



WORLD BANK GROUP

RE: CAFI Preparatory Funding for Central African Republic's National Investment Framework

The undersigned represent that the attached document constitutes the above-referenced proposal put forward as a request for funding from the Multi-Partner Trust Fund for the Central Africa Forest Initiative (the CAFI MPTF), administered by United Nations Development Programme, acting through its Multi-Partner Trust Fund Office (the MPTF-O).

The attached proposal consists of two portions in addition to the cover sheet:

- (i) one submitted by the Government of the Central African Republic (CAR), namely the section on "Country Context and Coordination," including Parts A and B and Table 1; and
- (ii) one submitted by the International Bank for Reconstruction and Development and the International Development Association (the World Bank), namely Annex 1.

The signatures below refer to the submission by the CAR and to the submission by the World Bank, each for their respective portions.

Central African Republic

Name: Arlette SOMBO DIBELE

Title: Ministre

Ministry: of Environment, Sustainable
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Date: 20 JUIN 2016



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

Name: BENOIT BOSQUET

Title: PRACTICE MANAGER

Date: 5 JULY 2016

CAFI Multi-Partner Trust Fund

CAFI Preparatory funding request for Central African Republic National Investment Framework



Country: Central African Republic	
Recipient Organization(s): World Bank Contact: Emeran Serge Menang Senior Environmental Specialist Telephone: 237 22 25 08 009 Email: emenangevouna@worldbank.org	Implementing Partner(s) : Ministry of the Environment and Ecology (MEEDD) Igor TOLA KOGADOU, Climate Focal Point and REDD+ National Coordinator Telephone: 236 75 55 82 22 Email: gildastolakogadou@yahoo.fr
Project Description: The project is for preparatory work to support the Government of Central African Republic effectively design a comprehensive National Investment Framework	CAFI Fund: USD 1,000,000 Other source: USD 500,000; FCPF REDD+ readiness grant Total Project Cost: 1,500,000 Proposed Project Start Date: April 2016 Proposed Project End Date: October 2017 Total duration (in months): 18
Expected outcome: Central African Republic has developed a comprehensive multi-sector National Investment Framework that consolidates national financing priorities through a broad consultative process.	
Key expected outputs : <ul style="list-style-type: none"> • National Investment Framework to address drivers of deforestation and forest degradation; • Analytical work on drivers of deforestation; • Logistical and coordination support; • Analytical studies reports able to inform National Investment Framework; • Safeguards document related to National Investment Framework; 	

COUNTRY CONTEXT AND COORDINATION

A. CONTEXT

In the Central African Republic (CAR) forest cover comprises approximately 28.3 million hectares, representing approximately 45 percent of the national territory. Forest cover is generally categorized by dense and semi-deciduous forests (roughly one-third of the territory) and forest-savanna mosaics (roughly two-thirds of the territory). Forest cover is very diverse and varies widely according to climatic zones. Humid dense forests are found in the Southwest, and are commercially logged, and in the Southeast where they are not commercially logged. The central part of the country is covered by dry forests and the northern part of the country is characterized by savannahs.

CAR is a land-locked country with an estimated population of 4.6 million (2013), and has an average per capita gross domestic product (GDP) of approximately US\$333 (2013). Prior to the socio-political crisis that began in late 2012, sixty-two percent of the population lived in poverty, and over three-fifths of the population subsisted on less than US\$1.25 per day.¹ Even prior to the most recent crisis CAR had suffered from more than a decade of conflict and political instability. Unsurprisingly, the country's history has had significant adverse consequences for economic growth and welfare.

Effective conservation must focus on the human and economic dimensions of development in order to conserve natural resources. The principal drivers of present-day anthropogenic deforestation in Central African Republic include: (i) lack of policy coordination and weak institutions, (ii) lack of knowledge sharing and dissemination of technical information (such as reports on threats and trends, good practices, etc), (iii) economic weakness and the focus on the exploitation of natural resources, (iv) high population growth, (v) lack of understanding of the notion of environmental common good, and (vi) insecurity and political and military crises.

The direct threats to forests include: (i) unsustainable extensive livestock farming, (ii) unsustainable slash-and-burn agricultural practices, (iii) uncontrolled logging and harvest of non-timber forest products (NTFP), and (iv) infrastructure development (roads, mining, and housing).

The country has suffered from political instability since December 2013. A process of political transition was launched in 2014 and was anticipated to lead to a democratic resolution of the crisis. Although delays have been incurred, elections being shifted from August to December, presidential elections are scheduled for the end of 2015. This situation has caused delays in the implementation of CAR's REDD+ Readiness Plan (RPP).

