

CAFI Multi-Partner Trust Fund

CAFI Preparatory Funding for Republic of Congo's National Investment Framework



Country: Republic of Congo	
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Project Description: Preparatory work to support the Government of Republic of Congo in more comprehensively designing and more effectively finalizing its National Investment Framework.	CAFI Fund request: US\$ 698,000 Overview of complementary funding sources (for informational purposes only): Other sources: ¹ US\$ 506,220 (FIP, UN-REDD/UNEP) Government Input: In kind Other: Total Project Cost: US\$ 1,204,220 Proposed Project Start Date: May 2016 Proposed Project End Date: December 2016 Total duration (in months): 8
Expected outcome: Republic of Congo has developed a single, comprehensive, broadly supported, multi-sector REDD+ National Investment Framework.	

¹ As confirmed at the time of the request.

Key expected outputs: REDD+ National Investment Framework (NIF)

Recipient Organization(s) International Bank for Reconstruction and Development (World Bank)	Chair of the CAFI Executive Board
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COUNTRY CONTEXT AND COORDINATION

With nearly 22.4 million ha of forests – 65% of its territory – the Republic of Congo (ROC) is part of the Congo Basin forest. It contains high levels of ecological diversity. 17 protected areas covering 4.5 million ha (or 13.2% of the national territory) have been created. Some 10.6 million ha of forest concession are under management by 29 concessionaires, 4.06 million of which have management plans, and 2.5 million ha have received Forest Stewardship Council certification. This represents 50% of certified forests in the Congo Basin. The ROC has the lowest deforestation rate in the Basin, at 0.08%. However, the pressure on forests is increasing and ROC is confronted with the intertwined challenges of climate change, population growth, poverty reduction, food security and the conversion of tropical forests to industrial agriculture (oil palm, cocoa, coffee, rubber), mining concessions and infrastructure projects. More than 0.5 million ha of forests could disappear annually between 2015 and 2020 (CN-REDD, 2014).

The Government is firmly committed to REDD+ in the context of a low carbon development pathway and is therefore integrating REDD+ into its national sustainable development strategy, which is currently being developed. Given the multi-sectoral dimension of the fight against deforestation and forest degradation, and the necessity of coordinating across sectors, the National REDD+ Committee (CONA-REDD) was created in November 2015, and is now fully operational. The CONA-REDD includes representatives from the presidency, various ministries², legislators, as well as nine civil society representatives, six indigenous peoples' representatives, and the three private sector representatives.

Another encouraging sign is the ongoing planning of the update of the National Land Use Plan (NLUP) under the leadership of the Ministry of Land Use Planning. Law No. 43-2014 of 10 October 2014 on land use planning and territorial development provides the legal framework and guidelines for territorial planning under a sustainable development paradigm.

It should also be noted that ROC is engaged in the Forest Law Enforcement, Governance and Trade Initiative. To this end, it concluded a Voluntary Partnership Agreement with the European Union, which was ratified on February 19, 2013.³

This effort is supported by the EU REDD Facility, which is hosted by the European Forest Institute (EFI) and which was established in 2010. The Facility is contributing to efforts to move the national REDD+ process forward by providing flexible expertise and technical assistance that address requests from national stakeholders for support, in line with the European Union's priorities and programs. The ongoing activities in ROC include, among others, support for (i) identifying the options to be developed for

² Forest Economy and Sustainable Development; Tourism and Environment; Agriculture and Livestock; Mines and Geology; Energy and Hydrocarbons; Planning and Integration; Finance; Territorial Administration; Land and Public Domain; Health and Population; Scientific Research

