

SECRETARY-GENERAL'S PEACEBUILDING FUND  
PROJECT DOCUMENT TEMPLATE



United Nations  
Peacebuilding

PBF PROJECT DOCUMENT

<b>Country (ies): Burundi</b>	
<b>Project Title: The Kibira Peace Sanctuary</b> <b>Project Number from MPTF-O Gateway (if existing project):</b>	
<b>PBF project modality:</b> <input type="checkbox"/> IRF <input checked="" type="checkbox"/> PRF	<b>If funding is disbursed into a national or regional trust fund:</b> <input type="checkbox"/> Country Trust Fund <input type="checkbox"/> Regional Trust Fund <b>Name of Recipient Fund:</b>
<b>List all direct project recipient organizations (starting with Convening Agency), followed type of organization (UN, CSO etc): United Nations Capital Development Fund UNCDF</b> <b>CSOs: Non-Profit Organizations Coalition to be selected through a UNCDF call for Proposal</b> <b>Add Potential financial UN and International Partners: Central Africa Forest Initiative, GEF</b> <b>Add. Impact investors: REPP, GCF, Emergent</b> <b>Private financial and technical operators to be determined through a UNCDF call for proposal: Hydrono &amp; Finergreen, REPP (Camco Clean Energy), Songa Energy, Kirasa Energy</b>	
<b>Project duration in months:<sup>1 2</sup> 36 months</b> <b>Geographic zones for project implementation: Kibira Forest and surrounding provinces Cibitoke, Kayanza, Bubanza, Bujumbura Rural</b>	
<b>Does the project fall under one of the specific PBF priority windows below:</b> <input type="checkbox"/> Gender promotion initiative <input type="checkbox"/> Youth promotion initiative <input checked="" type="checkbox"/> Transition from UN or regional peacekeeping or special political missions <input type="checkbox"/> Cross-border or regional project	
<b>Total PBF approved project budget* (by recipient organization):</b> UNCDF: \$ 3,000,000 TOTAL: \$3,000,000 <i>*The overall approved budget and the release of the second and any subsequent tranche are conditional and subject to PBSO's approval and subject to availability of funds in the PBF account. For payment of second and subsequent tranches the Coordinating agency needs to demonstrate expenditure/commitment of at least 75% of the previous tranche and provision of any PBF reports due in the period elapsed.</i> <b>Any other existing funding for the project (amount and source):</b> Potential Co-financing Donors: up to 22M\$ from Central Africa Forest Initiative (as part of a cross border initiative with DRC) and/or Bilateral donors Potential Co-financing Private Impact Investment: 20-40M\$, depending on PPP selection and private co-financing that will be mobilized	

<sup>1</sup> The official project start date will be the date of the first project transfer by MPTFO to the recipient organization(s), as per the MPTFO Gateway page.

<sup>2</sup> Maximum project duration for IRF projects is 18 months, for PRF projects – 36 months.

Project total budget: \$25,000,000	
<b>PBF 1<sup>st</sup> tranche:</b> UNCDF: \$ 1,000,000 Total: \$ 1,000,000	<b>PBF 2nd tranche*:</b> UNCDF: \$ 2,000,000 Total: \$2,000,000  Conditions for second tranche: <ul style="list-style-type: none"> <li>i) Establishment of the Kibira Foundation</li> <li>ii) Selection of the Clean Energy PPP</li> <li>iii) Equivalent co-financing of \$2M equity from private investors developing the Clean Energy PPP secured by Q3 2022</li> </ul>
<b>Two-three sentences with a brief project description and succinct explanation of how the project is time sensitive, catalytic and risk-tolerant/ innovative:</b>	
<p>To address interrelated and transnational root-causes of instability in the Great Lakes Region, this programme leverages blended finance to support joint peacebuilding and conservation interventions that target drivers of conflict and instability associated with the lack of protection of the Kibira Forest. This programme fosters an enabling environment for sustainable peace in the Kibira National Park by supporting the government in deploying a new force of Rangers/Eco-guards managed by the National Park Authority (OBPE), a REDD+ strategy aimed at reducing drivers of deforestation, accessing carbon market, providing alternative livelihood models that bring co-benefits to the communities, and fostering durable conservation and peace. By harnessing the capacities of long-term partners at the international, national, and sub-national level, the programme fosters a risk-tolerant environment that encourages financing innovation in Energy anchor investments and avoids duplication of efforts. This combined innovative effort can drive effective peacebuilding by reducing drivers of conflict and bring peace dividends in the form of community cohesion, sustainable livelihoods and other co-benefits from biodiversity conservation.</p>	
<b>Summarize the in-country project consultation and endorsement process prior to submission to PBSO, including through any PBF Steering Committee where it exists:</b>	
<p>The project was developed in close collaboration with the Government of Burundi, Civil Society Organization and Private operators. The consultations with the Government have been done at the highest level with a final endorsement of the concept by his Excellency the President of Burundi. The project has been prepared in close collaboration with the Ministers of Finance, Environment, Energy, Social Affairs and Foreign Affairs before submission to the PBF.</p> <p>A field mission was conducted from the 18<sup>th</sup> to the 30<sup>th</sup> of September during which consultation with CSOs leading in Environment Conservation, Batwa Right, and Financial inclusion was carried out, which will be followed by a public call for proposal. The same consultation was made with the three Hydropower PPP operators in Burundi.</p>	

**Project Gender Marker score: 2<sup>3</sup>**

Specify % and \$ of total project budget allocated to activities in direct pursuit of gender equality and women's empowerment:

43% of the project budget, amounting to \$1.3M, will be allocated to activities in pursuit of direct women empowerment through the management of Kibira Foundation (composed of a minimum of 50% Women leaders) and conservation activities. This includes achieving targets for employing women rangers as well as investment in women led businesses and women entrepreneurs. Two of the 4 initial pipeline investments prepared will be gender focussed and drive women empowerment. Women will also be encouraged to take an active lead in peace & social reconciliation activities.

Women from the local communities will directly reap the benefits of peace dividends as women have suffered disproportionately due to the conflict in the form of violence and vulnerability. Lastly, the increase of energy supply directly benefits households and women who otherwise need to find alternative sources of energy to run the household such as gathering wood and sourcing charcoal (which is adverse for health).

**Project Risk Marker score: 2<sup>4</sup>**

The project pilots an innovative approach for the PBF, integrating peacebuilding and public-private sector investments. The project will be implemented in phases with key benchmarks related to the setting up of adequate public-private management and investment structures in the early phases, based on which the rest of the project can be implemented, and the project's full outcomes reached. With this in mind, there is a high risk to achieving the entirety of the project's outcomes within its 36-month timeframe and the project is considered a risk marker 2.

The theory of change is focused on a specific peace building issue deriving from the mismanagement of a natural capital, with a clear geographical scope, the Kibira forest and its buffer zone, and public private partnership opportunities at an advanced stage of operationalization with high potential of private co-financing. Throughout its theory of change the project identifies all risks and deploys mitigation strategies to ensure:

1. Sustainable financial revenues to the National Environmental Authority (OBPE) which managed the government ranger force (Ecoguards).
2. Community engagement in conservation & REDD+ activities providing co-benefit.
3. Inclusion of Batwa populations.
4. Proper financial guarantees to manage financial risk and ensure revenues from the debt component and no loss of capital.
5. Synergies with existing programmes (Energy, Conservation, Reforestation) through a joint high level governance structure for this flagship programme.

**Select PBF Focus Areas** which best summarizes the focus of the project (*select ONLY one*): Conflict

<sup>3</sup> **Score 3** for projects that have gender equality as a principal objective

**Score 2** for projects that have gender equality as a significant objective

**Score 1** for projects that contribute in some way to gender equality, but not significantly (less than 15% of budget)

<sup>4</sup> **Risk marker 0** = low risk to achieving outcomes

**Risk marker 1** = medium risk to achieving outcomes

**Risk marker 2** = high risk to achieving outcomes

prevention/management<sup>5</sup>

If applicable, **UNDAF outcome(s)** to which the project contributes:

- Sustainable and Inclusive economic growth
- Social Development
- Resilience, DRR and Climate Change

If applicable, **Sustainable Development Goal** to which the project contributes:

- SDG 7 ‘Affordable Energy’, SDG 13 ‘Climate Action’, 15 ‘Life on Land’, 16 ‘Peace, Justice and Strong Institutions’, 17 ‘Partnerships for the Goals’, and 5 ‘Gender Equality’.

**Type of submission:**

- New project  
 Project amendment

**If it is a project amendment, select all changes that apply and provide a brief justification:**

**Extension of duration:**  Additional duration in months:

**Change of project outcome/ scope:**

**Change of budget allocation between outcomes or budget categories of more than 15%:**

**Additional PBF budget:**  Additional amount by recipient organization: USD XXXXX




**Brief justification for amendment:**

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<sup>5</sup> **PBF Focus Areas** are:

(1.1) SSR, (1.2) Rule of Law; (1.3) DDR; (1.4) Political Dialogue;  
(2.1) National reconciliation; (2.2) Democratic Governance; (2.3) Conflict prevention/management;  
(3.1) Employment; (3.2) Equitable access to social services  
(4.1) Strengthening of essential national state capacity; (4.2) extension of state authority/local administration; (4.3) Governance of peacebuilding resources (including PBF Secretariats)

**PROJECT SIGNATURES:**

<p><b>Recipient Organization(s)<sup>6</sup></b></p> <p><i>Name of Representative: Preeti Sinha</i></p> <p>DocuSigned by:  <i>Signature Preeti Sinha</i>  <small>7702C7411DDF469</small></p> <p><i>Executive Secretary, United Nations Capital Development Fund (UNCDF)</i></p> <p><i>Date &amp; Seal 07-Dec-2021</i></p> 	<p><b>Representative of National Authorities</b></p> <p><i>Name of Government Counterpart: S.E. Albert Shingiro</i></p> <p><i>Signature</i></p> <p><i>Title: Minister of Foreign Affairs and Development Cooperation</i></p> <p><i>Date &amp; Seal 12/07/2021</i></p> 
<p><b>Head of UN Country Team</b></p> <p><i>Name of Representative: Damien Mama</i></p> <p><i>Signature</i></p> <p><i>UN Resident Coordinator in Burundi</i></p> <p><i>Date &amp; Seal 12/07/2021</i></p> 	<p><b>Peacebuilding Support Office (PBSO)</b></p> <p><i>Name of Representative Awa Dabo</i></p> <p><i>Signature</i></p> <p><b>Assistant Secretary-General, Peacebuilding Support Office</b></p> <p><i>Date &amp; Seal 10 December 2021</i></p>

<sup>6</sup> Please include a separate signature block for each direct recipient organization under this project.

## **I. Peacebuilding Context and Rationale for PBF support**

### **a. Conflict analysis findings**

#### ***Conflict in the Great Lakes Region***

The Great Lakes Region of Africa refers to a system of lakes in and around the Great Rift Valley that overlaps seven countries in East and Central Africa, including Burundi, the Democratic Republic of the Congo, Kenya, Malawi, Rwanda, Uganda and the United Republic of Tanzania. The region is characterized by some of the world's most ecologically diverse freshwater systems, subtropical rainforests, savannah grasslands, and temperate highlands, which provide a host of ecosystem services essential for biodiversity conservation and human well-being. This encompasses the mountains of the Albertine Rift in Central Africa - DRC, Burundi, Rwanda and Uganda - which are known for their exceptionally high biodiversity and the wide range of ecosystem services they provide from local to global scales, including water, timber and non-timber forest products, erosion control, hazard protection, climate modulation and carbon sequestration.

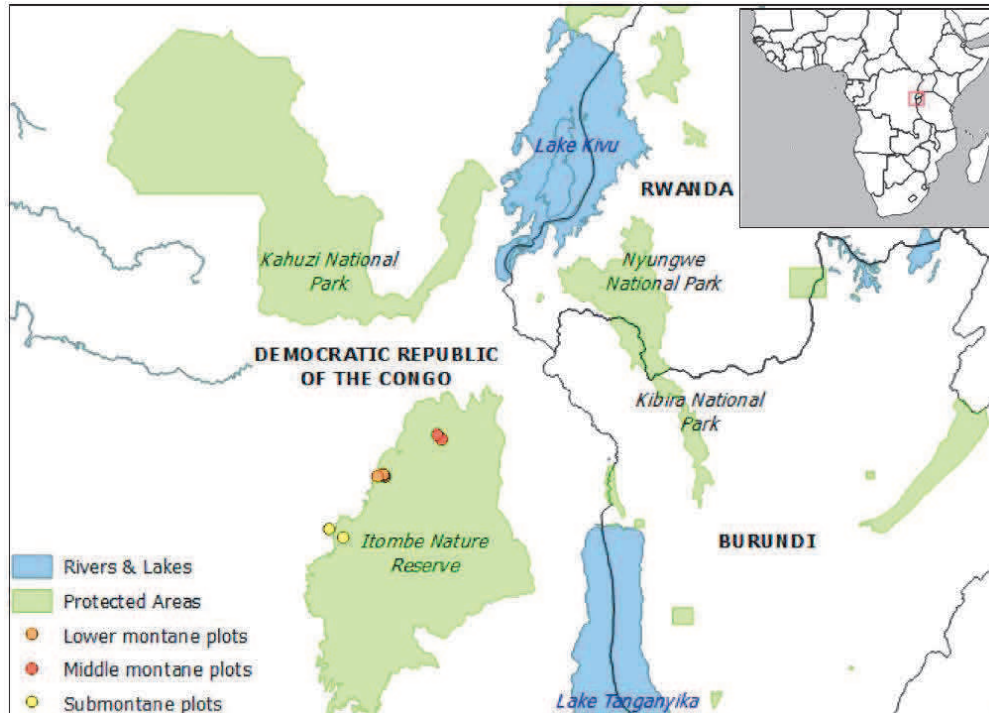
Additionally, the Great Lakes Region is one of the most densely populated regions in the world. The different local communities illuminate the region with an array of diverse cultures and languages rich in historical, religious, political, and economic traditions that have concomitantly endured and been reshaped by processes over time. Therefore, the African Great Lakes region should be understood as more than a cluster of nation-states with fixed colonial borders, but as a transient space constituted by complicated historical, sociopolitical and economic geographies.

In the time span between 1990 and 1997, the Great Lakes Region became a locus of civil war. The Burundi 1993 crisis, the Rwanda Genocide of 1994, the overthrow of Mobutu Sese Seko in 1997, were followed by 15 years of regional instability and millions of dead. While conflicts in the region are multifaceted and interlocking, environmental causes have been cited among the root "causes that often underlie the immediate symptoms of armed conflicts" (Report of the Secretary-General, 2001). That is, conflicts in the region have been intrinsically tied to access and control of valuable ecological resources, including minerals, oil, timber, and productive pastures and farming land. In present day, forests in the region are seen as 'sustaining' conflict, through the generation of profits or capital from natural resource extraction by militia groups for redistribution and purchase of arms, or mobilization of human resources for war.

Indeed, the impacts of armed conflict on the local environment has meant that the forests are simultaneously seen as both a source and a victim of conflict. Following the end of the civil wars in both Burundi and Rwanda, several analyses were conducted to monitor threats across the Albertine Rift. Between 1986 and 2001, Plumptre et al. (2003) concluded that forest cover losses had been most serious east of Lake Albert in western Uganda and in the Eastern Congo around the Kahuzi Biega National Park and the Itombwe Massif. A similar analysis conducted by WWF (2012) found that forest losses over the last 20 years since the mid-80s accumulated to over 1,500 km<sup>2</sup> between the northern end of Lake Albert and the northern end of Lake

Tanganyika, including major degradation of the Kibira, Itombwe, Kahuzi-Biega and Nyungwe forests.