In spite of the political instability and limited resources CAR has continued to advance the REDD+ agenda. CAR has requested the support of the World Bank as implementing partner for a REDD+ Readiness Preparation grant from the Forest Carbon Partnership Facility and is expected to receive the grant in the early months of 2016. The activities supported by the FCPF grant will be focused on supporting: (i) the implementation of institutional arrangement for REDD+ and; (ii) the preparation of a socially and environmentally sound National REDD+ Strategy.

The basis for the strategic options of the National REDD+ Strategy will be built on the national consensus on drivers of deforestation and forest degradation. Unfortunately the relevant studies related to drivers of deforestation and forest degradation are not yet completed.

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

Central African Republic's National REDD+ Strategy design process is expected to start in mid-2016. The National REDD+ Strategy design process will be complemented by a comprehensive National Investment Framework, which will identify financing priorities for addressing drivers of deforestation and forest degradation and associated budgets.

To ensure a well-coordinated NIF, it will be important to **consult the relevant development partners**, such as embassies of donor countries, technical agencies or implementing organizations, during the preparation phase of the NIF. These consultations could take the form of bilateral meetings, joint workshops and dialogue on draft versions of the NIF. In addition, development partners will be invited to participate in joint missions that will oversee preparation of the NIF.

The objective of these consultations will be two-fold: First, reinforce the coordinating role of National REDD+ Committee chaired by the Prime Minister on which the NIF preparation process will be embedded. That means that development partners will be encouraged to align their programs and initiatives with the NIF. Second, CAR also intends to use the NIF to mobilize additional resources and direct them towards priority programs identified in the comprehensive investment plan.

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

C. COHERENCE WITH EXISTING INITIATIVES:

During the process of developing CAR's Readiness Preparation Plan (R-PP) in 2011, a detailed plan was defined to ensure the preparation of a robust National REDD+ Strategy through a broad consultative process. Since December 2012, the country faced a significant political crisis that delayed the implementation of CAR's R-PP.

With the submission of the R-PP to the FCPF Participant's Committee in May 2013, the CAR received an allocation of USD \$3.8 million for REDD+ readiness activities. The grant preparation process was launched in August 2015, during which, it was highlighted that financial resources that were identified during the R-PP preparation process were not available to carry out all of the work needed to adequately define the investments needed to address the drivers of deforestation and forest degradation in the country and build the institutional capacity needed to implement the investments. In this regard, the activities identified for this CAFI funding request would be complementary to, but not duplicative of, ongoing initiatives—notably the REDD+ readiness process—and would be informed by the priorities and processes of CAR's National REDD+ Strategy.

Maximum effort would be used to harmonize different resources, so as not to duplicate work, while at the same time being consistent with the particular objectives of each

funding source. CAR is maximizing the support that is being offered by different development partners to consolidate work on REDD+ readiness and to inform the identification of investments in the National Investment Framework. The Agence Française de Développement is supporting analytical work and piloting of targeted strategic options for addressing deforestation and forest degradation, including assessments of social and environmental impacts of targeted strategic options under the ongoing REDD+ component of the Regional development Project in the South-West (PDRSO). African Development Bank and FAO are supporting work on an Measurement Reporting and Verification Action Plan, a Green House Gases emissions inventory, a system for remote sensing, and development of a Reference level emission . IUCN is supporting analytical work on drivers of deforestation and the development of a benefit sharing mechanisms. European Union is supporting work on governance and civil society engagement on the Voluntary Partnership Agreement on Forest Law Enforcement Governance and Trade process. Subject to improvement of CAR security situation, the EU will be also supporting the setting-up of a timber legality assurance system to support CAR to comply with the commitment of the VPA and export only legal timber to the EU.

Table 1 – Mapping of complementary initiatives supported by the International Partners

Output/activity	Source of funding	Duration of Projects	Budget in \$	Description of major programmatic or financial gaps
<p>National REDD+ strategy development</p> <p>Complementary support for governance structures for national REDD+ strategy development that will be relevant specifically to NIF</p> <p>Support for consultation and participation processes, that are consistent with REDD+ readiness processes but targeted on NIF development and eventual implementation</p> <p>Analysis of strategic options to address drivers of deforestation and forest degradation at the national level</p>	FCPF	3 years	\$3,800,000 total of which \$500,000 is relevant to the activities in this CAFE funding proposal	<p>The FCPF funds will be used to support implementation arrangements and carry out some analytical work. Further analytical work is needed to define specific investments to address the drivers of deforestation and to define the specific activities related to the investment phase of REDD+. The same governance structures will be used for the NIF to ensure coherence, sustainability and efficiency to reduce operating costs, Nevertheless, specific institutional arrangements and capacities for NIF management are anticipated.</p>
<p>Contribution national REDD+ strategy Development</p> <ul style="list-style-type: none"> - Piloting strategic options for addressing deforestation and forest degradation - REDD+ Methodology 	AFD	4 years	6,500,000 of which 200,000 could be relevant to CAFE	<p>The Agence Française de Développement is supporting analytical work and piloting of targeted strategic options for addressing deforestation and forest degradation, including assessments of social</p>