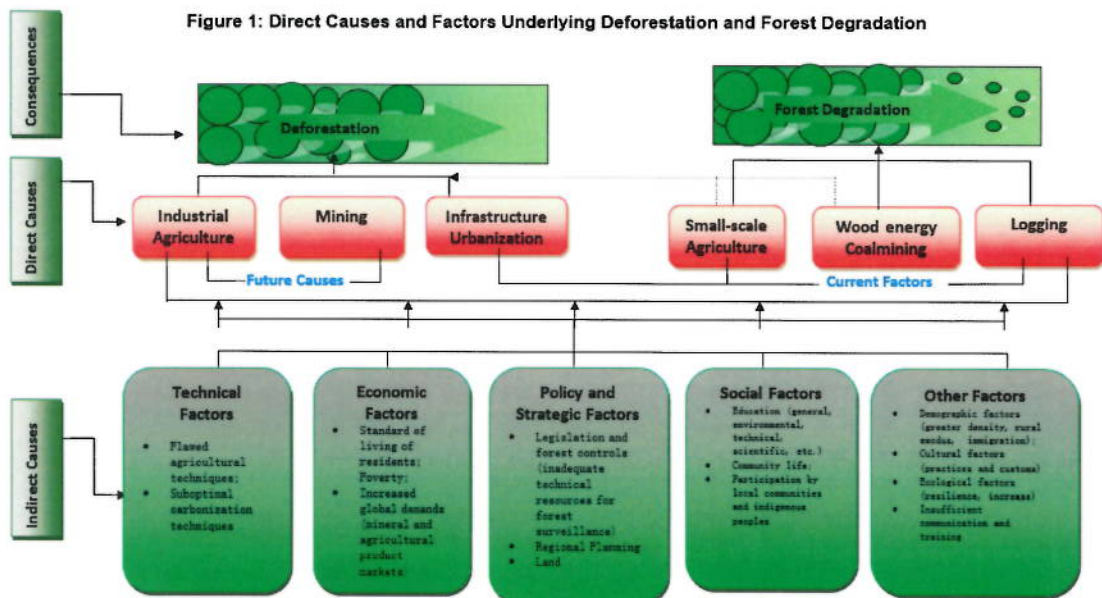
³ Information on the VPA-FLEGT process is available on the website: <http://apvflegtcongo.info/>

independent monitoring beyond the forest sector, and (ii) consolidating national experiences with the FLEGT Independent Observer.

The ROC has been engaged in REDD+ since 2008, with the validation of its Readiness Project Idea Note, and the completion of the Readiness Preparation Plan (R-PP) in 2011. In the context of the development of the necessary tools, a National REDD+ Strategy is currently being drafted, and is expected to be finalized in the first quarter of 2016. To ensure high-level commitment to the strategy, the multi-sector CONA-REDD is leading the process. At the end of 2015, thematic sessions took place on addressing emerging drivers of deforestation, namely industrial agricultural plantations and mining. The Government is stepping up action and has expressed its interest in joining the Tropical Forest Alliance and engage in its Africa Palm Oil Initiative.

The basis for the strategic options of the National REDD+ Strategy is the national consensus on drivers of deforestation and forest degradation, which was reached in November 2014. The strategic options of the National REDD+ Strategy were devised on the basis of specific studies, stakeholder consultations and validation workshops at departmental and national level. This permitted to fine-tuning of the analyses and to improve the understanding of the various actors of the drivers of deforestation and forest degradation. This objective was reached in December 2014 at a national validation workshop, which produced a first draft of the National REDD+ Strategy.

Two studies formed the analytical basis for this consensus, one on the spatial component and weighting of the causes of deforestation and forest degradation, and one on wood energy consumption based on household surveys. An overview of the direct and indirect drivers of deforestation and forest degradation is provided below:



At the same time, the ROC's commitment to reducing deforestation is further demonstrated by the development of an Emissions Reduction Program (ER-P) in the

Sangha and Likouala Departments. Selected by the Forest Carbon Partnership Facility (FCPF) in July 2014, the ER-Program should generate nearly 11.7 million tCO₂ in emissions reductions by 2021. A Letter of Intent was signed between the ROC and the World Bank in September 2014 for the purchase of these emissions reductions.

A. PURPOSE OF THE NIF PREPARATION FUNDING AND EXPECTED OUTCOME:

To complement the upcoming National REDD+ Strategy, the government has identified the need for a comprehensive REDD+ National Investment Framework to achieve significant results at large scale. In an effort to minimize duplication of effort, this REDD+ National Investment Framework would be designed to accommodate existing and future additional resources for implementation from other funding sources such as the Forest Investment Program (FIP), the Global Environment Facility (GEF), the Green Climate Fund (GCF), and other multilateral and bilateral donors, in addition to the Central African Forest Initiative (CAFI).