**Figure 1:** Transboundary Protected Areas; Hotspot for Forest Cover Loss between Lake Albert and Lake Tanganyika based on WWF analysis (2012)



Source: Imani, G et al., 2021

The region's immense agricultural, extractive, and touristic value paired with a legacy of conflict-generating political systems have led to instability and misuse of natural resources. The link between natural resources and conflict in the Great Lakes Region has cultivated patterns of social injustices and economic inequalities due to inadequate governance and financial structures, failed regulation enforcement, poor infrastructure, and the presence of armed groups. In particular, prolonged exploitation of the region's primary montane rainforests - Kibira, Kahuzi-Biega, Itombwe, and Nyungwe - through illegal human activities, has led to the proliferation of small arms, violent conflict, and regional smuggling networks. As a result, the ecosystem services that should benefit the region and its people, including water, minerals, timber, and non-timber forest products, erosion control, hazard protection, climate modulation and carbon sequestration, have been exploited to finance conflict in the absence of adequate regulation and enforcement.

The main obstacle to peaceful management and conservation of the forests in the region is the prevalence of armed groups and their illegal use of the forests' natural resources for financing conflicts. Throughout the Great Lakes Region, conflicts have strong cross-border dimensions due to interconnected socio-demographic factors and the frequent displacement and redistribution of both people and land. Despite the existence of numerous protected areas, the success of countries in conserving mountain forests, particularly in Burundi and DRC, has been highly inconsistent and insufficient. In order to properly address the cross-border activities of illegal armed groups, there must be targeted efforts to strengthen securitization of the forests

and implementation of a long-term sustainable financing and support plan to break patterns of economic destitution, environmental degradation, and social tension.

While environmental resources are seen as a tool for sustaining regional conflict, they also provide a context for peacebuilding and conflict prevention. The lack of proper management of the National Parks in the region participates in maintaining a network of instability and undermines the last steps after decades of peace consolidation efforts. By contrast, well-managed resources nurture opportunities for subsistence and economic well-being which in turn foster peaceful co-existence. PPPs are an emerging tool for conservation and socio-economic revitalization in central Africa and Burundi (I.e. Nyungwe National Park is under a PPP with Africa Parks, the Virunga and Garamba National Parks in DRC are as well under co-management). PPPs, or Collaborative Management Partnerships as they have been recently coined, are a proven model that has been found to bring considerable technical, financial, economic and conservation impact to protected areas, typically within a 10-to-25-year time frame. Indeed, a recent assessment by the World Bank on PPPs /CMPS has demonstrated that “CMPs are one of the tools that not only attract investment for conservation but also facilitate inclusive rural development and green growth” (World Bank Group, 2021). There is an increasing number of management agreements between Government and private companies in Africa, particularly in fragile or conflict contexts, as a way to more effectively manage large-scale Parks and protected areas. By enabling the employment of private partners, these co-management agreements have also helped improve trust and credibility in the eyes of the population who perceive them as a third and neutral party<sup>7</sup>. The purpose of this proposal is to lay the foundation for sustainable management of the National Parks in both South Kivu and Burundi combining peace efforts, nature conservation and climate solutions.

### ***Kibira National Park***

In Burundi, the rainforest mountain of the Kibira National Park straddles four provinces and has an area of 40 000 ha along the Rwanda and DRC border. It is composed of several vegetation strata difficult to penetrate and rich in both animal and plant biodiversity: 644 plant species have been found in the park, as well as about 98 species of mammal (primates, servals, African civets, etc.). Bird life is also rich and varied, with 43 families and more than 200 species identified. The Kibira National Park, situated on the Congo-Nile ridge, plays a fundamental role in regulating the hydrological system and protecting against soil erosion.

Unfortunately, the ecosystems services provided by the rainforest have also been of great value for armed groups which use it to settle semi-permanent basis until 2019. The Forest provided escape routes after attacks, leaving quarters, training grounds, fresh water, food, and medicine. More importantly the rainforest generates economic/revenue opportunities that help the armed groups to maintain their operations. The illegal businesses ranged from bush meat, wildlife trafficking, gold, and wood. Those groups working closely with local communities and sometimes security forces have been able to create and control a circular local economy. They also forcefully or voluntarily recruited combatants from unemployed youth in the surrounding villages. Those geographical and economic factors have allowed them over the years to maintain their presence or rebound after each crisis despite the gains made in longer peace consolidation efforts. While the security situation is now under control by the Government of

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<sup>7</sup> See the nine case studies highlighted in the WB wildlife programme



Burundi, residual groups are still active across the RDC/Burundi border in the Ruzizi plain, using this corridor between the National Parks.

For the no-longer active armed groups, former members are still present in the area and most have been spontaneously 'reintegrated' into the communities. Some of these members continue to operate on an ad-hoc basis undertaking criminal and illegal forest exploitation activities however with no organized attacks on communities or Government targets. These former members are included in the project's target beneficiaries. The residual armed groups still active across DRC/Burundi border continue to perpetrate organized acts of violence against communities and Government targets and have yet to undergo any disarmament or demobilization process. The project will not engage directly with these members but rather seek to ensure activities circumvent them without exposing beneficiaries to potential violence and retribution. However the project will reinforce rangers deployment and target drivers of the conflict which in the long run address this indirectly.

Strategically located, the Kibira National Park was used as a transit area toward the Rwanda Nyungwe Forest from and/or toward the Haut Plateaux de Minembwe in DRC via the Ruzizi plain and the Rukoko reserve. From 1990 to 2010, the National Army (FAB), the Palipehutu FNL and the CNDD FDD occupied the Kibira National Park living within and in the surrounding areas. Following the difficult political and security situation in 2015, the Kibira National Park again became momentarily a pole of instability with residual Burundian armed groups moving from DRC/Rwanda toward Burundi, as well as new Rwandese armed groups moving from DRC to Burundi carrying on attack toward Rwanda. Attacks and activities were reported in several parts of the park leading to increased military operations by Burundian armed forces in the area, with a direct negative impact on the population and the park. The loss of forest cover was accelerated by the collapse of government conservation efforts during recent civil wars. However, the most recent Presidential elections have created a window of opportunity to develop new types of financing solutions at the nexus between peace, conservation, and development.

Cultural beliefs and value systems are major drivers of human-wildlife conflict and pose serious threats to the survival of many endangered species and the security and sustainability of community livelihoods. In the past, nature had a direct role in the beliefs and ritual practices of the Burundian population especially the Batwa community: sowing festival; necropolis of ancient kings guarded by the Banyange in a territory considered sacred; sanctuary of the tree used for making the royal drum (*Cordia Africana*); cave temples where the worship of the manes was practiced; thermal waters and waterfalls with many therapeutic virtues. However, there is a significant rupture between the way in which the Kibira forest - and nature in general were perceived by the Burundian population before colonization and in the present day. The weakened relationship between the forest and communities is due to reasons that include demographic explosion and increasing needs of the population, fears linked to rebel groups, trafficking, and wars. However, the disconnect between the local populations and the surrounding forest also has a distinctive cultural and spiritual origin. For the rural populations, reconciliation with the Kibira Forest will require the promotion of sustainable development and profitable trades that can meet daily needs and allow them to reclaim their sacred spaces.

While a renewed interest in the forest by certain populations has been observed, in particular by city dwellers or from the diasporas for the Kibira forest as well as a desire among young Burundians, there are few real structures on which to rely. It is absolutely necessary to give this aspect of cultural reconciliation, as well as those involved in cultural dissemination and ecological awareness, the tools in order to develop local, intimate and responsible action.

Policies do not currently outline the principles and practice for using community based natural resources management mechanisms (CBNRM) in Human Wildlife conflicts Resolution. Effective conservation and peacebuilding efforts, therefore, must focus on how to properly integrate communities and empower Batwa and local peoples to be self- determining and responsible for the Forest, leading to improved security, cultural reconciliation, climate resilience and development.

### *Window of Opportunity*

In June 2020, ruling party candidate and former army general, H.E Évariste Ndayishimiye, was sworn in as president. The presidential election has created a new window of opportunity to advance the reform and peace agendas across national borders in the Great Lakes Region, under the leadership of H.E President Ndayishimiye. Since coming to power, H.E President Ndayishimiye has taken deliberate steps to reintegrate Burundi into the regional and international community and to advance peace through improved regional security and economic collaboration. This has been made possible by direct talks with President Tshisekedi of DRC and President Kagame of Rwanda. The emerging consensus on the need for comprehensive joint action against local and foreign armed groups, which operate mostly in the eastern part of the Democratic Republic of the Congo and the northwestern part of Burundi, also suggests new opportunities to advance the peace, security and development agenda in the region. In a context where Burundi's new leadership has created a timely 'window of opportunity' to promote more inclusive processes that engage all segments of society, including local communities and private legitimate operators, enabling inclusive and financially sustainable solutions would further strengthen stability and accelerate long-term peace prospects.

According to the Human Development Report published in 2020, Burundi ranks 185 out of 189 in the Human Development Index (HDI). The World Bank further estimates that 75 per cent of the population lives below the poverty threshold, with youth unemployment standing at 65 per cent according to the African Development Bank. In conjunction with these socio-economic challenges, Burundi faces the additional complications brought about by the COVID-19 pandemic, including a reduction in economic activities and a decrease in the ability of countries to mobilize national resources. Hence, it is imperative that development, conservation and peacebuilding stakeholders work jointly to support a sustainable return and reformation process that addresses violent conflict in accordance with other important social factors.

Solutions that encompass stabilization and conservation efforts have been tested in North Kivu in the Virunga National Park with the continuous and unprecedented support of the European Union and, while having been implemented in a more challenging security context, demonstrate great positive results and lessons that can be drawn and replicated. There has been a significant impact on the ranger force with an increase in the number of rangers, increased efficiency of operations and better pay for the rangers. Consequently, there has been a reduction in the level of illegal activities in the Park such as violence and trafficking. Communities participated in this process and were able to capitalize on peace dividends. The revenue model deployed brought energy to the local communities and businesses as well as income to sustain conservation activities. This solution was also critical in hindering fossil fuels projects within the Park led by the international oil company SOCO. The overall impact on biodiversity was highlighted by a significant increase in elephant, hippo and lion populations within the Park.

This proposal is directly inspired by this major precedent. As the Kibira Forest continues to be degraded by a range of anthropogenic activities - deforestation, poaching, bushfires, unsustainable harvesting of medicinal plants and overgrazing - the impacts of climate change are increasingly wreaking havoc in the region, impacting food security and sources of income for local communities. While the Kibira National Park presents opportunities for reducing poverty and improving food insecurity in the region, management of the Park requires effective co-governance as well as the structuring of sustainable revenue streams to provide long-term, regenerative social and environmental impacts. In order to design effective protected area interventions that prevent further degradation of the Forest and promote the wellbeing of local populations and the Batwa Community, it is critical to consider their involvement in management strategies as well as the methods for financing improved livelihoods. The adoption and implementation of long-term sustainable mechanisms for enforcement of and regeneration of the Forest, following inclusive consultations with local people including the Batwa affected by the armed conflicts will contribute to the creation of an enabling environment for peace and reconciliation.

### *Main Beneficiaries and Stakeholders*

An estimated 2.5 million people live in the 5 provinces surrounding the Kibira National Park and an estimated 500,000 live in the Park's buffer zone (+/-5km around the Park border). To date, engagement with local communities and Batwa in the management of the Kibira National Park has been limited. With an aim to achieve economic, environmental, and social revitalization of the Kibira and surrounding communities, the proposed Peace Sanctuary embraces a human needs and rights-based approach to problem solving. Rather than employing top-down governance mechanisms, the programme recognizes that deep-rooted conflicts exist due to unstable social structures and institutions. Therefore, to support stabilization, more effective, culturally appropriate, and sustainable bridges must be developed as part of an overall strategy for establishing peace and improving access to resources for local communities and the Batwa communities. Furthermore, given 65 per cent of Burundi's population are under the age of 25, this strategy must foster the capacity of women and youth to participate in processes of peace and prevention of conflict and violence in order to strengthen their ability to act as agents of change.

Conflict and post-conflict situations exacerbate pre-existing gender-based discrimination against and inequality of women and girls and place them at a heightened risk of various forms of gender-based violence, including sexual violence, trafficking and child, early and forced marriage.<sup>1</sup> The rate of reported incidents of mass rape of women and girls by rebel forces and other armed groups in the Great Lakes Region is staggering. To forge lasting peace and guarantee effective delivery of desired PBF outcomes, the long-term architecture of this initiative must ensure full and meaningful participation of women in peacebuilding processes and decision-making processes in the REDD+ business models that will be promoted.

Central to this programme's strategy for building trust at the intra and inter communal level and between communities and public authorities, are efforts to ensure greater inclusion of women, young people, and Batwa groups in the outcomes from and management of project mechanisms. This programme will especially target the Batwa community, a historical forest population and third ethnic group of Burundi expelled from the Kibira National Park in the 1980s and whose land has been progressively taken away. Following the severance of the Batwa from the Forest, it is especially important to emphasise the meaningful inclusion of the

forest people and redistribute benefits that support their education, healthcare, microfinance or training opportunities. Economic and livelihood opportunities must be specifically tailored to the Batwa's specific cultural and customary way of life with particular attention paid to gender considerations. This includes the need to ensure effective co-governance arrangements that incorporate local knowledge and foster local guardianship.

Through indirect mechanisms, the proposed programme addresses problems of child soldiering, proliferation of small arms and light weapons, sexual slavery, abduction, abuse, and torture of young girls and women in the region by rebel fighters, as well as internal displacement of marginalized groups and refugees. Through enhanced securitization of the Kibira National Park, the programme directly reduces threats to local communities, including women and children at increased risk of violence and coercion. Gender, child and youth issues would also be alleviated through improved social structures and promotion of alternative livelihood opportunities, including participation in bodies at the national and local level such as the ranger force, Kibira foundation or resulting businesses. The provision of reliable sources of renewable energy further contributes to conflict prevention through the enablement of rehabilitation, development and inclusion of local and Batwa communities in the process of modernization.

**b. Description of how the project aligns with/ supports existing Governmental and UN strategic frameworks**

The project will contribute to the implementation of the **priority interventions of the United Nations Strategy for Peace Consolidation, Conflict Prevention and Conflict Resolution in the Great Lakes Region** approved by the Secretary-General on 22 October 2020, specifically: Priority 2 (Sustained cooperation on cross-border security issues), 6 (Regional economic cooperation, trade and investment), and 10 (Preparedness and resilience to internal and external shocks).

- **Priority 2** aims to support regional efforts to ensure that trust and peacebuilding efforts among countries in the Great Lakes – specifically Burundi and DRC in this case - are effectively complemented by a regionally led approach involving joint actions on comprehensive non-military measures. This will include support for strengthened programmes on disarmament, demobilization and reintegration and on disarmament, demobilization, repatriation, reintegration and resettlement at the national and regional levels and engagement aimed at undercutting armed forces' recruitment and supply networks.
- **Priority 6** aims to facilitate partnerships between the United Nations and stakeholders that have a share in the region's political, security and socioeconomic dynamics. In particular, this recognizes that impact is dependent on joint, concerted action with civil society (emphasis on women and young people) and the private sector, as well as other bilateral and multilateral donors, such as The Central African Forest Initiative (CAFI), the Global Environment Facility (GEF) and the Green Climate Fund (GCF). The UN Capital Development Fund is best placed to structure this programme, engaging with development agencies and non-humanitarian/peacebuilding traditional partners to

support the transition within the UNCT and maximize synergies while avoiding the duplication of efforts.

- **Priority 10** aims to support the countries of the Great Lakes Region by strengthening their anticipation and shock absorption capacities, including through targeted programmes at the national and regional levels and coordinated resource mobilization efforts. In so doing, it recognizes that risks to durable stability and people-centered development go beyond long-standing political, security and socioeconomic challenges, to include public health crises and climate change-induced disasters

The project will ensure national ownership by supporting the negotiation of an innovative agreement between the government of Burundi and a Non-Profit Organization/Foundation (a national organization with an international profile) dedicated to the participatory management of the Kibira National Park. This agreement will form the basis of the peace, conservation and economic activity of the Foundation while the Government, through the National Park Authority (OPBE), assumes its regalian functions. Working closely with relevant government institutions, the Kibira Foundation will ensure that project results contribute to their policy and strategic objectives, while at the same time enhancing capacities of relevant authorities at all levels in order to sustain the project results and subsequently replicate them in the other Burundian parks and reserves.