<ul style="list-style-type: none"> - Complementary studies on the drivers or deforestation - Engagement in International Dialogue <p>Contribution to the SESA</p>				and environmental impacts of targeted strategic options under the ongoing REDD+ component of the Regional development Project in the South-West (PDRSO).
<p>Contribution to Forest Law enforcement in the country</p> <ul style="list-style-type: none"> - Civil society platform Support on VPA-FLEGT - Improve Law Enforcement and Governance in the forest sector 	EU	Not determined	Not Determined	European Union is supporting work on governance and civil society engagement on the Voluntary Partnership Agreement on Forest Law Enforcement Governance and Trade process. Setting-up of a timber legality assurance system to support CAR to comply with the commitment of the VPA and export only legal timber to the EU
<p>Contribution national REDD+ strategy Development</p> <ul style="list-style-type: none"> - MRV Action Plan - Support for the elaboration and harmonization of land use and agro-pastoral codes - GHG emissions inventory - System for remote sensing - Reporting - Reference Level <p>Capacity building</p>	FAO/A DfB	Not determined	Not determined	African Development Bank and FAO are supporting work on an Measurement Reporting and Verification Action Plan, a Green House Gases emissions inventory, a system for remote sensing, and development of a Reference level emission
<p>Contribution national REDD+ strategy Development</p> <ul style="list-style-type: none"> - Complementary studies on the drivers or deforestation - Support for 	IUCN			IUCN is supporting analytical work on drivers of deforestation and the development of a benefit sharing mechanisms

<p>Consultation</p> <ul style="list-style-type: none"> - Study on benefit sharing mechanisms 				
<p>Contribution to Forest Law enforcement in the country</p> <ul style="list-style-type: none"> - Development of technical applications for forest monitoring - Technical training and capacity building - Mapping forest cover 	WRI			
<p>Contribution national REDD+ strategy Development</p> <ul style="list-style-type: none"> - Support for implementation of the consultation and communication activities - Support for stakeholder engagement 	WWF	continue		

ANNEX 1: WORLD BANK PROJECT PROPOSAL

A. DESCRIPTION OF ACTIVITIES COVERED BY THE CAFI PREPARATION FUNDING FOR THE CAR NIF:

The CAFI preparation funds would be used to assist the Government of CAR prepare a National Investment Framework in complement to existing financing that will be used to prepare a National REDD+ Strategy. The CAFI preparation funds would support activities executed by the Government of CAR and by the World Bank, and although complementary to some ongoing activities will be targeted at filling the gaps for specific information, data and capacities need for NIF preparation and eventual implementation, including:

1. Identifying priority investments and reforms in various sectors identified in the National REDD+ Strategy.
2. Facilitating multi-sector coordination and support for a National REDD+ Strategy and National Investment Framework to enable adoption by the government.
3. Consolidating and complementing analytical studies on key drivers of deforestation and forest degradation and relevant baselines studies.
4. Conducting consultations with key stakeholders at the national and sub-national levels on REDD+ investment priorities.
5. Designing and reinforcing institutional arrangements to support the execution, supervision, monitoring and evaluation of the National Investment Framework with an emphasis on transparent decision-making and inclusive participation. This includes the design of a NIF Monitoring and evaluation framework that will be designed to allow for tracking progress of the NIF preparation and eventual implementation.
6. Strengthening a sustainable consultation framework (including preparation of a consultation methodology and consultation plan) that fosters inclusive dialogue among a broad range of stakeholders, including private sector, national and international civil society organizations, local communities and Indigenous Peoples on issues related to REDD+. The country will take advantage of the work that was done during the FLEGT process including the hiring of local CSOs to lead consultations in most of areas outside of Bangui.
7. Promoting knowledge sharing and communication to increase awareness of and support for the National REDD+ Strategy and National Investment Frameworks, including internationally, to share lessons and identify additional financing sources for REDD+ investments.
8. Supporting implementation and quality enhancement through the provision of technical and advisory guidance multi-sector donor coordination, knowledge creation and dissemination, fiduciary supervision and financial reporting, fund administration and auditing.

B. MODALITIES:

CAFI preparation funds would be implemented using two modalities:

1. Activities led by the Government of CAR would be implemented through a grant established between the World Bank, as implementing organization, and CAR. The implementing agency for Government would be the REDD+ Technical Coordination agency;
2. Technical support, implementation support and quality enhancement provided by the World Bank would be executed directly by the World Bank.