To ensure a well-coordinated NIF, it will be important to **consult the relevant development partners**, be it embassies of donor countries, technical agencies or implementing organizations, during the preparation phase of the NIF. These consultations could take the form of bilateral meetings, joint workshops and dialogue on draft versions of the NIF. In addition, development partners will be invited to participate in joint missions that will oversee preparation of the NIF. The objective of these consultations will be two-fold: First, the ROC will use the NIF as a coordination platform. That means that development partners will be encouraged to align their programs and initiatives with the NIF. Second, the ROC also intends to use the NIF to mobilize additional resources and direct them towards priority programs identified in the comprehensive investment plan.

The purpose of this funding proposal is to complement existing efforts to ensure government approval of a single, broadly supported, multi-sector REDD+ National Investment Framework that supports and encourages stakeholder efforts to reduce forest loss and degradation.

B. COHERENCE WITH EXISTING INITIATIVES:

The CAFI preparatory grant will serve to finance the development of the NIF in keeping with the requirements of CAFI. The preparatory activities under **readiness funding** are defined in the R-PP, and progress at national level is assessed against the 34 criteria of the Readiness Assessment Framework (R-Package). The main readiness components include the national REDD+ strategy, the Strategic Environmental and Social Assessment (SESA) and Environmental and Social Management Framework (ESMF), reference level, Measuring, Reporting and Verification (MRV), and the Feedback and Grievance Redress Mechanism (FGRM) - but not a comprehensive investment framework.

The proposed financing would therefore be complementary to other sources of readiness funding, notably ongoing work financed by the FCPF and UN-REDD (FAO,

UNDP, and UNEP). A summary of all planned readiness activities and finance sources (FCPF and UN-REDD) can be found in ROC's Mid-Term Progress Report (MTR), which was submitted to the FCPF's Participants Committee in March 2015⁴.

In addition to readiness finance, ROC has also been successful in accessing initial investment finance through the FIP. The forthcoming FIP preparation funds will enable an analysis of existing baseline documentation for the preparation of the NIF, and the identification and initial design of priority emissions-reducing investments. To this end, the FIP will be financing consultants, FIP-specific consultations, and coordination. This effort will base its analysis on existing consensus elements of the National REDD+ Strategy and ROC's FIP Expression of Interest. FIP funding will prioritize consultations for the FIP-specific program proposals, which will be integrated into the overall NIF. Thus, the FIP funds will contribute important sub-elements as annexes to the NIF, but not the NIF itself.

The government wishes to consult broadly on the National Investment Framework, including at departmental level (beyond the FIP areas of intervention) and with emerging sectors relevant for forest protection and land use management, such as mining and industrial agriculture. These are new challenges for the country and require additional expertise to be included in the REDD+ process, making it more costly.

UN-REDD, through UNEP, is currently financing the preparation of a so-called REDD+ Investment Plan. However, this document will focus solely on **evaluating the costs and benefits** of investing in the strategic investment options that made up the draft National REDD+ Strategy in its version as of the late spring of 2015. The fact that the UN-REDD-financed cost benefit analysis is being developed in parallel to the National REDD+ Strategy, which itself is still in flux, further means that it will be unable to cover all of the final Strategy's strategic options. Similar to the FIP analyses described above, the cost-benefit analysis covered by UN-REDD will provide an important input for the NIF, but does not comply with the criteria of the NIF under CFI in terms of inclusiveness, nor in terms of its structure, scope, and content. CFI funds would allow ROC to analyze any new and additional strategic options of the National REDD+ Strategy that will remain uncovered under ongoing UN-REDD financing. They would also allow the country to adapt the UN-REDD-financed work to incorporate its results into the NIF, even though the former was not initially conceived to serve this purpose, as it pre-dates the development of the CFI process.

In summary, CFI preparation funds would complement and feed the cost-benefit analysis and the FIP preparatory work on specific programs into the broader NIF to meet the expectations of both CFI and the FIP, produce sector-specific studies where necessary, and enable broad buy-in into ROC's strategic REDD+ documents through deepened consultations. The combination of these activities would allow the government to produce a single, comprehensive NIF.