The UN country presence recently transitioned from a political mission to a UN country team configuration. As part of this transition, the UNCT has been developing a strategic repositioning of its UNDAF in order to adjust to new government priorities, bring innovative solutions and mobilize additional development and climate financing. Leveraging private sector investments is critical for the United Nations to implement the SDGs in a context where ODA is limited, and traditional donors are hesitant to re-engage. The UNCT has developed a joint Multi-Partner Trust Fund to implement its new strategy and the proposed programme will be one of the signature programme addressing both last stabilization efforts and SDGs objectives by leveraging and deploying impact investment in a last frontier market.

Through the promotion and development of a local hydropower facility, the project contributes to the achievement of **Sustainable Development Goal 7 ‘Affordable Energy’**. Additionally, the programme supports progress toward five other SDGs, including **SDG 13 ‘Climate Action’**, **15 ‘Life on Land’**, **16 ‘Peace, Justice and Strong Institutions’**, **17 ‘Partnerships for the Goals’**, and **5 ‘Gender Equality’**.

In line with the **PBF’s 2020-24 strategy**, the proposed programme facilitates investment in cross-border projects to better address interrelated and transnational root-causes of instability.

## **II. Project content, strategic justification and implementation strategy**

### **a) A brief description of the project content**

**Project Goal:** Create an enabling environment for sustainable peace in the Kibira National Park by deploying a combined and sequenced Protection, Investment and REDD+ strategy aimed at building trust within and between local communities and with national authorities, reducing drivers of deforestation, providing alternative livelihood models that bring co-benefits to the communities, fostering longer-term conservation and peace and at minimum financing and enabling national authorities to enhance forest and community security.

**Outcome 1: Social cohesion, local governance and conservation of the forest are improved through community, government and private sector engagement to address the interlinked drivers of local level conflict and deforestation in and around Kibira**

*This first outcome is focused on building consensus with the Government of Burundi, local actors, private investors on the longer-term vision of peace and conservation for the Kibira forest. This implies close co-operation and negotiation with a number of Government and local actors followed by the deployment of pilot activities in one priority area identified in the Kibira*

**Output 1.1: A joint framework for conflict-sensitive sustainable conservation of the Kibira forest is established between the Government, representatives of local communities, including Twa and private sector partners**

Local civil society actors, the public and private sector can play a key role in building and sustaining peace if partnerships are fostered and leveraged through a conflict sensitive approach. As part of the PBF's goals to mobilize partnerships across sectors for sustaining peace, this output aims to prevent duplication and enhance synergies amongst local, international and national partners, as well as leverage these partnerships to deploy blended finance for long-term financial sustainability of the Park and its mechanisms. The framework, while community and government co-led, is done in close partnership with international partners and will ensure inclusive consultations, joint gender and youth-sensitive prioritization. Operating in complementarity with other funding streams, including bilateral assistance as well as assistance provided via the various international financial institutions (CAFI, GEF, GCF), initial grant incubation serves as a catalyst to negotiate with the Government of Burundi an ambitious co-management agreement for long-term opportunities addressing peace and conservation objectives. The project will also focus on the long-term legitimacy and awareness of the initiative. These combined objectives will be achieved by the establishment of the Kibira Foundation which will comprise a coalition of NGOs to lead the co-management of the forest and take lead on community cohesion, biodiversity conservation and local investments.

**Activities:**

- 1.1.1: Selection of a local coalition of NGOs through a call for proposal managed by UNCDF and establishment of a Private Foundation dedicated to the conservation of the Kibira Forest and Rukoko reserve.
  - *The external selection of a coalition of NGOs will help build trust amongst communities as a fair and neutral third party. Selection of a coalition will help ensure that multiple aspects of biodiversity, social cohesion, cultural reconciliation with the forest and communities, climate change, conservation and investment management of funds are taken care of by different sets of expertise*
- 1.1.2: Elaboration of a fundraising strategy to secure additional private philanthropy support, conservation grants from international financial mechanism CAFI, GEF, GCF or bilateral cooperation as well as impact investors
  - *Fundraising strategy and additional financing is critical in enabling long term sustainable financing for these initiatives and to mobilize extra budgetary resources for sustained increase in capacity and extra activities.*

*With the PBF funding serving as catalytic capital, it is important to ensure continued funding for the achievement of the long-term outcomes of peace dividends, social cohesion, community development and conservation of the forest. The programme will develop in Q1 and 2 2022 a comprehensive co financing programme proposal and submit it to CAFI and donors for approval and implementation in 2022-2027 for both Burundi and South Kivu.*

- 1.1.3 Development and approval of a co management agreement between the Government of Burundi and the Kibira Foundation including a plan to share revenues
  - *The co-management agreement will determine how much revenue the Foundation will need to deploy activities strengthening social cohesion, community security and development, addressing drivers of deforestation and needs of the OBPE to carry out its regalian function*
- 1.1.4: Review of Hydropower Public-Private Partnership framework with the Government of Burundi to guarantee predictable revenues from the anchor investment
  - *The Government of Burundi with guidance from UNCDF will review the viability of existing PPP options, determine the criteria for selection, long term environmental impact, financial viability, and will review the projected revenues that can be generated from the anchor investment*

**Output 1.2: Government of Burundi will train, equip and deploy OBPE Government Park rangers / Ecoguards based on consultation with and participation from the community as well as set the groundwork by establishing procedures and frameworks**

Through the deployment and training of OBPE park rangers (Ecoguards), the Government of Burundi recognizes the central role played by communities in alleviating pressures around the Forest by fostering reconciliation.

- 1.2.1: Issuance by the Government of Burundi of a new land use ambitious plan in the Park and the Buffer zone taking peace and drivers of deforestation into consideration.
  - *It is important to define what are acceptable activities in the buffer zone and giving sufficient and unambiguous access to local communities while also encouraging sustainable forest habits and practices and gradually sealing off forest access to active armed groups and illegal activities*
- 1.2.2: Definition of the regalian mission, composition and needs of the OBPE Kibira Park office and the park rangers as a Government only responsibility in relation with the new co-management agreement
  - *Kibira forest is a delicate secured area and strategic security hotspot because of its location across the borders of Rwanda, DRC and Burundi. The government plays a central role and remains in full control of security aspects. The responsibilities under co-management include conservation and mobilization of financing for the park rangers.*

- 1.2.3: Recruitment, training, equipment and deployment of a pilot OBPE park ranger patrol team
  - *The deployment of a pilot OBPE park ranger patrol team will help set the standard procedures and standards for recruitment, training and equipment to be used by rangers. Deploying the pilot program will also help build momentum in providing community security. The pilot can also as a quick win, build trust within the local communities in a shorter time span by recruiting women, Twa people and local youth*

**Output 1.3: Long term social cohesion, community resilience and development is achieved through building sustainable links with the Kibira forest and engagement of local community actors, including women, youth and Twa, to help prevent and defuse local conflict and improve community security**

As part of the advocacy for multifaceted approaches to peacebuilding, this output becomes a catalyst for socio-political and institutional changes in the Kibira Forest and surrounding communities. Through the deployment and training of OBPE park rangers (Ecoguards), it recognizes the central role played by communities in alleviating pressures around the Forest by fostering reconciliation. Through a traditional approach to peace, it reinforces emotional and structural connections between local communities and the Kibira Forest, emphasizing the cultural heritage attached to the natural landscape and dissuading sentiments of fear and violence linked to the Forest. This also involves, among other things, ensuring the meaningful engagement with and participation by women, youth and Twa peoples, who can play a critical role in connecting peace processes at local, sub-national and national levels.

**Activities:**

- 1.3.1: Promoting the unique cultural heritage linked to the sacred forest of Kibira as a key contribution for a sustainable peace and reconciliation process of all Burundian ethnic groups
  - *This activity focusses on using cultural linkages to not just stop the spiral of negative affiliations in the community with the forest but also create new positive affiliations and reinforce traditional associations with the Kibira forest*
- 1.3.2: Establishment of a community liaison unit from the Kibira Foundation that will combine in its daily outreach both the peace and conservation objectives of the Kibira Foundation
  - *Led by women, youth and other local representatives from the Twa people, the community liaison unit will represent the voice of the local communities to the Foundation as well as other aspects of this project including forest land use, ranger selection, permissible forest activities and engagement with the local and national authorities*
- 1.3.3: Mainstreaming of gender and Batwa peoples (Twa) concerns, and lessons learned through participatory project implementation and M&E to guide conservation.
  - *Through engagement with the community liaison unit, key gaps can be identified by the Foundation and local / national authorities to address*



*the pain points of women, youth and concerns from other members of the Twa people. In addition, the SPE (explained in outcome 2) will dedicate a portion of their investments to women and youth empowerment*

**Outcome 1 Conflict Rationale:**

- To address root causes of conflict and instability within and surrounding the National Park this outcome fosters the enabling environment for peace, which goes beyond specific deliverables outlined in the project plan to bring about the necessary national vision for the long-term transformation of the Kibira Forest and buffer zone.
- Being a security sensitive region, this outcome focuses on supporting national authorities and the government by reinforcing its capacity to exercise its mandated and regalian mission to provide forest and community security
- Based on lessons learned from previous park ranger models, the programme adopts a park ranger model that emphasizes the active participation of women and Twa peoples in the protection of the Forest.
- The role of rangers is not to determine how wildlife or forest products are used by local and Batwa communities (I.e., previous attempts to prevent poaching has led to community resistance against rangers), but rather to dissolve conflict that fuels the exploitation of the Forest and prevents local and the Batwa communities from deriving the full benefits from ecosystem services

**Sustainable Peace and Development Impact:**

- To achieve desired outcomes, public-private partnerships and collaboration must go beyond the level of policy frameworks, to also include a more operational focus in support of strengthened field partnerships. This requires a consensus for a 25-year Innovative Partnership which will be risk tolerant over the lifespan of the Fund, allowing the programme to innovate, learn new lessons and build new policy practice, when unprecedented challenges arise.
- This strategy bridges the gap between the derivation of benefits from the Forest and the opportunities afforded to local and Batwa communities, promoting the unique cultural heritage linked to the sacred forest of Kibira as a key contribution for a sustainable peace and reconciliation process of all Burundian ethnic groups

**Nexus Forest Conservation – REDD+:**

- By addressing the link between forest degradation and instability in the Kibira Forest, as well as providing investment in a renewable energy project, the programme will deliver REDD+ objectives that include the reduction of CO2 emissions and improved access to reliable and sustainable energy, a high priority for the national authority.
- To address direct and indirect drivers of deforestation and degradation, this output adopts a holistic approach that directly supports the regeneration of forest ecosystems, improves carbon sequestration, flood mitigation, and erosion control, and indirectly delivers peace, conservation, and social benefits to critical stakeholders and communities through enhanced ecosystem services.

**Outcome 2: Access to sustainable livelihoods is improved for communities in and around Kibira forest to reduce structural drivers of conflict and recruitment into illegal or violent activities through sustainable exploitation of forest resources.**

The second outcome is focused on the development of revenue generating models to ensure sustainable livelihoods for communities and deployment of the clean energy anchor investment to help with the long term financial and development needs towards this end. Additionally, inspired by the Virunga Alliance in North Kivu, the Kibira Peace Sanctuary will be developed around the principle/assumption that the greatest social impact can only be achieved in close association with enhanced conservation activities, which not only improve biodiversity but fully capitalize on ecosystem services potential and become a significant asset for the surrounding populations. Addressing drivers of deforestation will also protect the communities from exacerbated conflict within the communities and with armed groups due to reduced forest cover as well as extreme natural events triggered by climate change.

**Output 2.1: Financing sustainability is achieved through a clean energy anchor investment.**

The Kibira National Park's main resources are drinking water and hydroelectric power. Stable and affordable electricity can stimulate agriculture processing and provide a green alternative to the high-load generators currently providing most of the Bujumbura needs. The expansion of the local grid could also support the development of cold chain facilities essential for local agriculture production. With Burundi already having high dependence on imports for energy needs, this clean energy hydropower project, implemented as a PPP, can address under investment in energy, bring in more independence and meet the rising local electricity demand. This will also serve as the base for bringing in investments and revenues that will be used by the Kibira REDD+ Investment Facility for generating even more sustainable livelihood sources for the local communities.

**Activities:**

- 2.1.1 Selection of the most relevant PPP following due diligence and Socio Environmental assessment applying UN safeguards standards.
  - *After setting the procedures for PPP considerations (in Output 1.1), the hydropower PPP will be selected after a final in-depth review and process by UNCDF*
- 2.1.2 Debt investment and mobilization of private co-financing
  - *As the anchor investment will be a long-term investment, this activity is focused on ensuring sufficient capital till sufficient revenues are generated. The anchor investment will be financed by debt and equity in a 70 / 30 ratio*
- 2.1.3 Extension of the Grid into local community identified as priority development hub
  - *To ensure the local communities see quick gains from the clean energy project and provide electricity directly to local communities, extension of the grid into local communities will be highly prioritized*

- 2.1.4 Social and Environmental Impact monitoring during the construction phase
  - *A thorough assessment is required to ensure that the clean energy anchor investment will not negatively impact the surrounding communities or the Kibira forest and that the construction is carried out in a manner that is least socially and environmentally disruptive*

**Output 2.2: Community development goals and peace dividends are multiplied through equity investments in local businesses providing co-benefit to the communities and creating the foundation for a Peace Sanctuary, deployed through a Kibira REDD+ Investment Facility**

Through the establishment of a dedicated Kibira Special Purpose Entity (SPE), smaller deals (i.e., tourism, medicinal plants, drinking water, sustainable fuel and cooking, micro forestry, essential organic oils, organic fertilizer, sustainable farming and plantations) receive financing that flows back into local and Batwa communities and generates co-benefits for sustainable development through new employment opportunities, access to renewable energy, and improved infrastructure. The SPE will run as the Kibira REDD+ Investment Fund and support REDD+ interventions in order to successfully create and pass on identified REDD+ co-benefits to the surrounding local communities. Creation of these alternative livelihoods and sustaining them is a critical step in bringing about lasting transformation in the region.

**Activities:**

- 2.2.1 Development of a REDD+ Business pipeline
  - *This will focus on a conflict sensitive approach to build a business pipeline that addresses drivers of deforestation as well as women and youth empowerment*
  - *This activity will include the development of a carbon market hub for the Kibira by UNCDF*
- 2.2.2 Testing of 2-3 pilots projects directly link to land restoration and mitigation of forest degradation in contentious areas
  - *This will serve to provide quick wins for the community while also directly creating jobs for women and youth. This will also help build synergies between the Government of Burundi and local reforestation initiatives*
- 2.2.3 Mobilization of Private co-financing
  - *This will include mobilization of financing from the private sector with national as well as regional promotion by leveraging the catalytic capital from PBF. The project will engage local banks and investors. The project will seek 40% co-financing.*
- 2.2.4 Setting up the SPE, legal registration, governance and fee structure, safeguards and ESG standards
  - *This activity pertains to setting up of the governance and more technical details of the SPE including how investment decisions will be made, who will comprise the Investment Committee, horizon, target returns and investment philosophy. Clear upfront structures will ensure smoother operation of the SPE*

**Outcome 2 Conflict Rationale:**

- This output helps foster local ownership of the project and brings direct benefits to the government and surrounding communities by further building sustainable infrastructure in the region aside from powering local businesses and providing livelihood opportunities either through the project itself or by contributing to the availability of energy in order to bring in more economic activity. It is critical for the local communities to view the Kibira National Park and the energy project as a direct and positive source of economic support to overcome previous negative associations with the Park.
- The Kibira Peace Sanctuary embraces a protected area management strategy aimed at creating equitable benefits and improved livelihoods for local populations, whilst respecting and incorporating traditional ecological knowledge of the Batwa Twa.

**Sustainable Peace and Development Impact:**

- This project can help kickstart energy investments in Burundi which are highly critical in demand. Given that only 11% of the population has access and demand has been growing steadily, a clean energy investment would bring about infrastructure (micro and nano grid) development, local business development with uninterrupted energy supply and livelihood opportunities for the local communities
- This would directly and indirectly bring in more revenue with reduced costs of operation for the country and go toward other development outcomes in line with Burundi's National Development Plan.
- The private sector, if appropriately leveraged, may serve as a key engine for economic reconstruction and recovery by providing jobs and alternative livelihoods to local peoples.
- In a context where tourism activities remain limited, the direct value that can be unlocked from the Kibira National Park will come from a combination of its main natural resources potential which include, water, energy, carbon storage, wood etc
- By using business models that directly address drivers of deforestation and degradation, the Fund can simultaneously bring about conservation with economic and social co-benefits for the Batwa populations.