The arrangements below are indicative. Final arrangements would be decided by the World Bank in accordance with applicable policies and procedures.

COUNTRY EXECUTED ACTIVITIES: USD 700,000

The main activities would include:

- Logistical and coordination support for implementing agency in support of elaborating a National Investment Framework;
- Analytical studies in specific sectors or on specific activities to inform the National Investment Framework;
- Prepare relevant safeguards documents;
- Consultations to ensure broad and inclusive participation of key stakeholders, including Indigenous Peoples and local communities. Relevant local CSOs will be hired to lead consultations in some areas;
- Events, communication, and knowledge management;
- Coordination, audits, financial management, procurement, monitoring and evaluation;
- Other government-led activities as relevant for preparing the National Investment Framework.

BANK EXECUTED ACTIVITIES: USD 265,000

Main activities to be covered:

- World Bank staff and consultants;
- Operating cost for supervision, including travel;
- Non consulting services, including translation, communication, reporting.

ADMINISTRATIVE FEE (5% OF RECIPIENT-EXECUTED PORTION): USD 35,000

TOTAL FUNDING REQUEST: USD 1,000,000

C. INDICATIVE WORK PLAN AND BUDGET

Table 1: Indicative Work Plan

Outputs	Indicative activities foreach Output	Indicative time frame				Resource allocation
		Q1	Q2	Q3	Q4	Total
Output 1/ RE	Coordination of the elaboration of the National Investment Framework	x	x	x	x	250,000
	Analytical studies in specific sectors, as needed		x	x		150,000
	Consultations for inclusive participation, including indigenous peoples and private sector. Events, communication, knowledge management	x	x	x	x	200,000
	Coordination, audit, financial management, procurement, monitoring and evaluation, quality control, and travel, etc.			x	x	100,000
	Total					700,000
Output 2/ BE	Supervision, quality control and travel, etc.	x	x	x	x	265,000
	Administrative Fee: 5% of Recipient Executed activities					35,000
	Total Cost					1,000,000

D. : Indicative Consultation Plan¹

Introduction: The CAR hosts during the last 8 years several processes on which stakeholders consultations were a high priority: FLEGT and R-PP.

The National Investment Framework (NIF) process requires also an inclusive consultation exercise. The consultation process that will be implemented during the NIF preparation process will be built on the two previous initiatives experience mentioned above.

The CAFI resources will support the design and robust consultation methodology including a consultation plan.

Objective of the Consultation

- Provide information and awareness on the NIF process to enhance understanding and ownership;
- Collect feedback on all or some of the components that will be developed in the NIF
- Collect views on the NIF institutional arrangement
- Collect views and suggestions from each specific groups that will be involved in the process.

Targeted groups for consultation: Six (6) main groups can already been identified:

- ✓ authorities;
- ✓ civil society organizations including Indigenous groups;
- ✓ private sector;
- ✓ elected representatives;
- ✓ Researchers;
- ✓ and Technical and Financial Partners

Activity	Stakeholders	Time	Locations
High-level multi-stakeholder consultation NIF launching	CN-REDD, including CSOs and IPs, national government, elected representative, private sector, Technical and Financing Partners	June	Bangui
Focused consultation with development partners on NIF	Bilateral and multilateral agencies	June	Bangui
Departmental consultations on proposed CAFI programs	CIP-REDD including CSOs and IPs, departmental and local government representatives, private sector	June	In 3 hub departments (CIP-Nord, CIP Sud-Ouest and CIP Sud-Est)

¹ The consultation plan might be adjusted during implementation as necessary.

Departmental-level consultations on draft NIF	CIP-REDD including CSOs and IPs, departmental and local governments, private sector	August	In 3 departments (CIP-Nord, CIP Sud-Ouest and CIP Sud-Est)
Focused consultation with CSOs and IPs	CSOs and IPs groups	September	Mbaki, Nola, etc
Validation workshops	CN-REDD, including CSOs and IPs, national government, elected representative, private sector, Technical and Financing Partners	November	3 hub departments + Bangui

E. Risk management:

Table 3 – Risk management matrix

Risks to the achievement of the outcome	Likelihood of occurrence (high, medium, low)	Severity of risk impact (high, medium, low)	Mitigating Strategy (and Person/Unit responsible)
Political instability and governance	High	High	Follow political situation with UN system
Institutional capacity for implementation and sustainability	medium	medium	Capacity building
Fiduciary capacity	High	High	Hire skilled fiduciary staff and regular audit
Lack of involvement of CSOs	Medium	Medium	Learn from the work that was done during the FLEGT process and mobilize specific resources for CSOs