4. <https://www.forestcarbonpartnership.org/sites/fcp/files/2015/April/MTR%20RoC%20March%202015%20English.pdf>

Table 1 – Mapping of complementary and related initiatives

Output/activity	Source of funding (Government development partner)	Duration of Projects	Budget in \$	Description of major programmatic or financial gaps	Funding Gap in \$
Investment finance					
FIP Preparation Funds: Diagnostic and summary of existing documentation; Definition of priority investment opportunities for FIP financing; Consultations in FIP program areas; Administration; supervision	World Bank/FIP	9 months	506,220	see above	698,000
Cost benefit analysis	UN-REDD/ UNEP	6 months	62,000	see above	
Readiness finance					
Operations of national REDD+ institutions, SESA, National Strategy	World Bank/ FCPF	24 months	5,200.000	NA	-
Support to decentralized units of CN-REDD	UN-REDD/ UNDP	6 months	42,000	NA	-
Support for measuring, reporting, and verification, national reference level	UN-REDD/ FAO	12 months	567,000	NA	-

BUDGET per category		
CATEGORIES	Amount Participating WORLD BANK	TOTAL
1. Recipient-executed Cost ⁵	620,000	620,000
2. Administrative fee ⁶	31,000	31,000
3. Bank Executed Cost ⁷	47,000	47,000
TOTAL	698,000	698,000

5-1As described in the Annex 1 of the Prodoc

6 The administrative fee is 5% of the Recipient-executed Cost

7 This fee is to cover the World Bank staff and consultants, the operating cost for supervision including travel and non-consulting services, including translation, communication and reporting

ANNEX 1: WORLD BANK PROJECT PROPOSAL

A. DESCRIPTION OF ACTIVITIES COVERED BY THE CAFI PREPARATION FUNDS FOR THE ROC NIF:

The CAFI preparation funds would include activities executed by the government and other stakeholders, including the World Bank, as follows:

1. Producing and consolidating a single REDD+ National Investment Framework that bases itself on the ongoing development of the National REDD+ Strategy, and integrates the ongoing work on the development of a cost-benefit analysis. This would involve a consultancy to take stock of the existing REDD+ documentation (including the National REDD+ Strategy, the work conducted by the consultants preparing FIP investment ideas, the UN-REDD-supported cost-benefit analysis, the SESA, the FCPF Mid-Term Report, etc.), draft the NIF (in French and English), lay out, and print the document. This work would base itself on the coordination and consultation process outlined below.
2. Consolidating and complementing analytical studies on strategic options to address key drivers of deforestation and forest degradation. This would involve a consultancy to take into account the final set of strategic options in the National REDD+ Strategy and, where possible, extend the sectoral economic analyses the UN-REDD-funded cost-benefit analysis is conducting. As it stands, these analyses will not cover the full set of strategic options that the final Strategy will include, resulting in potential gaps to be filled. Likely pre-identified sectors include industrial agriculture and mining, but other sectors could be included depending on the final set of strategic options.
3. Facilitating cross-sectoral coordination and building a broad multi-sectoral consensus to support the REDD+ National Investment Framework, ensuring its alignment with the National REDD+ Strategy, and its adoption by the government. This would primarily involve CONA-REDD, with a view to involving all key ministries with a stake in the NIF (including, but not limited to, the Ministries of Finance, Budget and Public Portfolio; Planning; Land Use Planning and Large Works; Forest Economy and Sustainable Development; Agriculture and Livestock; Mining and Geology; Tenure and Public Domain; Energy and Hydrocarbons, the Presidency etc.). These workshops would be designed to ensure the contributions and buy-in of sectoral ministries to the NIF. This activity would further include one high-level meeting, preferably at ministerial level, to jointly validate the National REDD+ Strategy and the NIF. The National REDD Committee (CONA-REDD) would be a key platform for outreach and coordination in the design of the NIF, and two extraordinary sessions of the Committee may be necessary to guide development of the NIF.
4. Refining and implementing the indicative consultation plan on the NIF (Table 3) to ensure an inclusive dialogue with a large range of stakeholders, including private sector, civil society organizations, local communities and indigenous peoples, with linkages with the FIP's Dedicated Grant Mechanism for Indigenous Peoples and Local Communities. This would involve consultation workshops at the national level in Brazzaville (at least one for the private sector, one for civil society, and one for local communities and indigenous peoples), and at the departmental level (at least one in each of the five departments to be covered by FIP priority investments, as well as at least three additional ones in geographically representative locations covered by a potential CAFI investment).