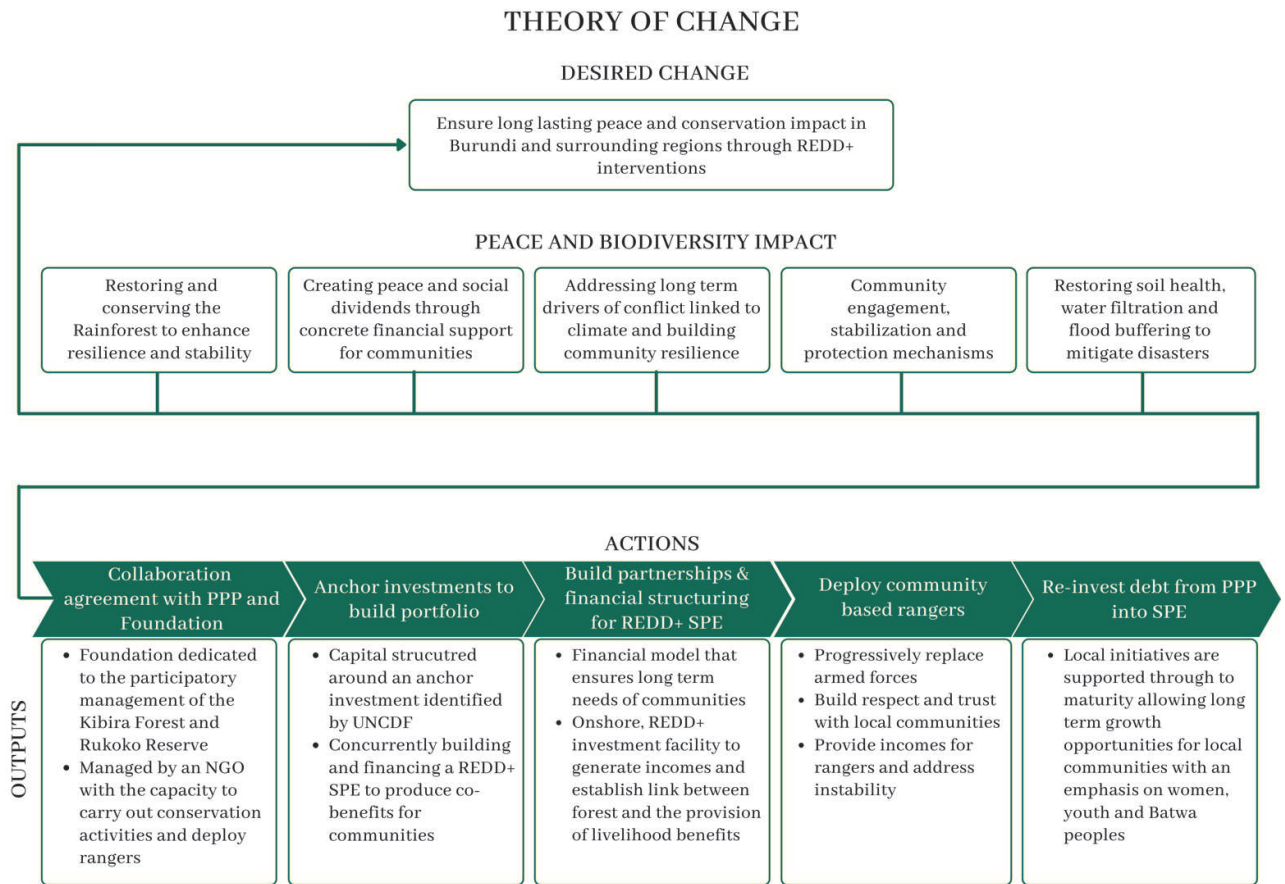
**Nexus Forest Conservation – REDD+:**

- By implementing local clean energy projects, community ownership of the project becomes a critical factor in sustainably shifting from degradation to conservation of forest resources. According to REDD+ principles, conservation cannot be achieved unless the surrounding communities are developed and provided with alternative, sustainable and feasible sources of livelihood. Clean energy investment provides this opportunity while also paving the path for future investment and economic activity in the region.
- REDD+ addresses the direct and indirect drivers of forest degradation. It also has identified future trends that will continue to impact forest degradation. These include the rise of population, agricultural commodities, wood products, fuelwood and charcoal as well as indirect drivers through setting of fiscal policies. By designing and prioritizing activities that specifically address these drivers, REDD+ brings about sustainable conservation that takes into account needs and ownership of the Batwa people.

b) **Project result framework**, outlining all project results, outputs, activities with indicators of progress, baselines and targets (gender- and age- sensitive). See **Annex B**;

c) **Project-level ‘theory of change’**.

The below represents the comprehensive and transformative Theory of Change the programme intend to implement with the PBF and the additional financing mobilized.



1. Long lasting peace cannot be achieved if armed groups maintain stronghold on national parks;
2. Must address the interconnectivity of the region to break corridors and ensure peace;
3. Without the redistribution of co-benefits, conservation activities will create additional conflicts with local communities;
4. At the current rate of degradation, Burundi will lose its remaining rainforest, including all the benefits it provides; and
5. Disconnected peace / climate / conservation action cannot generate a transformational change

The proposal's guiding Theory of Change is aimed at achieving long-lasting peace and conservation impact in Burundi through a sequenced approach that produces a range of biodiversity and social benefits. To create an enabling environment for sustainable peace in the Kibira National Park, the project deploys a REDD+ strategy aimed at reducing drivers of deforestation, providing alternative livelihood models that bring co-benefits to the communities, and fostering longer-term conservation and peace. Aligned with UN objectives for mobilizing effective blended finance for sustainable development, the Kibira Peace Sanctuary adopts a sequencing model that promotes new and enduring opportunities for sustainable financing of the Kibira National Park. In order to achieve the greatest impact, five key actions have been identified and sequenced or co-implemented to define the critical path, applying the following hypotheses:

(1) **AS** restoring and conserving the rainforest is critical to enhancing the stability of resilience of local communities to conflict and climate change impact.

**IF** capital is structured around an anchor investment in a Public-Private Partnership (PPP) between the national authority and a hydropower facility (a high-priority for the Government of Burundi due to severe constraints in electricity supply) and **IF** the PPP has the capacity to benefit from a 10–15-year debt provided by UNCDF.

**THEN** that anchor investment can generate returns for conservation activities and support the country in reaching their energetic independence, reducing emissions of CO<sub>2</sub>, and allowing for more long-term use of forest resources by the local communities. However, the hydropower facility alone will not foster the conditions necessary to enable community participation in the conservation of the forest nor provide co-benefits to the local populations.

**Thus**

(2) **AS** creating the conditions for lasting peace and realizing social dividends can only be achieved through concrete and long-term financial support

**IF** a direct allocation is provided to a REDD+ Special Purpose Entity (SPE), that aims to build a pipeline of local business models (I.e., fertilizer factory, sustainable wood production, medicinal plants, tourism), which not only provide benefits and opportunities to the population around the forest but also address drivers of forest degradation

**THEN** increased livelihoods and co-benefits that come from the SPE investments further improve social cohesion and reconciliation between local communities and the Forest by establishing a direct association between the park and the creation of livelihood opportunities in a conflict sensitive manner (without creating resentment or added competition) while also enabling long-term growth opportunities for local communities with an emphasis on women, youth, and the Batwa

**And**

(3) **AS** anticipating, addressing and reducing longer term drivers of conflict linked to climate change can build community resilience for the longer-term stability of the region

**IF** the revenues from the hydropower PPP are disbursed to a private foundation dedicated to the participatory management of the Kibira Forest (and Rukoko Reserve), and **IF** the foundation is managed by a coalition of NGOs with the capacity to structure a Special Purpose Entity, amplify local voices and address potential conflicts through a co-management agreement of the Kibira Forest (and Rukoko Reserve) with the Burundian Authority.

**THEN** the Kibira foundation can ensure peace, conservation and economic activities are carried out in close consultation with communities to understand local drivers of instability and enhance participation of women, youth and Batwa peoples in the peacebuilding and conservation process.

**And**

(4) **AS** community engagement, stabilization and protection mechanisms are crucial to the peacebuilding process and rebuilding cultural linkages with the forest

**IF** armed groups are unable to settle in the Forest and replaced by a park ranger force properly trained to effectively communicate and resolve conflicts as well as engage with communities and Batwa stewards of the land, and **IF** this is implemented in tandem with strategies to improve local perception of the benefits provided by the Kibira Forest

**THEN** root causes of instability are addressed, including a lack of trust and confidence with former park management strategies, by strengthening leadership capabilities at the community level and enhancing cultural reconciliation, climate resilience and development for the Kibira Forest and surrounding buffer zone. Results include the prevention against illegal exploitation of the Forest and improved access to ecosystem services for communities, safeguarding biodiversity and improving stability.

**And**

(5) **AS** restoring biodiversity, soil health, effective water filtration and flood buffering within the Kibira forest is essential to mitigating extreme disasters and preventing further conflict to arise

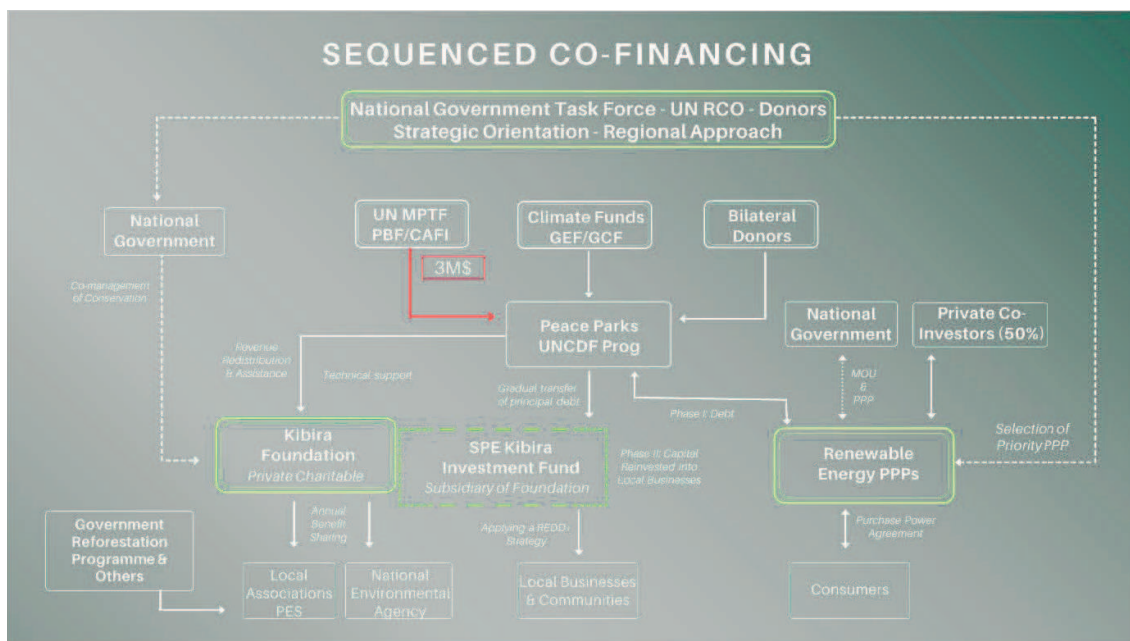
**IF** debt from the anchor investment project is progressively re-invested into the REDD+ SPE as the PPP grows and used for investments targeting biodiversity and conservation

**THEN** Local initiatives that meet peacebuilding and conservation objectives of the Kibira Foundation are supported through to maturity, enabling further conservation and restoration and mitigating extreme disaster by protecting the water management functions of the rainforest. This will also serve to protect communities from exacerbated conflict from reduced forest cover while facilitating sustainable growth, development and peace in the Kibira forest area

This approach facilitates a sustainable financial landscape that ensures long-term social and conservation benefits for Burundi and surrounding regions, including providing concrete financial support for communities, restoring and conserving the region's last rainforest,

fostering sustainable livelihoods and, protecting species from extinction and increasing biodiversity, and restoring soil health, water filtration and flood buffering. To address the risks of land/resource speculation and land conflicts, conflicts among stakeholders or resource users, exclusion of Batwa peoples and local communities from decision-making and inequalities for women and other marginalized groups from decision-making processes and opportunities, the programme emphasizes co-benefits and community-enhancement as an integral part of its peacebuilding and conservation strategy. The development and promotion of investment plans are aligned with the Fund's Theory of Change and ultimately aim to create smaller opportunities around the Park that promote benefit-sharing and amplify peacebuilding and conservation efforts directly for and with the local communities.

#### d) Project implementation strategy



#### Establishment of the Kibira Foundation

Through a co-management agreement with the Government of Burundi, a private independent charity will be established and authorized to carry out conservation activities in the Kibira Forest. Following a transparent selection process, a coalition of NGOs will be selected to support the establishment of the Kibira Foundation and develop Park management strategies in close consultation with communities to understand drivers of instability, taking into consideration peace, cultural, environmental, social, and economic criteria.

*Implementation Strategy: The selection of the NGOs will imply to select and structure a coalition that can be broadly consensual, apolitical, representative of all communities including the Batwa, be gender equal and regroup expertise on conservation, cultural, and investment. It implies identifying a lead organization with strong financial managerial track record and the vision to build the credibility of the Kibira Foundation. Such a lead organization will also need to demonstrate its capacity to leverage additional philanthropy financing. Within this coalition, organizations that have experience with field community and*



women engagement will be critical to carry out initial peacebuilding assessment and further developed the impact framework, while Batwa organizations will help ensure that the project safeguards respect indigenous rights. Furthermore, co-management principles have been established and there are existing guidelines for co-management of forest resources. In particular, there is guidance on PPPs for conservation and management of protected areas by the regional body Commission des Forêts d'Afrique Centrale, of which Burundi is a member country. There is a standard co-management template also available in the guidance documentation.

The Kibira Foundation will share all its revenues with the OBPE (Office Burundais pour la Protection de l'Environnement/Burundian Environment Agency) to conduct project activities, including the recruitment, training, equipment, and deployment of the first ranger patrol to ensure effective deployment of both park rangers and a community liaison unit. This includes updating the Park management plan, the formation of the legal framework to regulate the establishment of park rangers as well as the elaboration of a fundraising strategy to secure additional private philanthropy support and conservation grants from international financial mechanisms or bilateral corporations.

*Implementation Strategy: PBF support will be used as seed funding to provide initial quick impact deployment of a pilot patrol in one of the priority areas of the Park. The first patrol will be gender equal, train on indigenous and community rights including women's rights, and task to support the peacebuilding assessment and baseline data collection on conflict and exploitation of park resources. The ranger team will be supported by a community liaison team deployed by the Kibira Foundation using the organizations in the coalition that have worked with field community and women engagement.*

To reconnect with tradition and support cultural reconciliation, the foundation will carry out consultations with historians, professional storytellers, holders of ancestral knowledge, and with the populations living near the forest. Beyond the works, it is also essential to collect personal stories, feelings, intimate memories linked to the Kibira forest (combatants who became politicians, peasants, defenders of biodiversity, etc.) These stories will serve to inform outreach to local artists as the Foundation aims to support programming of Burundian events for local populations (stories, songs, dances, etc.) through a Kibira School. Dissemination of the unique cultural heritage tied to the Kibira Forest will allow Burundians and non-Burundians to live strong cultural experiences on site and to forge an emotional link with the place, develop tourism accessible to different scholarships with unique formulas, as well as provide sources of income for local Burundians.

