARRANGEMENTS (US\$1.6 million)

COMPONENT 1.1 - COORDINATION OF THE REDD+ READINESS PROCESS:

This component will support the structures that will lead the coordination and implementation of the REDD+ Readiness process in Cameroon, including the Steering committee, the Technical Secretariat, and the decentralized structures at regional and departmental levels by providing them with the adequate human, technical and operational resources. FCPF Grant funds will finance the following:

Streamlining the utilization of REDD+ funds by setting up a fiduciary team
Recruitment of Technical Expert on REDD+ to support the National REDD+ Coordinator and help strengthen the National REDD+ Technical Secretariat within the MINEPDED so as to ensure it can deliver the activities planned as part of the REDD+ readiness process. In addition, a fiduciary team, consisting of a financial management specialist, a procurement specialist, and an accountant will be recruited to support streamlining the utilization of all the funds, whatever their origin, allocated to the REDD+ readiness process, with an interest in optimizing their impacts in terms of outputs, in accordance with sound governance. There is a possibility that the Basket Fund, established within the MINFOF, will support the fiduciary team, thereby freeing up FCPF resources. Operational budget will be provided to procure office supplies, one vehicle, pay office rental, support annual financial audits and purchase if needed financial management software.

Investments to make the REDD+ Technical Secretariat operational and effective
The REDD+ Technical Secretariat will ensure that REDD+ is integrated in the national and sectoral policies and strategies, as well as other development and planned initiatives. To succeed, this will require a close cooperation with countless governmental and non-governmental entities. Such cooperation will entail numerous nationwide meetings and workshops, including field trips. This is why the FCPF will support the acquisition of equipment, such as computers and vehicle(s).

Supporting operating costs to secure the functioning of REDD+ National and Sub-national structures

This sub-component will contribute to cover some operating costs of the REDD+ Technical Secretariat, such as the annual financial audit, but the main target will remain the functioning of the sub-national structures to promote a bottom up approach, making sure that regions and stakeholders on the ground can voice their views.

COMPONENT 1.2 – SUPPORT FOR STAKEHOLDER ENGAGEMENT

Consultation and participation for activities to be implemented under the FCPF grant

This subcomponent will fund consultation and participation of key activities implemented using FCPF funding. This includes the consultations on: i) the drivers and underlying causes of D&D, ii) the draft strategy options, iii) SESA, preparation of the national implementation framework for REDD+, iv) study on benefit sharing and, v) assessing and setting up effective feedback and grievance redress mechanisms.

Specific and targeted consultations will be organized through a diversified set of events (meetings,

workshops, seminars, etc.). Various groups will be targeted: the media, civil society, opinion makers, forest-dependent communities, indigenous peoples, the private sector, as well as state representatives and relevant administrations. The CSO platform would be used as a conduit for dissemination of information and consultation with CSOs, IPs and local communities throughout the decentralized structures in the five agro-ecological zones. t. A consultation plan will be revised upstream to ensure consistency and efficiency at the country level while avoiding overlaps with other initiatives.

Strengthening sub-national REDD+ structures

In Cameroon, the R-PP has identified serious capacity constraints and lack of adequate knowledge and awareness on what is REDD+. Critical Sectors both at national and sub-national levels engaged in land use do not have adequate knowledge or even basic understanding of REDD+, furthermore other relevant stakeholders such as the private sector, forest dependent communities etc. face similar situations. Therefore, this sub-component will fund institutional strengthening targeted at the sub-national levels. Existing structures at regional and departmental levels (Environmental Department, Forestry Department, Farmers Associations, Traditional Chiefs Associations, Women's Associations/Networks, IP groups, community forest committees, private sector associations, etc.) will benefit from capacity building to enhance their engagement in the REDD+ process.

Additional resources from the Basket Fund might be allocated to this sub-component with an interest in expanding awareness and sensitization on REDD+.

COMPONENT 2: SUPPORT TO THE DESIGN OF A NATIONAL REDD+ STRATEGY (US \$1.350 million)

COMPONENT 2.1 - PREPARATION OF THE NATIONAL REDD+ STRATEGY

This component aims to support a series of analytic work that would contribute to the refinement of the deforestation and forest degradation in order to help the country come up with the right strategy options for Cameroon. This component has two sub-components as follows:

Sub-component 1: Based on existing data and consultations during the formulation of the R-PP, a preliminary analysis of the direct and underlying causes of deforestation and forest degradation in Cameroon exists. During the readiness process, deepening the analytic work on the drivers and underlying causes of deforestation and forest degradation will be conducted. The funds will also support the recruitment of consultants to conduct the analytic work as well as support the dissemination of these studies.

Subcomponent 2: Initial REDD+ strategy options have been identified during R-PP formulation. Funds will be provided to assess and conduct analytic work on these options in order to align with the more detailed assessment of drivers of deforestation and forest degradation. A REDD+ strategy will be developed during Readiness. It is expected that the REDD+ Strategy in Cameroon will be multi-sectoral, in nature with special emphasis on agriculture, logging and energy sectors given the relevance of these sectors to deforestation and forest degradation. In addition, the REDD+ strategy will need to address governance and law enforcement issues. The ongoing pilot REDD+ projects will provide lessons for the development of the REDD+ strategy.