5. Designing the institutional arrangements to support the execution, supervision, monitoring and evaluation of the REDD+ National Investment Framework with an emphasis on transparent decision-making and inclusive participation. This would involve a consultancy to design the arrangements, draft a manual for implementation, a monitoring and evaluation framework, and providing training to the concerned institutions.
6. Ensuring communication and visibility for broad support of the REDD+ National Strategy and REDD+ National Investment Framework, including internationally, to identify additional sources of funds, as well as creating and promoting knowledge and lessons learned. This would include funding for communications support, including but not limited to consultancies, dissemination events, and the production of printed materials. It would also include design of a communications plan for the implementation phase.
7. Supporting management, including technical, advisory guidance and supervision, multi-sectoral donor coordination, knowledge creation and dissemination, fiduciary supervision, financial reporting, fund administration and audit, and contingencies.

B. MODALITIES:

The CAFI funding would be implemented through two modalities:

1. The activities led by the government would be implemented through a grant established between the World Bank, as the implementing organization, and the ROC.
2. Technical support provided by the World Bank, as well as the administration, supervision and quality control would be executed directly by the World Bank.

The arrangements below are indicative. Final arrangements would be decided by the World Bank in accordance with applicable policies and procedures. Synergies with other funding sources would be sought to ensure efficient implementation.

RECIPIENT-EXECUTED ACTIVITIES:	US\$ 620,000
<ul style="list-style-type: none"> • As described above, see also indicative work plan in Table 1 below 	
BANK-EXECUTED ACTIVITIES:	US\$ 47,000
<ul style="list-style-type: none"> • World Bank staff and consultants; • Operating cost for supervision including travel; • Non-consulting services, including translation, communication, reporting; 	
ADMINISTRATIVE FEE: 5% OF RECIPIENT-EXECUTED PORTION:	US\$ 31,000
TOTAL FUNDING REQUEST:	US\$ 698,000

C. INDICATIVE WORK PLAN AND BUDGET

Table 1: Indicative Work Plan

Outputs	Indicative activities for each Output	Indicative time frame				Indicative budget (US\$)
		Q1	Q2	Q3	Q4	
Output 1: NIF	Consultancy to draft and produce the NIF and design its institutional arrangements					200,000
	Consultancy to conduct sector studies, as necessary					75,000
	High-level multi-stakeholder consultation on draft NIF					25,000
	Focused consultation with development partners on NIF					5,000
	Departmental consultations on proposed CAFI programs					60,000
	Departmental-level consultations on draft NIF					60,000
	Focused consultation with CSOs and IPs					40,000
	Validation workshops					70,000
	Coordination, audit, financial management, procurement, safeguards, events, communication, knowledge					85,000
	Supervision, administration, and quality control					32,000
Output 2: Supervision and administration	Travel and operational costs					15,000
	Administrative Fee: 5% of Recipient Executed activities					31,000
	Total Cost					698,000

Table 2: Indicative Consultation Plan⁸

Activity	Stakeholders	Time	Locations
High-level multi-stakeholder consultation on draft NIF	CONA-REDD, including CSOs and IPs, national government, legislators, private sector	June	Brazzaville
Focused consultation with development partners on NIF	Bilateral and multilateral agencies	June	Brazzaville
Departmental consultations on proposed CAFI programs	CODEPA-REDD including CSOs and IPs, departmental and local government representatives, private sector	June	In 12 departments
Departmental-level consultations on draft NIF	CODEPA-REDD including CSOs and IPs, departmental and local governments, private sector	July	In 12 departments
Focused consultation with CSOs and IPs	CACO-REDD, RENAPAC	August	Brazzaville
Validation workshops	CODEPA-REDD, CONA-REDD	September	12 departments + Brazzaville

D. Risk management:

Table 3 – Risk management matrix

Risks to the achievement of the outcome	Likelihood of occurrence (high, medium, low)	Severity of risk impact (high, medium, low)	Mitigating Strategy (and Person/Unit responsible)
Delays in producing National REDD+ Strategy could lead to delays in production of NIF	Medium	Medium	Supplementary support to government for timely completion through FIP preparation funds (MEFDD).
Presidential elections may lead to delays in high-level approval processes	Medium	Medium	The election period (March 2016) is likely to coincide with grant processing, so that immediate interference with implementation of the grant are less likely (MEFDD).
Stakeholder buy-in for the NIF and the associated National REDD+ Strategy	Medium		A comprehensive consultation process would build on existing REDD+ structures to ensure that representative relevant stakeholder's voices are taken into account in NIF development (MEFDD)

⁸ The consultation plan might be adjusted during implementation as necessary.