*Implementation Strategy: The project will start by collecting stories in the eastern side of the Kibira where the insecurity is less problematic. This area including Kayanza and Muramvya provinces traditionally host the most important cultural precolonial heritage.*

### **Investment into a clean Energy PPP**

The project will direct its capital toward an anchor energy investment with an expected minimum return of 7%, as presented above those revenues are shared between the Foundation and OBPE. The investment will need to be made as part of a Public Private Partnership to ensure national ownership, be investment ready with a power purchase agreement, meet all UN environmental and social safeguards, and allow for a flexible debt agreement. The project will not take a position of more than 50% in the project, in order to attract private co-financing.

Sub Saharan Africa has been identified as a high impact potential region for clean energy, adding further support to hydroelectric projects in Kibira National Park. So far efforts to develop these projects have been interrupted by lack of appropriate funding as well as a mismatch between investor and project needs. The top risks identified include off-taker risk, currency risk, policy risk, liquidity and scale risks, as well as the capacity of the REGIDESO to respect the terms of the purchase agreement. Additionally, early-stage projects financing availability remains a concern. Blended finance instruments can be used to bridge this gap by targeting the most cited risks to private investors. Although there is a mismatch in provision even among blended finance instruments, with careful planning and emphasis among investors on guarantees (which are harder to come by) over direct investment, these gaps can be addressed.

Burundi provides an attractive economic environment for an energy project. Electricity production and consumption are very low in Burundi due to under-investment with only 11% of the population having electricity access as of 2018 and an installed national capacity of just 93 MW as of 2020. Hydropower plants built in the 1980s remain the primary source of electricity generation with the power deficit from underinvestment reduced by emergency gensets. Hydropower is expected to remain a main component of electricity supply at a 70% share of newly planned capacity. The remaining gap in demand is filled by imports of electricity and gas which are worsening Burundi's financial and energy independence. While demand is still low, it has more than doubled since the end of the civil war with an average annual growth of 5.7% from 2003 to 2019. World Bank estimates that almost only 40-50% of this demand is met by the licensed national distributor Regideso. Further, any new power plants will only serve to reduce production costs for Regideso and prevent dependence on tariff increases for financial stability. With a recovering economy, experience in hydropower, growing domestic demand for electricity as well as state interest in generating capacity, improving financial stability and reducing energy import dependence, a hydropower plant in Burundi can serve to be a lucrative project.

*Implementation Strategy: The PBF funding will be used to support the early-stage investment in one of the priority public private energy partnerships already approved by the government of Burundi. Each of them is at an advanced design stage and currently seeking investors. An initial UN funding toward one of those PPPs will be critical for investor confidence and will accelerate the delivery of energy to the national grid. UNCDF will bring its network of experts in energy investments with a strong track record in Africa and in the region to carry out the proper assessment during a first six-month inception phase. Once the selection and the level of co-financing are confirmed, UNCDF will request the disbursement of the second tranche to the PBF.*

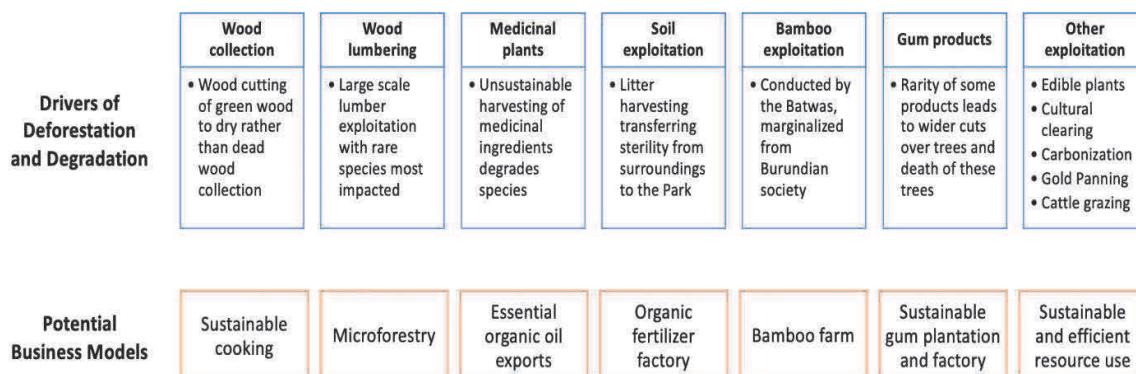
### **Local REDD+ Investment Facility**

A local investment facility will be created and managed by an SPE controlled by the Kibira Foundation that will be in position to unlock additional public and private finance from international and domestic sources, play a unique role in supporting local private entrepreneurs from the surrounding communities, and prioritize opportunities with potential social and conservation impact. Alongside its own fundraising, the capital from the debt payment of the anchor investment in clean energy will be progressively redeployed as capital into the SPE.

The SPE will be a REDD+ Investment Fund and will be an equity fund with a ticket size ranging from \$50,000 to \$1million. It will aim to provide catalytic capital alongside other sources of private financing in a 60 / 40 ratio such that the investment facility will retain a majority stake in the project while also bringing in other investors to co-finance.

*Implementation Strategy: Creating a portfolio of profitable investments that distribute co-benefits to both the communities and the conservation actions is the ultimate goal. It will take time and resources to fully develop this portfolio, therefore the PBF funding will target its supports through the foundation in identifying four pilot projects that can be tested in communities that have suffered most from instability around the Kibira and for businesses that potentially have a high peace return (employment of ex-combatants, alternative solutions for forest products) and have a market to sell in order to generate initial revenues. The location and the business models will be informed by the early structural work carried out the Kibira Foundation and the coalition of NGOs.*

There are several drivers contributing directly to deforestation and degradation of Kibira National Park. They include wood collection in the Park, excessive wood lumbering, unsustainable harvesting of medicinal plants, soil exploitation, bamboo exploitation, unsustainable harvesting of gum products and other forms of exploitation such as edible plant harvesting, cultural clearing, carbonization, gold panning and cattle grazing. In accordance with REDD+ principles, there needs to be sustainable rural development in tandem with conservation which can be achieved by using business models to try and directly address the drivers of degradation. For the Kibira National Park, these could include sustainable fuel and cooking, microforestry for lumbering, harvesting and export of essential organic oils, organic fertilizer factory, sustainable farming for bamboo and gum plantations. This has been summarized in the figure below.

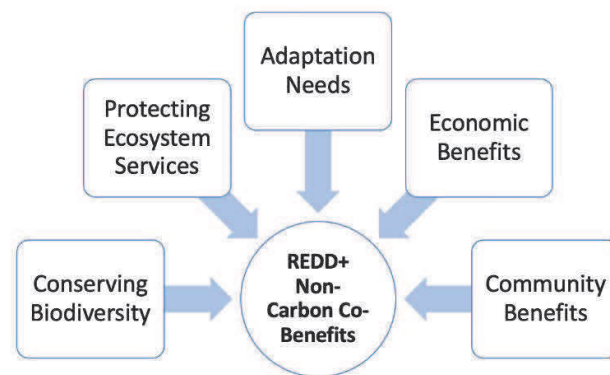


By opting for REDD+ principles and activities, drivers of forest degradation and community participation will be addressed. REDD+ addresses the direct and indirect drivers of forest degradation. It also has identified future trends that will continue to impact forest degradation. These include the rise of population, agricultural commodities, wood products, fuelwood and charcoal as well as indirect drivers through setting of fiscal policies. REDD+ also looks at the “plus” activities, which are forest conservation, enhancement of forest carbon stocks and sustainable management of forests. It tries to address barriers to these activities both inside and outside forests. The REDD+ framework analyses drivers at a national level, focusses on

formulating a national strategy, justify and prioritize particular REDD+ activities, inform the design of projects and engage all relevant stakeholders.

REDD+ also has interventions that aim to help Integrated Land Use Planning (ILUP). This focusses on preventing and / or managing conflicts, reduce degradation of land and natural resources as well as facilitate ecosystem restoration. ILUP aims to better organize infrastructure and activities across an area taking into account natural, human, economic and strategic constraints and opportunities.

Aligning with REDD+ and forming National Strategies or Action Plans also enables buy-in from various actors in order to bring project objectives to the fore and secure financing. More importantly, the co-benefits of REDD+ initiatives will also be unlocked for communities. This is a critical component for generating and maintaining sustainable livelihood for these communities. These co-benefits can span up to 5 categories – protecting ecosystem services, adaptation needs, economic benefits and community benefits.



### Immediate priorities covered by the PBF allocation

PBF interventions will include:

- In close consultation with the Government of Burundi and the UN RC Office, UNCDF will select a coalition of local CSOs with the capacity to establish the Kibira Foundation, negotiate a co-management with the Government of Burundi, carry out community-based engagement, cultural and peace activities, and structure a Special Purpose Entity. Implementation of community engagement will include activities for social cohesion, women empowerment, reducing structural drivers of conflict and enrollment into illegal dealings (Activity 1.1.1 + 1.2.1 + 1.2.2 + 1.2.3 + 1.2.4 + 1.3.1 + 1.3.2 + 1.3.3 Total \$345K)
- In close consultation with the Government of Burundi and the UN RC Office, UNCDF will select the most appropriate Public Private Partnership to invest in and structure the debt agreement (Activity 1.1.4 10K).
- Deploy expertise to support the establishment of the Kibira SPE by the Kibira Foundation and ensure that its governance and management structure meets international standards. The SPE will need to progressively manage the assets invested in the PPP (Activity 2.2.4 \$10K).

- Provide the PPP and the SPE with pre-investment advisory support which can include: initiate feasibility technical assessments, value assets, register land, design business plans, build financial models, estimate projections, define standard operating procedures, set impact targets, manage foreign currency risk, improve governance structures (Activity 2.1.1 + 2.2.2 \$250K).
- Support the financial structuring and support the development of the model for revenue distribution between the private investors and the Kibira Foundation. Ultimately part of the project debt revenues are redistributed by the Foundation to the Park authority OBPE, while the capital from the debt to the energy project is progressively re-invested into the SPE (Activity 2.2.3 + Programme Management cost \$100K).
- Development of feasibility studies for additional REDD+ revenue generating business models such as carbon credits, forestry, agriculture and tourism activities (Activity 2.2.1 \$50K).
- Be the first investor and provide catalytic funding for the project. Of the ~ \$45M estimated cost of the project, up to \$2M from PBF will be catalytic and crucial to unlocking \$13M of public debt, \$15M in private debt and \$15M in private equity. PBF funding will be essential to unlocking the above co-financing and enable other investors to come onboard with reduced risk. This funding will kickstart the sequential blended financing which is an innovative cornerstone of this project (Activity 2.1.2 \$1.8M)
- Mobilization of co-financing from Central African Forest Initiative (regional dedicated REDD+ MPTF), Donors in Burundi, the GEF and the GCF (Activity 2.2.3 \$10K).

#### **e) Geographical and beneficiary targeting**

- i) The programme will work in five Provinces Cibitoke, Bubanza, Muramviya Kayanza and Bujumbura rural.
- ii) The Four area of the Kibira forest Mabadi, Mpanda (Potential site for the PPP), Teza (Deployment of Rangers/Ecoguards and Community liaison) and Rwegura (Park HQ)
- iii) The entire park is 40-50,000 ha, the buffer zone covers the same area along the park boundaries and the project will ultimately operate on the 70 collines and communes in the Buffer zone.
- iv) Minimum of 5 National NGOs will be engaged within the Foundation (1 Financial services, 1 Women led, 1 representing Batwa rights, 1 for the Cultural aspect, 1 for the Forest Conservation), they will all work with grassroots organizations.
- v) Estimate rangers trained, equipped and paid 60 during the pilot phase up to 300 with co-financing
- vi) Estimate of community liaison 5 per Collines, total of 350.
- vii) Estimate job created by the PPP, total 500.
- viii) Estimate job create by the Redd+ Investment Fund, 250 per deals, total 1000.

### **III. Project management and coordination**

#### **a) United Nations Capital Development Fund – UN Recipient Organization**

The 2030 Agenda and the 17 internationally endorsed SDGs reflect an ambition to transform the world. The ro

le of UNCDF, together with the UN Development System (UNDS), is to support this global transformation in the most efficient and effective way promoting human rights, peace and security, growth and productivity, and environmental sustainability. Such an endeavour requires unprecedented investment across all 17 SDGs and will necessitate access to heretofore untapped capital resources. Against this background, UNCDF is developing new ways to leverage the limited amount of its member state resources to help unlock the private investments that will be needed to attain the SDGs.

Based on its objective to help LDCs pursue inclusive growth and put in place a stable, enabling environment for the private sector to flourish, UNCDF is now connecting new frontiers of finance and innovation with local needs and demands to:

- Unlock additional public and private finance from international and domestic sources to reach the last mile.
- Play a unique role in supporting public and/or private enterprises prior to scale-up investments, supporting them via capacity building and in delivering the evaluation of their systemic and social impact.
- Prioritize opportunities with potential impact beyond the specific public and/or private enterprise and which may contribute to or facilitate a wider market change.
- Influence wider investment practice, encouraging investors to invest in last mile environments.

In order to provide more flexibility and a private sector approach to an impact finance portfolio, UNCDF proposes to leverage its LDC footprint, proven financial capacities and tools to set up the proposed Programme which will design and implement innovative financing instruments and provide advice to the Burundian government and the local actors managing the Kibira Foundation to catalyse funding for Peace, Forest Conservation and Climate related issues. The Programme will also look at stimulating entrepreneurship focusing on youth and woman empowerment through the Kibira REDD+ Investment Facility. UNCDF will work with partners towards leveraging emerging and innovative sources of financing from a variety of domestic and external sources by unblocking existing national policy bottlenecks that in turn would unlock untapped SDG investment resources and partnerships which aim to yield national development impact with sustainable environmental, social, and economic returns.

UNCDF will be responsible for the overall programme management under the guidance of a country steering committee (See the governance arrangement below), and will provide Technical assistance to the stakeholders in order the structure the different blended finance instruments and deploy the initial debt. UNCDF is not responsible for the development and the management of the clean energy PPP and the REDD+ Investment Fund, the private hydropower developer and the Kibira Foundation respectively are.

## The Kibira Foundation

UNCDF will recruit a coalition of NGOs and will provide a performance grants of \$ 615K to the lead of Organization (with 2-3 tranches of payments). The coalition of NGOs will establish the Kibira Foundation and responsible to implement directly the following activities:

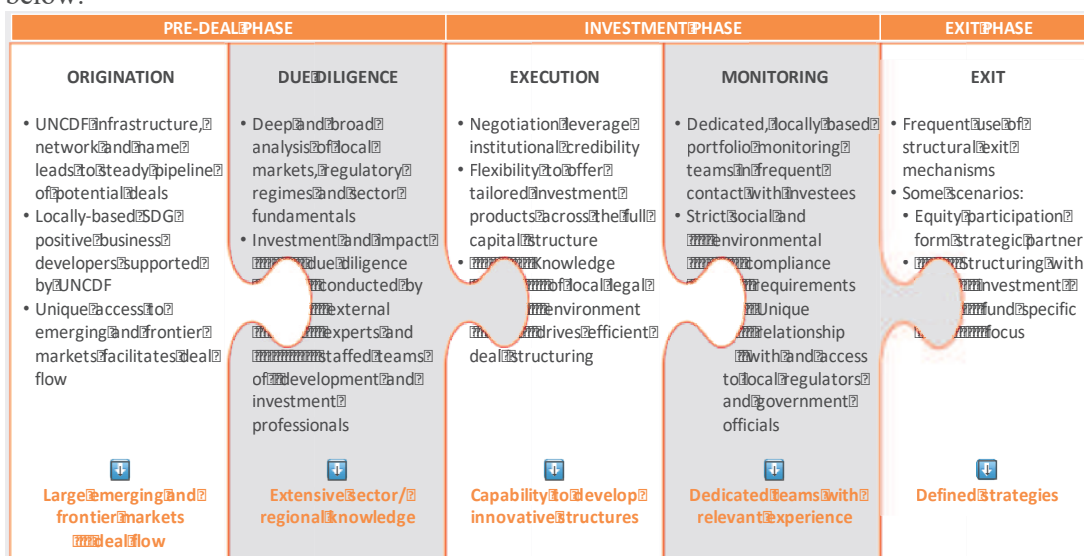
- Under Outcome 1, Activities 1.1.1 +1.1.2+1.1.3 Activities 1.2.1+1.2.2+1.2.3+1.2.4 Activities 1.3.1+1.3.2+1.3.3
- Under Outcome 2 Activity 2.1.4 and Activity 2.2.1+2.2.2+2.2.3+2.2.4

The performance grant includes all the activity budget above and a co-financing of \$30K to purchase a vehicle for the Foundation. It is expected that the lead organization will be able to provide co financing and demonstrate its capacity to fundraise for the programme.

