Closing Date: Friday, June 7, 2019 at 6:00 p.m.

FROM: Vice President and Corporate Secretary

Democratic Republic of Congo - Improved Forested Landscape Management Project

Additional Financing

Project Paper

Attached is the Project Paper regarding a proposed additional grant from the Global Environment Facility (GEF) to the Democratic Republic of Congo for the Improved Forested Landscape Management Project (GEF/R2019-0003/1), which is being processed on an absence-of-objection basis.

Distribution:
Executive Directors and Alternates
President
Bank Group Senior Management
Vice Presidents, Bank, IFC and MIGA
Directors and Department Heads, Bank, IFC, and MIGA

The World Bank

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Report No: PAD3020

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

PROJECT PAPER

ON A

PROPOSED ADDITIONAL GRANT

FROM THE GLOBAL ENVIRONMENT FACILITY

IN THE AMOUNT OF US$6,210,046

TO THE

DEMOCRATIC REPUBLIC OF CONGO

FOR THE

IMPROVED FORESTED LANDSCAPE MANAGEMENT PROJECT

APRIL 30, 2019

Environment and National Resources Global Practice
Africa Region

FISCAL YEAR
January 1 - December 31

Regional Vice President:	Hafez M. H. Ghanem
Country Director:	Jean-Christophe Carret
Senior Global Practice Director:	Karin Erika Kemper
Practice Manager:	Africa Eshogba Olojoba
Task Team Leader(s):	Laurent Valiergue / Pierre Guigon

ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
AfDB	African Development Bank
B/C-ratio	Benefit/Cost-ratio
CAFI	Central African Forest Initiative
CART	Council for Agriculture and Rural Management
CDM	Clean Development Mechanism
CHPF	Cultural Heritage Protection Framework
CN-REDD	National REDD+ Coordination Unit (Coordination Nationale REDD+)
DA	Designated Account
DGM	Dedicated Grant Mechanism
DIA	Delegated Implementing Agency
DIAF	Department of Inventory and Forest Management (Direction des Inventaires et des Aménagements Forestiers)
DRC	Democratic Republic of Congo
DTE	Decentralized Territorial Entity (Entité Territoriale de Base Décentralisée)
ER	Emission Reductions
ERA	Ecosystem Restoration Associates
ERPA	Emission Reductions Payment Agreement
ERPD	Emission Reductions Program Document
ER Program	Emission Reductions Program (Programme de réduction des émissions)
ESMF	Environmental and Social Management Framework
FAO	United Nations Food and Agriculture Organization
FC	Congolese Franc (Franc Congolais)
FCPF	Forest Carbon Partnership Facility
FGRM	Feedback and Grievance Redress Mechanism
FIP	Forest Investment Program
FIP-CU	FIP Coordination Unit (Unité de Coordination du PIF)
FM	Financial Management
GBV	Gender-based Violence
GEF	Global Environment Facility
GHG	Greenhouse Gas
GNI	Gross National Income
GRS	Grievance Redress Service
IBRD	International Bank for Reconstruction and Development
ICB	International Competitive Bidding
ICCN	Congolese Nature Conservation Institute (Institut Congolais pour la Conservation de la Nature)
IDA	International Development Association
IFLMP (PGAPF)	Improved Forested Landscape Management Project (Projet de Gestion Améliorée des Paysages Forestiers)
INDC	Intended Nationally Determined Contribution
IPs	Indigenous Peoples

IPMF	Integrated Pest Management Framework
IPP	Indigenous Peoples' Plan
IPPF	Indigenous Peoples' Planning Framework
ISR	Implementation Status Report
LDC	Local Development Committee (Comité Local de Développement)
LIA (ALE)	Local Implementing Agency (Agence locales de Mise en Œuvre)
M&E	Monitoring & Evaluation
MBKIS	Mbuji-Mayi/Kananga and Kisangani Basins (AfDB-led REDD+ Integrated Project)
MESD	Ministry of Environment and Sustainable Development (Ministère de l'Environnement et Développement Durable)
MRV	Monitoring, Reporting and Verification
NCB	National Competitive Bidding
NGO	Non-governmental Organization
NPF	New Procurement Framework
NPV	Net Present Value
NRM	Natural Resources Management
PA	Protected Area
PARAP	Programme d'Appui au Réseau des Aires Protégées
PDO	Project Development Objective
PES	Payments for Environmental Services
PF	Process Framework
PIM	Project Implementation Manual
PPSD	Project Procurement Strategy for Development
PIREDD	Integrated Project for Reducing Emissions from Deforestation and Forest Degradation (Projet Intégré pour la réduction des émissions liées à la déforestation et à la dégradation des forêts)
REDD+	Reducing Emissions from Deforestation and Forest Degradation in Developing Countries, including conservation, sustainable management and increase of forest carbon stocks.
RPF	Resettlement Policy Framework
SBD	Standard Bidding Document
SCD	Systematic Country Diagnostic
SDP	Sustainable Development Plan
SESA	Strategic Environmental and Social Assessment
SIS	Safeguards Information System
SMP	Sustainable Management Plan
TEV	Total Economic Value
TF	Trust Fund
TLNR	Tumba Lediima Nature Reserve
TORs	Terms of Reference
TTL	Task Team Leader
UNFCCC	United Nations Framework Convention on Climate Change
UN-REDD	United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries
WB	World Bank

WWC	Wildlife Works Carbon
WWF	World Wildlife Fund for Nature

BASIC INFORMATION – PARENT (DRC Improved Forested Landscape Management Project - P128887)				
Country	Product Line	Team Leader(s)		
Congo, Democratic Republic of	Recipient Executed Activities	Laurent Valiergue		
Project ID	Financing Instrument	Resp CC	Req CC	Practice Area (Lead)
P128887	Investment Project Financing	GENA3 (9835)	AFCC2 (6546)	Environment & Natural Resources

Implementing Agency: Ministry of Environment, and Sustainable Development

Is this a regionally tagged project?	