COMPONENT 2.2 – STRATEGIC ENVIRONMENTAL AND SOCIAL ASSESSMENT

This component aims to support Strategic Environmental and Social Assessment (SESA) which will be able to inform the national REDD+ strategy. The SESA will contribute to the REDD+ readiness process in Cameroon by assessing how REDD+ strategy options address environmental and social priorities associated with current patterns of land use and forest management. Gaps identified through this assessment would lead to adjustments in the REDD+ strategy options to close the gaps. Also, the SESA will provide an Environmental and Social Management Framework (ESMF) that will outline the procedures to be followed for managing potential environmental and social impacts of specific policies, actions and projects during the implementation of the REDD+.

The grant will support the following activities:

- Financing the payroll of the SESA Unit in the Technical Secretariat: A SESA Unit will be established as part of the REDD+ Technical Secretariat and it will consist of at least 2 senior experts (an environmentalist and a social development expert). In addition, the Technical Secretariat if needed would hire additional expertise. This team will supervise the SESA process (see activities below) that will allow Cameroon to reduce as much as possible the possible social and environmental impacts of the REDD+ strategy options, in particular relative to at-risk groups. FCPF will support the payroll of this team over the 3 year grant agreement.

SESA and development of Environmental Social Management Framework (ESMF): this sub-component will support the following activities among others:

- o National validation workshop on the SESA Terms of Reference
- o Recruitment of a consultant(s)/firm to conduct SESA.
- o Analytical work on social and environmental considerations on D&D and strategy options and the institution arrangement for SESA
- o Institutional legal and policy review
- o Consultations on SESA
- o Preparation of a draft Environmental and Social Management Framework (ESMF)

COMPONENT 2.3 FEEDBACK AND GREVIANCE REDRESS MECHANISM

Given the broad range of stakeholders involved, and the potential complexity of REDD+ processes, a functional and easily accessible national feedback and grievance redress mechanism is critical from the earliest stages of R-PP implementation. In this regard, particular attention will be paid to geographically, culturally or economically isolated or excluded groups. The grant will support the design and early implementation of this mechanism. The FCPF Grant funds will be used to:

- An assessment of existing national institutional capacity for feedback and grievance redress mechanism;
- Staffing to implement the identified redress mechanism during the REDD+ readiness process.

COMPONENT 2.4 - PREPARATION OF THE REDD+ IMPLEMENTATION FRAMEWORK

The FCPF grant will support an in-depth analysis of legal and institutional issues around REDD+, including: i) analysis of the existing national legislation on forests and other sectors pertaining to the REDD+ goals; ii) analysis of the governance for a national fund to manage REDD+; iii) fiscal

and economic incentives to promote REDD+ activities; iv) options for benefit sharing; v) analysis of the opportunity to prepare specific legal text for the REDD+ dealing also with the legal nature of emission reductions.

COMPONENT 3: INFORMING THE NATIONAL REFERENCE SCENARIO FOR REDD+ (US\$ 0.65 million)

The FCPF Grant will finance activities, which will inform the development of the National Reference Scenario for REDD+, including sub-national reference levels as well, by highlighting its (their) prospective (forward-looking) elements. These activities will be based on an analysis of future pressure on forests. A consultant firm will be contracted to model potential future pressures on the forests in Cameroon by assessing future development trends in various sectors, such as agriculture, logging, energy, mining and infrastructure in each agro-ecological zone. The consultant firm will adapt the IIASA partial-equilibrium model produced at the regional scale (Congo Basin) to the national level, taking into account the most updated information available.

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:	0.20	Total Bank Financing:	0.00
Financing Gap:	0.00		
Financing Source			Amount
Borrower			0.00
Readiness Fund of the Forest Carbon Partnership Facility			0.20
Total			0.20

VI. Contact point

World Bank

Contact: Emeran Serge M. Menang Ev

Title: Senior Environmental Specialist

Tel: 5330+8009 /
Email: emenangevouna@worldbank.org

Borrower/Client/Recipient

Name: MINEPAT
Contact: Mr. Emmanuel Nganou Djoumessi
Title: Minister of Economy , Planning and Regional Development
Tel: 237-22221509
Email:

Name: MINEPAT
Contact: Mr. Emmanuel Nganou Djoumessi
Title: Minister of Economy , Planning and Regional Development
Tel: 237-22221509
Email:

Implementing Agencies

Name: Ministry of Environment, Nature Protection and Sustainable Development
Contact: Mr Amadou Wassouni
Title: National REDD+ Coordinator
Tel: 23722235160
Email: wassouniamadou@yahoo.fr

Name: Ministry of Environment, Nature Protection and Sustainable Development
Contact: Mr Amadou Wassouni
Title: National REDD+ Coordinator
Tel: 23722235160
Email: wassouniamadou@yahoo.fr

VII. For more information contact:

The InfoShop
The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 458-4500
Fax: (202) 522-1500
Web: <http://www.worldbank.org/infoshop>