## Comparative advantage

UNCDF draws on its LDC Investment Platform (LDCIP), a specialized hub staffed with development finance and impact investment professionals that activates financial instruments to unlock resources which benefit local economic actors (inclusive of SMEs, public-private partnerships, municipalities and innovative financial service providers) in LDCs. The LDCIP has a dual mandate to (1) support the origination of transactions and manage a toolbox of credit and guarantee instruments at scale using its investment architecture and tools (i.e. credit and guarantee policy, credit scoring model and due diligence materials, and strengthened transaction documentation) and (2) build blended structured finance solutions that can attract additional funding sources to drive the organization’s continued execution of its mission.

UNCDF has proven origination, execution and supervision capacity, which included a rigorous independent investment evaluation approved by an independent Impact Investment Committee. The investment process is structured around three main phases and five steps, as illustrated below:



For this project, UNCDF's lending instruments will focus on injecting responsive liquidity into the PPP, primarily to provide working capital needed to cover essential operating costs, as well as to help enterprises meet capital expenditure needs. These lending instruments can occur in various modalities:

- Working Capital Loans: such loans would finance short-term working capital needs and can have flexible amortization (e.g. bullet) features that are responsibly to the needs of the business or project.
- Long Tenor Loans: such loans would offer long maturity profiles (e.g. up to 10 years) and will be useful to provide the liquidity needed for this type of long-term capital expenditure investments.
- Subordinated Loans: such loans would provide a financing solution that would be junior to the repayment rights of other lenders that may occupy a senior ranking. This provides liquidity with a healthier appetite for risk, which would be welcome in the current environment to encourage other lenders to come in with new capital.

**UNDP is implementing an Energy project in Burundi supporting the established of enabling policy environment for Public Private Partnership. UNCDF will liaise and collaborate closely with UNDP creating bridge as well with UNDP regional biodiversity in initiative. In a phase II of the project, synergies will be developed to facilitate access to the GCF and the GEF co-financing. UNDP will be a member the PBFR programme Steering Committee see below.**

#### **b) Project management and coordination**

##### **High Level Kibira Task Force**

Due to the regional security and sensitive nature of this innovating programme, a high-level political task force will be established and co-chair by the Minister of Environment and the UN Resident Coordinator. The task force will have a cross-cutting mandate, with representation from the Presidency, Ministries of Finance, Foreign Affairs, Energy, Social Affairs and Public Security. Key donors that wish to participate in the programme will also be represented and participate in the decisions.

The Task Force has the strategic oversight on the programme including:

- Set the strategic direction of the initiative and support cross regional engagement;
- Provide a platform for dialogue to further partnerships and advocacy for transformative change;
- Provide high-level strategic guidance to the Programme Steering Committee and sectorial Ministries;
- Review annual and final evaluations and oversee the Programme Steering Committee's response.

The Task Force will also meet in a regional configuration for strategic coordination between Burundi and DRC.

##### **Programme Steering Committee**



**The Steering Committee oversees and monitors the implementation of all components of the Programme and conducts bi-annual reviews of the results on the progress made.**

The Programme will be governed by its stakeholders and technical managers so as to better achieve both developmental goals through its technical assistance and seed funding operations. The Steering Committee will have the responsibility for providing oversight to the Programme's management through approval of programme plans, revisions and offering guidance on management decisions. The Committee's decisions will also guide the performance of the Programme activities in line with the envisaged outputs, work plan and deliverables. In order to ensure accountability, the Committee decisions should be made in accordance with standards that shall ensure best value for money, fairness, integrity, transparency and effective international competition.

**The Steering Committee is co-chaired by the Minister of Environment and the UN Resident Coordinator.** The membership of the Committee will include representatives from donors (PBF and other donors), the Kibira Foundation host (once selected), and UNDP. UNCDF regional Financing and Investment Advisor act as the secretariat of the Steering Committee, the UN MPTF office Innovation Team is an ex-officio member.

The first meeting of the Committee will take place within 30 days of the start of the Programme and will include agreement on its annual workplan. Subsequent meetings will be held at regular intervals of at least twice a year, or as frequently as necessary, as required by the Programme. It is expected that the meetings will be more frequent in periods of peak activity. Minutes of meetings will be taken; minutes of previous meetings will be circulated in advance.

Duties of the Committee will include:

- Providing guidance and approve work plans and revisions.
- Supporting and reviewing the Programme's performance.
- Accounting to the stakeholders for the Programme's performance.

In order to ensure accountability, the Committee decisions should be made in accordance with standards that shall ensure best value for money, fairness, integrity transparency and effective international competition. In case a consensus cannot be reached, final decisions shall rest with the UNCDF Senior Management Team and the Respective UN Resident Coordinators. Programme reviews by this group are made at designated decision points during the running of the Programme, or as necessary when raised by the Programme Manager. Based on the approved annual work plan, the Committee may review and approve annual plans when required and authorize any major deviation from these agreed plans. It is the authority that signs off on the completion of each annual plan as well as authorizes the start of the next annual plan. It ensures that required resources are committed and arbitrates on any conflicts within the Programme or negotiates a solution to any problems between the Programme and external bodies.

The Committee will decide the frequency of meetings but shall meet at least twice a year to review and approve activities under the annual work plan and will review the Programme modifications if needed. The Programme will produce two semi-annual narrative reports that track progress, difficulties in implementations and areas needing adjustments. The Board will, at its meetings, review both the financial and narrative reports from the Programme management and programme staff support. They will approve all financial modifications

beyond 10% of original budget lines as well as changes to the activity plans. There will be a midterm and final review by the Board to ensure that the Programme is on course.

### **UNCDF Investment Committee**

The Investment Committee (IC) will have a minimum of five-member committee appointed by the Programme. The IC will evaluate the resource allocation and investment recommendations, review the technical quality and strategic issues associated with the enterprises' proposals, make a recommendation on all investments through a unanimous vote.

A minute note of investment committee approval will accompany the enterprise application form document before it can proceed to appraisal. A key purpose of the Investment Committee is to ensure that programme standards are adhered to and the investment is sound in its nature.

### **Programme Team**

The Programme intends to have in place the following technical personnel by the start date in support to the UNCT. For this purpose, the UNCDF LDC Investment Platform Director (D1) as well as the global/regional Financing and Investment team (P4 level) will provide the overall oversight and technical financial support on both Burundi and DRC programme implementation.

A programme manager IPSAS 10 (Equivalent P4) based in Bujumbura but covering the two countries will oversee and support the implementation of the Programme on the ground and liaise with the two RCs office and the partners. The cost will be covered by the two programmes (100% over two years add years will be covered by CAFI and donors co-financing).

The Programme Manager will receive the support of selected experts from, the UNCDF roster: (a) experts in Public Private Partnership in the energy sector (Short term consultancies max 6 months over 3 years) , experts on REDD+ investment with the requisite qualifications and experience in technical assistance, start-ups investment (Short term consultancies max 6 months in year two and three), who will be responsible for supporting the Programme activities; (b) an assessment, monitoring and evaluation expert (mid-term and end of the project – max two months) (c) and a part time operation assistant (G5-G6).

In addition, other UNCDF partners who are already experienced in early-stage investment phases and similar relevant technical assistance programmes, who work on similar platforms, may be recruited by the Programme if there is a request by the Steering Committee for additional or specific support.

#### **c) Risk management**

Robust risk identification and management is critical to successful programme management. Programme documentation, systems and processes will be embedded to ensure that risks and issues are identified, owned, mitigated, managed, escalated and reported on regularly. The Programme risk and mitigation measures can be found below. This is a 'live' document, that will be reviewed at each Programme Team meeting. The Programme, in close consultation

with its technical staff, and UNCDF’s headquarters’ units, will continuously assess these risks during the implementation stage, and recommend targeted mitigating actions.

Risk description	Probability of risk	Impact on Programme	Mitigating actions
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***Partner support and funding***

A limited number of donors are willing to fund the Programme, delaying Programme deliverables	L	H	Tailor a resource mobilization strategy fully aligned with FfD core principals. Involve partners in the Programme to ensure their buy-in further downstream. All the donors in Burundi have been briefed on the programme are very supportive of this Peace, Climate and Conservation nexus
Lack of buy-in to the Programme	L	H	Ensure appropriate buy-in at senior levels. Ensure facility is designed to address the country needs. Involve partners in the Programme to ensure their buy-in further downstream. The UN RC has presented the project to the President of Burundi and relevant ministries have been briefed, a task force will be established in January to coordinate the programme activities with the Government.

***Programme management***

Individual Programme slippage affects overall delivery of the Programme	L	M	Manage dependencies very tightly. Flag problems early. Take action to remedy. A dedicated Programme manager will be hired by UNCDF
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***Programme management***

Lack of investable companies will undermine relationships with potential investors and the viability of the Programmes	L	H	Open competitions will identify valuable start-ups from outside UNCDF networks. The pre identified three PPPs have strong track records and equity investors secured.
The local partners lack the required expertise and trust from the government to successfully conclude the co-management agreement.	L	H	The Programme will select a coalition of local CSOs with strong track record in consultation with the Government to facilitate the negotiation of the co-management agreement.

***Social & Environmental***

Zoning of protected areas and buffer zone could potentially lead to adverse economic, social, and cultural	M	H	A purposeful application of a human-rights approach to social and environmental sustainability will be implemented to minimize social and cultural impacts. Extensive consultations
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impacts on local communities and Batwa peoples as it restricts their access to natural and cultural resource use.			will be carried out by Twa local organizations partners to the Kibira Foundation.
Women could be excluded from the support planned to local communities and Batwa peoples. Dynamics among social groups could also lead to exclusion of certain women from the support provided to women groups.	M	H	mechanisms to reduce the risk that existing discriminations against women are inadvertently reproduced in project implementation will be established by the Kibira Foundation.

### *External context*

Lack of progress in the security situation and eventual upticks in violence.	L	M	The Programme will closely coordinate with UN security to enable safe Programme delivery.
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During the inception phase of the project, UNCDF in consultation with the Burundi RCO and the implementing partners including the government, will review the risk matrix related to the implementation of community-based interventions around the Kibira and agree on a plan to mitigate those based on field reality throughout the phased 36 months of the project. It is important to note that the risk will be classify in two categories:

- i) The risks to the project's reaching its outcomes:
  - a. Lack of consensus on the Co-management conservation agreement framework
  - b. Lack of credibility of the Coalition of NGOs establishing the Kibira Foundation
  - c. Lack of engagement of OBPE in the process
  - d. Lack of community consultation around peace and stability outcome especially women and Batwa
  - e. Lack of engagement of the communities in the reconciliation and cultural initiatives related to the Kibira Forest
  - f. Delays and further complication related to the selection of the Energy PPP
  - g. Limited mobilization of the private co-financing
  - h. Lack of business opportunities in targeted areas.
  
- ii) The risks to the longer-term objectives over the longer-term that can already be identified and monitored within the 36-month implementation timeframe.
  - a. Lack of co-financing and revenue to make the Kibira Foundation viable and the deployment of Eco guards sustainable
  - b. On-going deforestation despite the investments in addressing drivers
  - c. On-going insecurity and infiltration of armed groups
  - d. Lack of consensus and on-going friction between the Foundation, OBPE, the local administration and the communities in the buffer zone

- e. Non-payment by REGIDESO of the electricity delivered by the PPP
- f. Lack of business opportunities in the Kibira buffer zone and revenue models.
- g. Localized conflict affecting longer term peacebuilding goals

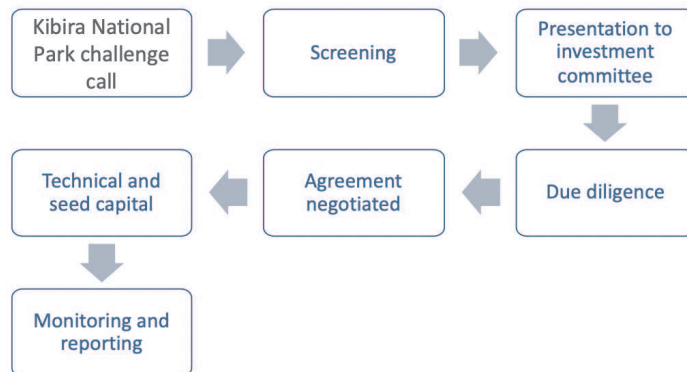
The 2nd tranche will be conditional upon i) the establishment of the Foundation based on a credible consensual process; ii) the finalization of the selection of a PPP that can generate revenues within the project implementation time period and; iii) the effective mobilization of a matching private equity financing of 2M\$ (this is a minimum secured co financing provided by the private operators of the PPP that demonstrate the blended finance and leveraging impact), this is not including the CAFI and other donors potential co-financing in grants.

### Competitive Process

There will be two processes to select the clean energy PPP and the coalition of NGOs to lead the Kibira Foundation. As shown in the figure below, applicants in each process will submit an electronic application through UNCDF’s “Plug-and-Play e-investment platform” (<https://apply.uncdf.org>). For the PPP call for proposal, the application submission will include a detailed plan that outlines the scope of the project, estimated timeline, required agreements and documentation, predicted capacity, but also an indication of the positive and/or negative impact of their work on a fragile context. For the Kibira Foundation call for proposal, the application submission will include a demonstration of coalition expertise in investment management, cultural relations, community reconciliation, biodiversity and conservation. All submissions will be reviewed by the Programme investment committee and eligible candidates will be then interviewed. Among other things, this review process ensures that potential partners have the experience and credibility, and that the source of their funds and partnerships is adequate and legitimate.

The Programme team will also conduct further due diligence before negotiating a contractual agreement and providing funds. At that point, the Programme’s final due diligence on the partners would generally be limited to a review of available materials through the application form and confirmation that policy requirements have been addressed, including integrity, social and environmental policies.

Once final approval is given, a contractual agreement setting out the parties’ mutual obligations and showing the partner’s financing allocation, is signed by both partners.



*Origination for Seed Capital Assistance Process*

## Due Diligence

The Programme will be expected to identify, assess and understand the potentialities and eventual risks posed by the pre-identified enterprises before providing any type of technical or financial support. For that purpose, the Programme will count on UNCDF due diligence processes to identify “investment-worthy” enterprises investors to de-risk, both from a reputational and financial perspective. This methodology will also include criteria that are relevant from a sustainable peace perspective

The Programme will undertake this risk assessment as an essential step to establish appropriate risk-based measures in proportion to the level of risk identified. For that purpose, strong due diligence requirements should be instituted as part of the assessment and risk mitigation process. These include the following:

- Technical due diligence
  - Is the enterprise technically feasible?
  - Is it likely to produce the results stated?
  - What is the expected contribution to the programme?
- Financial due diligence
  - Is the balance sheet of the enterprise appropriate for the Programme?
- Legal due diligence
  - Does the proposed enterprise have legal standing?
  - Portfolio monitoring and reporting?

### d) **Monitoring and evaluation**

In accordance with the programming policies and procedures outlined in the UNCDF Operations Manual, the Programme will be monitored through the following:

#### Within the annual cycle

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.
- An Issue Log shall be activated in Atlas and updated by the Programme Manager to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted (see section “Risks and mitigation measures”), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the Programme implementation.
- Based on the above information recorded in Atlas, a Programme Progress Report shall be submitted by the Programme Manager to the Programme Board through Programme Assurance, using the standard report format.
- A Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events.

## Annually

Annual Review Report: An Annual Review Report shall be prepared by the Programme Manager and shared with the Steering Committee. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the quarterly progress report covering the whole year with updated information for each above element of the quarterly progress report as well as a summary of results achieved against pre-defined annual targets at the output level.

## **Independent Evaluation**

The Programme will be subjected to at least one independent external evaluation as follows:

Mid-term Evaluation: An independent mid-term evaluation might be undertaken at mid-point during the lifespan of the Programme. The mid-term evaluation will determine progress being made towards the achievement of outcomes and will identify course correction if needed. It will focus on the effectiveness, efficiency and timeliness of Programme implementation; will highlight issues requiring decisions and actions; and will present initial lessons learned about Programme design, implementation and management. Findings of this review will be incorporated as recommendations for enhanced implementation during the final half of the Programme's term.

The organization, terms of reference and timing of the mid-term evaluation will be decided after consultation between the parties to the Programme document. The Terms of Reference for this Mid-term evaluation will be prepared by the Programme team based on guidance from the UNCDF Evaluation Unit.

Final Evaluation: An independent final evaluation will take place three months prior to the last steering committee and will focus on the same issues as the mid-term evaluation. The final evaluation will also look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental goals. The Final Evaluation should also provide recommendations for follow-up activities.

### **e) Project exit strategy/ sustainability**

The PBF project duration will be 36 months. At the of the project, the Kibira Foundation and the Redd+ Investment Fund (SPE) will have the capacity to manage the debt of 2M\$ to the energy project, redistribute revenue equally with the Burundian Park authority, carry out its

mission to protect and conserve the Kibira national park and finally progressively build a portfolio of community-based REDD+ business model delivering co-benefit to the community while addressing major drivers of deforestation. Sustainability is at the core of the project Theory of Change. The initial 3M\$ from the PBF is considered as seed funding/demonstration funds. During the three years of implementation, the partners will mobilize their expertise and the government of Burundi political leverage to mobilize additional financing from the bilateral donors and multi-lateral global fund such as CAFI, GEF and GCF. In this timeframe, the project will also focus on community engagement by promoting cultural heritage, mainstreaming the concerns of women and Batwa people, deployment of a ranger patrol team and establishment of a community liaison unit through the Foundation to focus on peace and conservation. Additionally, special focus will be given to training and deployment of women rangers, women led community reconciliation programs and investment in women led businesses.

## **I. Project budget**

See two tables in the Excel budget **Annex D**.



## **Annex A: Project Administrative arrangements for UN Recipient Organizations**

The UNDP MPTF Office serves as the Administrative Agent (AA) of the PBF and is responsible for the receipt of donor contributions, the transfer of funds to Recipient UN Organizations, the consolidation of narrative and financial reports and the submission of these to the PBSO and the PBF donors. As the Administrative Agent of the PBF, MPTF Office transfers funds to RUNOS on the basis of the signed Memorandum of Understanding between each RUNO and the MPTF Office.

### **AA Functions**

On behalf of the Recipient Organizations, and in accordance with the UNDG-approved “Protocol on the Administrative Agent for Multi Donor Trust Funds and Joint Programmes, and One UN funds” (2008), the MPTF Office as the AA of the PBF will:

- Disburse funds to each of the RUNO in accordance with instructions from the PBSO. The AA will normally make each disbursement within three (3) to five (5) business days after having received instructions from the PBSO along with the relevant Submission form and Project document signed by all participants concerned;
- Consolidate the financial statements (Annual and Final), based on submissions provided to the AA by RUNOS and provide the PBF annual consolidated progress reports to the donors and the PBSO;
- Proceed with the operational and financial closure of the project in the MPTF Office system once the completion is completed by the RUNO. A project will be considered as operationally closed upon submission of a joint final narrative report. In order for the MPTF Office to financially closed a project, each RUNO must refund unspent balance of over 250 USD, indirect cost (GMS) should not exceed 7% and submission of a certified final financial statement by the recipient organizations’ headquarters);
- Disburse funds to any RUNO for any costs extension that the PBSO may decide in accordance with the PBF rules & regulations.

### **Accountability, transparency and reporting of the Recipient United Nations Organizations**

Recipient United Nations Organizations will assume full programmatic and financial accountability for the funds disbursed to them by the Administrative Agent. Such funds will be administered by each RUNO in accordance with its own regulations, rules, directives and procedures.

Each RUNO shall establish a separate ledger account for the receipt and administration of the funds disbursed to it by the Administrative Agent from the PBF account. This separate ledger account shall be administered by each RUNO in accordance with its own regulations, rules, directives and procedures, including those relating to interest. The separate ledger account shall be subject exclusively to the internal and external auditing procedures laid down in the financial regulations, rules, directives and procedures applicable to the RUNO.

Each RUNO will provide the Administrative Agent and the PBSO (for narrative reports only) with:

Type of report	Due when	Submitted by
Semi-annual project progress report	15 June	Convening Agency on behalf of all implementing organizations and in consultation with/ quality assurance by PBF Secretariats, where they exist

Annual project progress report	15 November	Convening Agency on behalf of all implementing organizations and in consultation with/ quality assurance by PBF Secretariats, where they exist
End of project report covering entire project duration	Within three months from the operational project closure (it can be submitted instead of an annual report if timing coincides)	Convening Agency on behalf of all implementing organizations and in consultation with/ quality assurance by PBF Secretariats, where they exist
Annual strategic peacebuilding and PBF progress report (for PRF allocations only), which may contain a request for additional PBF allocation if the context requires it	1 December	PBF Secretariat on behalf of the PBF Steering Committee, where it exists or Head of UN Country Team where it does not.

#### Financial reporting and timeline

Timeline	Event
<b>30 April</b>	Annual reporting – Report <b>Q4 expenses</b> (Jan. to Dec. of previous year)
<i><b>Certified final financial report to be provided by 30 June of the calendar year after project closure</b></i>	

UNEX also opens for voluntary financial reporting for UN recipient organizations the following dates

<b>31 July</b>	Voluntary Q2 expenses (January to June)
<b>31 October</b>	Voluntary Q3 expenses (January to September)

Unspent Balance exceeding USD 250, at the closure of the project would have to be refunded and a notification sent to the MPTF Office, no later than six months (30 June) of the year following the completion of the activities.

#### **Ownership of Equipment, Supplies and Other Property**

Ownership of equipment, supplies and other property financed from the PBF shall vest in the RUNO undertaking the activities. Matters relating to the transfer of ownership by the RUNO shall be determined in accordance with its own applicable policies and procedures.

#### **Public Disclosure**

The PBSO and Administrative Agent will ensure that operations of the PBF are publicly disclosed on the PBF website (<http://unpbf.org>) and the Administrative Agent’s website (<http://mptf.undp.org>).

**Annex B: Project Results Framework (MUST include sex- and age disaggregated data)**

Outcomes	Outputs	Indicators	Means of Verification/ frequency of collection	indicator milestones
Outcome 1: Social cohesion, local governance and conservation of the forest are improved through community, government and private sector engagement to address the interlinked drivers of local level conflict and deforestation in and around Kibira		Outcome Indicator 1 a Number of hectares of protected area under improved management arrangement in the National Park and the Buffer zone  Baseline: 0 ha Target: 80,000 ha	Co-management agreement with the government. Definition of the Buffer zone. National Decree. Satellite Monitoring of Forest Cover	2022 intermediary target of zero deforestation in the National. 2023 intermediary target of zero deforestation in the Buffer zone. 2024 if co financing secured increase in Forest cover.
		Outcome Indicator 1 b Financial revenues generated through the co-management agreement Baseline: 0\$ Target: 140,000 USD annually	Co management agreement Financial report for the Kibira Foundation	Revenue will be generated through the debt into the PPP Hydropower project. Actual amount and timing will be described in the debt contract
		Outcome Indicator 1c Local perception of the benefits the Kibira Forest can generate for security, cultural reconciliation, climate resilience and development.  Baseline: 80% of the Population surrounding the Forest perceive the Kibira Forest as a threat to their security and a source of conflict	Interview of 1,000 people in 3 communes surrounding the National Park including minimum of 50% Women and 10% Twa	Baseline identified in Quarter 1 2022 Second Interview in Quarter 1 2024

		<p>Target: 80% of the Population surrounding the Forest perceive the Kibira Forest as a cultural heritage with a high development and climate resilient potential. (target will be sex and age disaggregated)</p> <p>Outcome Indicator 1.d Rate of conflict incidents observed in the Forest and number of people affected.</p> <p>Baseline: 12 reports of attack in 2021 Target: 0 reports of attacks in 2024</p>	Security and Media reports	Specific baseline and monitoring by local organizations might be set up in priority areas for the project
	<p>Output 1.1</p> <p>A joint framework for conflict-sensitive sustainable conservation of the Kibira forest is established between the Government, representatives of local communities, including Twa and private sector partners</p> <p>List of activities under this Output:</p>	<p>Output Indicator 1.1.1 Signature of co-management agreement between the Government of Burundi and a Private Foundation (with charitable status)</p> <p>Baseline: 0 Target: One signed Agreement including a co benefit sharing model</p>	Minutes of meetings and consultations with stakeholders and signed agreement.	<p>Draft available in Q1 2022 Consultation in Q2 2022 Signature in Q3 2022</p>

	<p>Activity 1.1.1: Selection of a local coalition of NGOs through a call for proposal managed by UNCDF and establishment of a Private Foundation dedicated to the protection of the Kibira Forest and Rukoko reserve.</p>	<p>Output Indicator 1.1.2 Release of a new land use plan with large buy-in of communities</p> <p>Baseline: 0 Target: 1 plan covering a buffer zone of minimum 40,000 ha</p>	<p>The New zoning plan including a buffer zone and dedicated areas of sustainable exploitation</p>	<p>Stakeholders Consultation in 2022 Release by last quarter 2022</p>
	<p>Activity 1.1.2: Elaboration of a fundraising strategy to secure add. private philanthropy support, conservation grants from international financial mechanism CAFI, GEF, GCF or bilateral cooperation as well as impact investors</p> <p>Activity 1.1.3 Development and approval of a co management agreement between the Government of Burundi and the Kibira Foundation including a plan to share revenues.</p> <p>Activity 1.1.4: Review of Hydropower Public-Private Partnership framework with the Government of Burundi to guarantee predictable revenues from the anchor investment</p>	<p>Output Indicator 1.1.3 Mobilization of co-financing to implement the entire Peace and conservation longer term plan</p> <p>Baseline: 0 Target: 30M</p>	<p>Programme documents and funding decisions</p>	<p>Add \$ to complement the PPP Investment by 2022-2024 (potentially \$22M CAFI in 2022 and 25M by 2023-2024 Bilateral donors)</p> <p>Add +/- 8M\$ from GEF 8 \$10M from the GCF fast track</p>

	<p>Output 1.2: Government of Burundi will train, equip and deploy OBPE Government Park rangers / Ecoguards based on consultation with and participation from the community as well as set the groundwork by establishing procedures and frameworks</p> <p>List of activities under this Output:</p> <p>Activity 1.2.1: Issuance by the Government of Burundi of a new land use ambitious plan in the Park and the Buffer zone taking peace and driver of deforestation into consideration. (Plan de Zonage)</p> <p>Activity 1.2.2: Definition of the regalian mission, composition and needs of the OBPE Kibira Park office and the park rangers as a Government only responsibility in relation with the new co-management agreement</p> <p>Activity 1.2.3: Recruitment, training, equipment and deployment of a pilot park ranger patrol team</p>	<p>Output Indicator 1.2.1 Number of rangers recruited and properly trained through 30 day park ranger training programme.</p> <p>Baseline: 0 Target: 60 Rangers (30 men and 30 women).</p>	OBPE Staffing records and report of training sessions	By end of 2022
	<p>Output 1.3: Long term social cohesion, community resilience and development is achieved through building</p>	<p>Output Indicator 1.3.1 Number of significant cultural heritage stories/symbolics collected from communities and amplified through appropriate communication tools and supports</p>	Record of interviews, transcripts and video production Record of radio diffusion,	2022 focused on collection efforts from archives and communities

	<p>sustainable links with the Kibira forest and engagement of local community actors, including women, youth and Twa, to help prevent and defuse local conflict and improve community security</p> <p>List of activities under this Output:</p> <p>Activity 1.3.1: Promoting the unique cultural heritage linked to the sacred forest of Kibira as a key contribution for a sustainable peace and reconciliation process of all Burundian ethnic groups</p> <p>Activity 1.3.2: Establishment of a community liaison unit that will combine in its daily outreach both the peace and conservation objectives of the Kibira Foundation</p> <p>Activity 1.3.3: Mainstreaming of gender and Batwa peoples (Twa) concerns, and lessons learned through participatory project implementation and M&amp;E to guide conservation.</p>	<p>Baseline:0 Target: 10</p>	<p>Estimated targeted audiences Etc.</p>	<p>2023-2024 Inclusion in training curriculum for guides and rangers.</p>
	<p>Output Indicator 1.3.2 Awareness of women's rights and gender sensitivity among target communities through women advocates from the local communities</p> <p>Baseline: 0</p> <p>Target: 10% gender sensitivity advocates among community members</p>	<p>Number of programs for training women advocates and number of women trained</p>	<p>2022 – first program in place with training for at least 50 women</p>	
	<p>Output Indicator 1.3.3 Participation by women, youth, and Batwa peoples in project monitoring, evaluation, and learning (MEL) for peace and conservation interventions of the Kibira foundation</p> <p>Baseline: 0 % No MEL system in place</p> <p>Target: 100% MEL activities carried out by Women and Batwa organisations</p>	<p>Reports of M&amp;E activities</p>	<p>Annual data collection</p>	

<p>Outcome 2: Access to sustainable livelihoods is improved for communities in and around Kibira forest to reduce structural drivers of conflict and recruitment into illegal or violent activities through sustainable exploitation of forest resources.</p>		<p>Outcome Indicator 2 a</p> <p>Annual add. clean energy generated by completed PPP projects</p> <p>Baseline: 0MW Target: 15MW by 2024</p>	<p>Production recorded on the Grid</p>	<p>Production starts in 2023</p>
		<p>Outcome Indicator 2 b</p> <p>Total of co-financing mobilized from private impact investors</p> <p>Baseline: 0 Target: 20M in the PPP Co financing and 2M in the REDD+ Investment Fund</p>	<p>PPP Financial record from the PPP operator</p>	<p>All committed by 2022 All disbursed by 2023</p>
		<p>Outcome Indicator 2 c</p> <p>Carbon sequestration generated by forest restoration and avoided emission from green energy project</p> <p>Baseline: TBD Target: TBD</p>	<p>Satellite data</p>	<p>Monitored on an annual basis</p>
	<p>Output 2.1: Financing sustainability is achieved through a clean energy anchor investment.</p> <p>List of activities under this Output:</p> <p>Activity 2.1.1: Selection of the most relevant PPP following a proper due diligence and Socio Environmental assessment applying UN safeguards standards.</p> <p>Activity 2.1.2: Debt investment and mobilization of private co-financing</p>	<p>Output Indicator 2.1.1</p> <p>Number of jobs created directly for PPP projects disaggregated by gender.</p> <p>Baseline:0 Target: 400 men 100 women</p>	<p>Report from the PPP operator</p>	<p>Measured on a quarterly basis</p>
		<p>Output Indicator 2.1.2</p> <p># of communities with access to energy in the PPP area (commune/colline)</p> <p>Baseline: 0 Target: 5</p>	<p>Report from National grid Regideso</p>	<p>Increased from 2023 onward</p>
		<p>Output Indicator 2.1.3</p> <p>% of jobs availed by women and members of Batwa groups</p>	<p>Companies employment log with salaries and gender breakdown</p>	<p>By 2024</p>



	<p>Activity 2.1.3: Extension of the Grid into local community identified as priority development hub</p> <p>Activity 2.1.4: Social and Environmental Impact monitoring during the construction phase</p>	<p>Baseline: 0 Target: 50%</p>		
	<p>Output 2.2: Community development goals and peace dividends are multiplied through equity investments in local businesses providing co-benefit to the communities and creating the foundation for a Peace Sanctuary ,deployed through a Kibira REDD+ Investment Facility</p>	<p>Output Indicator 1.2.1 Annual deforestation rates using globally available forest mapping sources indicated as percentage of tree cover reduction per year.</p> <p>Baseline: -2.02% per year Target: 0%</p>	Satellite monitoring	Annual
	<p>List of activities under this Output: Activity 2.2.1: Development of a REDD+ Business pipeline</p>	<p>Output Indicator 2.2.2 Annual portfolio review including number of portfolio companies, expected return and portfolio performance</p> <p>Baseline: 0 Target:4 companies profit above 10% annually</p>	SPE financial reports	Annual
	<p>Activity 2.2.2: Testing of 2-3 pilots projects directly link to land restoration and mitigation of forest degradation in contentious areas</p> <p>Activity 2.2.3: Mobilization of Private co-financing</p> <p>Activity 2.2.4: Setting up the SPE, legal registration,</p>	<p>Output Indicator 2.2.3 Number of women entrepreneurs heading portfolio companies, number of direct and indirect female employees in each portfolio company</p> <p>Baseline: 0 Target: Atleast 20% women employees in each portfolio company and 25% of the portfolio companies led by women</p>	SPE annual reports	Annual

	governance and fee structure, safeguards and ESG standards	<p>Output Indicator 2.2.4</p> <p>Number of pipeline companies targeting gender empowerment, equity barriers and welfare for women</p> <p>Baseline: 0 Target: 50% of pipeline</p>	SPE annual reports	Annual
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**Annex C: Checklist of project implementation readiness**

Question	Yes	No	Comment
1. Have all implementing partners been identified?		X	This will be done through proper call for proposals
2. Have TORs for key project staff been finalized and ready to advertise?	X		UNCDF roster will be used
3. Have project sites been identified?	X		Area surrounding the National Parks
4. Have local communities and government offices been consulted/ sensitized on the existence the project?	X		Field mission in Burundi and the Kibira National Park in September 2021
5. Has any preliminary analysis/ identification of lessons learned/ existing activities been done?	X		Yes from the Virunga project including consultations with ICCN and the EU, and in Burundi with OBPE and UNDP CO GEF and Energy team
6. Have beneficiary criteria been identified?	X		Yes Women and Indigenous people
7. Have any agreements been made with the relevant Government counterparts relating to project implementation sites, approaches, Government contribution?	X		The work of the Foundation will be done within the framework of the Government priority for PPP and the new code de "1' environment" for the co-management agreement
8. Have clear arrangements been made on project implementing approach between project recipient organizations?	X		Yes loan for investment Responsible party for the coalition of NGO establishing the Foundation
9. What other preparatory activities need to be undertaken before actual project implementation can begin and how long will this take?		N/A	

**Annex D: Detailed and UNDG budgets (attached Excel sheet)**

In summary:

PPP Loan : 1,800,000 USD

Foundation Contract : 615,000 USD

TA+ Programme Management+ Fees : 585,000

## **Annex E: UNCDF Call for Proposal criteria PPP**

UNCDF invites interested organizations to submit an Expression of Interest to lead the construction and operation of a hydropower project and related activities in the Kibira National Park as a fundamental component for achieving peace, environmental, and social objectives of the following programme:

### **Summary of program**

The goal of the overall program is to create an enabling environment for sustainable peace in the Kibira National Park in Burundi by deploying a REDD+ strategy aimed at reducing drivers of deforestation, providing alternative livelihood models that bring co-benefits to the communities, and fostering longer-term conservation and peace. Hydropower remains a high priority for the Government of Burundi due to severe constraints in electricity supply, growing demand, under investment and increased dependence on imports. A hydropower project operating as a Public-Private Partnership (PPP) between the Burundian Government and a hydropower developer can serve as an anchor investment for the region and a strong starting point for achieving peace, conservation and community development goals.

Benefiting from a 10–15-year debt provided by UNCDF, the hydropower project can generate returns for conservation activities and support the country in reaching their energetic independence, reducing emissions of CO<sub>2</sub>, and mitigating extreme disaster by protecting the water management functions of the rainforest. The project site will be the buffer zone of the Kibira National Park in Burundi. The hydropower project must be a Public-Private Partnership (PPP) between the Burundian Government and a hydropower developer organization or consortium. This will be a 8 to 12 MW run-of- river hydroelectric plant created and operated on a “Build Own Operate and Transfer” (BOOT) basis for a non-renewable 20 to 25 year term. The project is expected to feed electricity into the national electricity grid and the selected company will need to have a Power Purchase Agreement (PPA) with REGIDESO for the purchase of electricity generated by the plant over the 20 to 25 year period.

### **Scope of Work**

UNCDF is now inviting companies or formal consortia of companies, with the necessary expertise and capacity, planning to build and operate a plant as well as the associated installation infrastructure over a period of 25 years. Eligible companies or consortia will have to prove their experience in the construction and operation of hydropower plants as outlined in the eligibility criteria below. Only one company or one consortium will be selected to receive a loan from the programme.

The Contractor shall provide the following works and services:

- Construct one hydropower plant in accordance with the project description above
- Operate the plant over a period of 20 to 25 years and feed electricity into the Burundian grid under an already procured PPA
- Concession Agreements and Grid Connection Agreements to be signed with REGIDESO

- Conduct a full ESIA and obtain relevant environmental permits
- Assist with sourcing equity and debt financing for the project (in the range of 30:70 equity to debt)
- Terms and conditions of the Financing Mechanism will be supplied at the ITB stage
- Hand over the assets to REGIDESO at the end of the 20 to 25 year period of the PPA and Concession Agreement

### Innovation

Burundi's electricity industry is currently seeing increased consumer demand but increased dependence on imports. Companies are therefore asked to provide concepts to increase hydropower output in Burundi, either as an increase of capacity at the selected site or through additional hydropower capacity at other locations that the company or consortium may identify. Details of the innovation responses will not be shared with other respondents.

### Eligibility criteria

Companies applying need to meet the following eligibility criteria:

<b>Attributes</b>	<b>Requirements</b>
a) Technical experience implementation and operation I	Hydropower projects undertaken in the past 10 years with cumulative capacity of at least 10 MW in which the applicant has been either or all of the following: <ul style="list-style-type: none"> <li>• Engineering, Procurement, Construction (EPC) contractor</li> <li>• Operations &amp; Management (O&amp;M) contractor</li> <li>• Independent power producer (i.e. equity sponsor with operational control of the asset)</li> <li>• Equity and debt fundraising for similar projects</li> </ul>
c) Technical experience operation II	Evidence of previous experience in similar projects over the last five (5) years with electrical storage system design, construction, operation or financing
d) Regional experience	Demonstrable success in building and operating similar projects in Africa
e) Agreements	Applicant should have already secured the following: <ul style="list-style-type: none"> <li>• Signed Memorandum of Understanding with appropriate Ministries</li> <li>• Signed PPP and Guarantee Agreement with the Government of Burundi for the hydropower project</li> <li>• Signed PPA with REGIDESO for a minimum of 20 years</li> </ul>
f) Referees	Provision of three referees in relation to the experience quoted in response to attributes (a) to (d)
g) Establishment of company	Company or companies that form a consortium established and operating for at least 5 years

## **Annex F: Kibira Foundation Call for Proposal**

UNCDF invites interested organizations to submit an Expression of Interest to lead the establishment and related activities of the Kibira Foundation, a fundamental component for achieving peace, environmental, and social objectives of the following programme:

### **Summary of programme:**

Environmental resources have been seen as a tool for sustaining regional conflict in the Great Lakes Region due to the prevalence of armed groups and their illegal use of the forests' natural resources for financing conflicts. The lack of proper management of the National Park participates in maintaining a network of instability and undermines the last steps after decades of peace consolidation efforts. However, well-managed resources can nurture opportunities for subsistence and economic well-being and in turn foster peaceful co-existence. The purpose of the proposed programme, therefore, is to lay the foundation for sustainable management of the National Parks in Burundi and Democratic Republic of the Congo by combining peace efforts, nature conservation and climate solutions.

To address interrelated and transnational root-causes of instability in the Great Lakes Region, the Kibira Sanctuary programme leverages blended finance to support joint peacebuilding and conservation interventions that target drivers of conflict and instability associated with the exploitation of the Kibira Forest. This programme fosters an enabling environment for sustainable peace in the Kibira National Park by deploying a REDD+ strategy aimed at reducing drivers of deforestation, providing alternative livelihood models that bring co-benefits to the communities, and fostering durable conservation and peace. By harnessing the capacities of long-term partners at the international, national, and sub-national level, the programme fosters a risk-tolerant environment that encourages innovation and avoids duplication of efforts for effective peacebuilding in the region.

### **Role of the Foundation:**

Through a sequenced approach, revenues from a hydropower PPP (anchor investment) will be disbursed to a private Foundation dedicated to the participatory management of the Kibira Forest and Rukoko Reserve. This Foundation will be managed by a consortium of NGOs with the capacity to structure a Special Purpose Entity, amplify local voices and address potential conflicts through a co-management agreement of the Kibira Forest and Rukoko Reserve with the Burundian Government.

The Kibira Foundation will ensure peace, conservation and economic activities are carried out in close consultation with communities to understand local drivers of instability and enhance participation of women, youth and indigenous peoples in the peacebuilding and conservation process. Furthermore, the Foundation will also be responsible for operating a REDD+ Special Purpose Entity (SPE) through which a debt from a hydropower PPP will be progressively re-invested. The SPE will be called The Kibira REDD+ Investment Facility and will operate as a subsidiary of the Foundation to build a pipeline of local business models (i.e., fertilizer factory, sustainable wood production, medicinal plants, tourism). This investment pipeline will not only provide benefits and opportunities to the local population but also address drivers of forest degradation. These additional job opportunities and local initiatives will meet the peacebuilding and conservation objectives of the Kibira Foundation and be supported through to maturity, allowing long-term growth opportunities for local communities with an emphasis on women, youth, and indigenous involvement. REDD+ co-benefits further improve reconciliation between local communities and the Forest by establishing a direct association between the park and the creation of livelihood opportunities.

### **Scope of Work**

UNCDF is now inviting eligible NGOs to lead a formal consortium of organizations with the necessary expertise to build and conduct the responsibilities of the Kibira Foundation, including co-management of the forest areas and operation of the Kibira REDD+ Investment Facility. One eligible organization leading a consortium must demonstrate its experience in investment management as well as conservation, culture, community development and livelihood generation. Please note only one lead NGO and its respective consortium will be selected.

The selected NGO shall provide the following services:

- Lead the consortium and establish the Kibira Foundation in accordance with the programme objectives outlined above and carried out priority activities in accordance with the PBF prodoc (See workplan)
- Operate the Kibira REDD+ Investment Facility by identifying and building a pipeline of local investment opportunities in accordance with REDD+ principles as well as manage the subsequent investment portfolio and returns
- In the long run, achieve conservation and peacebuilding objectives by creating sustainable livelihoods, developing the local economy, and building community engagement and resilience



### Eligibility criteria

Companies applying need to meet the following eligibility criteria:

<u>Attributes</u>	<u>Requirements</u>
a) Technical experience implementation and operation I	<ul style="list-style-type: none"><li>• Evidence of financial and investment management experience with a similar investment rationale as the Kibira REDD+ Investment Facility over the last five (5) years</li><li>• Expertise in microcredit and / or equity investments</li></ul>
c) Technical experience operation II	Non-profit operations with either direct expertise or expert partners in: <ul style="list-style-type: none"><li>• Biodiversity, forest conservation and addressing drivers of deforestation and degradation</li><li>• Community engagement, indigenous people and cultural linkages</li><li>• REDD+ principles and co-benefits</li><li>• Sustainable livelihood generation</li></ul>
d) Regional experience	Demonstrable success in building and operating similar projects in Africa, preferably in Burundi
e) Referees	Provision of three referees in relation to the experience quoted in response to attributes (a) to (d)
f) Establishment of company	Company or companies that form a consortium established and operating for at least 5 years

## **Annex G: Environmental and Social Safeguards**

The following REDD+ safeguards will be promoted and supported during project implementation:

1. Actions complement or are consistent with the objectives of national forest programmes and relevant international conventions and agreements;
2. Transparent and effective national forest governance structures, taking into account national legislation and sovereignty;
3. Respect for the knowledge and rights of Batwa peoples and members of local communities, by taking into account relevant international obligations, national circumstances and laws, and noting that the United Nations General Assembly has adopted the United Nations Declaration on the Rights of Batwa Peoples;
4. The full and effective participation of relevant stakeholders, in particular Batwa peoples and local communities, in the actions referred to in paragraphs 70 and 72 of this decision;
5. Actions are consistent with the conservation of natural forests and biological diversity, ensuring that the actions are used to incentivize the protection and conservation of natural forests and their ecosystem services, and to enhance other social and environmental benefits, taking into account the need for sustainable livelihoods of Batwa peoples and local communities and their interdependence on forests in most countries, reflected in the United Nations Declaration on the Rights of Batwa Peoples, as well as the International Mother Earth Day.
6. Actions to address the risks of reversals;
7. Actions to reduce displacement of emissions.

To ensure that appropriate environmental and social safeguards are in place, an Environmental & Social Impact Assessment (ESIA) will be conducted and prepared within the first six months of project implementation to further refine risk identification and mitigation strategies, as well as to establish a system for monitoring these risks. An ESIA assesses the full range of social and environmental impacts and will be carried out by independent experts in a participatory manner with stakeholders during the inception phase. The results of this assessment will support the issuance of appropriate avoidance, mitigation, management, and monitoring measures.

Taking into account national circumstances and respective capabilities, and recognizing national sovereignty and legislation, relevant international obligations and agreements, and respecting gender considerations, the safeguards information systems should provide transparent and consistent information that is accessible by all relevant stakeholders and updated on a regular basis to allow for improvements over time. This is especially pertinent for ensuring rangers are equipped with the best possible knowledge and skills as well as for providing a platform for women, youth and Batwa peoples to express their views on the ranger force.

## **Annex H: REDD+ Co-Benefits**

- a. Conserving biodiversity: REDD+ strategies can be designed to maximize biodiversity benefits and offer important synergies for biodiversity conservation. This can be leveraged and monetized for tourism, sustainable forest product use and other sources of income.
- b. Protecting ecosystem services: Implementing trade-offs between forest resilience and development needs by balancing food security with land-use restrictions to maintain the stability and health of forest ecosystems.
- c. Adaptation needs: These can be designed into REDD+ activities to ensure that ecosystem benefits and adaptation to climate change are part of benefits achieved.
- d. Economic benefits: REDD+ activities could generate a substantial, new financial income stream for developing countries in accordance with national development agreements and to reduce poverty.
- e. Community benefits: REDD+ activities can also strive to enhance equity through well-designed benefit sharing mechanisms that help sharing both responsibilities and benefits, protecting and providing livelihoods of local communities, and strengthening the rights and interests of Batwa peoples.

For MPTFO Use

Totals				
	Recipient Organization 1	Recipient Organization 2	Recipient Organization 3	Totals
1. Staff and other personnel	\$ 153,738.32	\$ -	\$ -	\$ 153,738.32
2. Supplies, Commodities, Materials	\$ -	\$ -	\$ -	\$ -
3. Equipment, Vehicles, and Furniture (including Depreciation)	\$ 50,000.00	\$ -	\$ -	\$ 50,000.00
4. Contractual services	\$ 1,990,000.00	\$ -	\$ -	\$ 1,990,000.00
5. Travel	\$ -	\$ -	\$ -	\$ -
6. Transfers and Grants to Counterparts	\$ 610,000.00	\$ -	\$ -	\$ 610,000.00
7. General Operating and other Costs	\$ -	\$ -	\$ -	\$ -
Sub-Total	\$ 2,803,738.32	\$ -	\$ -	\$ 2,803,738.32
7% Indirect Costs	\$ 196,261.68	\$ -	\$ -	\$ 196,261.68
<b>Total</b>	<b>\$ 3,000,000.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,000,000.00</b>

Performance-Based Tranche Breakdown					
	Recipient Organization 1	Recipient Organization 2	Recipient Organization 3	TOTAL	Tranche %
First Tranche:	\$ 1,000,000.00	\$ -	\$ -	\$ 1,000,000.00	33%
Second Tranche:	\$ 2,000,000.00	\$ -	\$ -	\$ 2,000,000.00	67%
Third Tranche:	\$ -	\$ -	\$ -	\$ -	0%
<b>TOTAL</b>	<b>\$ 3,000,000.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,000,000.00</b>	