Bank/IFC Collaboration

No

Approval Date	Closing Date		Original Environmental Assessment Category	Current EA Category
24-Jun-2014	31-Dec-2022		Partial Assessment (B)	Partial Assessment (B)

Financing & Implementation Modalities

[ ] Multiphase Programmatic Approach [MPA]	[ ] Contingent Emergency Response Component (CERC)
[ ] Series of Projects (SOP)	[ ] Fragile State(s)
[ ] Disbursement-Linked Indicators (DLIs)	[ ] Small State(s)
[ ] Financial Intermediaries (FI)	[ ] Fragile within a Non-fragile Country
[ ] Project-Based Guarantee	[ ] Conflict
[ ] Deferred Drawdown	[ ] Responding to Natural or Man-made disaster
[ ] Alternate Procurement Arrangements (APA)	

Development Objective(s)

The project development objective is to test new approaches to improve community livelihoods and forested landscape management, andto reduce greenhouse gas emissions from deforestation and forest degradation in selected areas in the Recipient's territory.

Ratings (from Parent ISR)

	Implementation					Latest ISR
	12-Jun-2016	13-Dec-2016	12-Jun-2017	07-Dec-2017	27-May-2018	07-Dec-2018
Progress towards achievement of PDO	S	S	S	S	S	S
Overall Implementation Progress (IP)	S	S	S	S	S	S
Overall Safeguards Rating	MS	S	S	S	S	S
Overall Risk	H	H	H	H	H	H

BASIC INFORMATION – ADDITIONAL FINANCING (Improved Forested Landscape Management Project (GEF AF) - P160182)

Project ID	Project Name	Additional Financing Type	Urgent Need or Capacity Constraints
P160182	Improved Forested Landscape Management Project (GEF AF)	Restructuring, Scale Up	
Financing instrument	**Product line**	**Approval Date**	**Focal Area**
Investment Project Financing	Global Environment Project	16-May-2019	Multi-focal area
Projected Date of Full Disbursement	**Bank/IFC Collaboration**		

30-Dec-2022	No		
Is this a regionally tagged project?			
No			

Financing & Implementation Modalities

[ ] Series of Projects (SOP)	[ ] Fragile State(s)
[ ] Disbursement-Linked Indicators (DLIs)	[ ] Small State(s)
[ ] Financial Intermediaries (FI)	[ ] Fragile within a Non-fragile Country
[ ] Project-Based Guarantee	[ ] Conflict
[ ] Deferred Drawdown	[ ] Responding to Natural or Man-made disaster
[ ] Alternate Procurement Arrangements (APA)	
[ ] Contingent Emergency Response Component (CERC)	

Disbursement Summary (from Parent ISR)

Source of Funds	Net Commitments	Total Disbursed	Remaining Balance	Disbursed
Grants	55.12	34.23	20.88	62 %

PROJECT FINANCING DATA – ADDITIONAL FINANCING (Improved Forested Landscape Management Project (GEF AF) - P160182)

FINANCING DATA (US$, Millions)

SUMMARY (Total Financing)

	Current Financing	Proposed Additional Financing	Total Proposed Financing
Total Project Cost	36.90	6.21	43.11
Total Financing	36.90	6.21	43.11
Financing Gap	0.00	0.00	0.00

DETAILS - Additional Financing

Non-World Bank Group Financing

Trust Funds	6.21
Global Environment Facility (GEF)	6.21

COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

[   ] Yes   [✓] No

Does the project require any other Policy waiver(s)?

[   ] Yes   [✓] No

INSTITUTIONAL DATA

Practice Area (Lead)
Environment & Natural Resources

Contributing Practice Areas

Gender Tag

Does the project plan to undertake any of the following?

a. Analysis to identify Project-relevant gaps between males and females, especially in light of country gaps identified through SCD and CPF

No

b. Specific action(s) to address the gender gaps identified in (a) and/or to improve women or men's empowerment

Yes

c. Include Indicators in results framework to monitor outcomes from actions identified in (b)

Yes

PROJECT TEAM

Bank Staff

Name	Role	Specialization	Unit
Laurent Valiergue	Team Leader (ADM Responsible)	Forestry Specialist	GENA3
Pierre Guigon	Team Leader	NRM Specialist	GENA3
Guy Kiaku Kindoki	Procurement Specialist (ADM Responsible)	Procurement	GGOPF
Bertille Gerardine Ngameni Wepanjue	Financial Management Specialist (ADM Responsible)	FM Specialist	GGOAC
Joelle Nkombela Mukungu	Environmental Specialist (ADM Responsible)	Environmental Specialist	GENA3
Richard Everett	Social Specialist (ADM Responsible)	Social Specialist	GSU07
Aurore Simbananiye	Team Member	Program Assistant	GENA3
Cheick Traore	Team Member	Procurement	GGOPF
Joelle Mudi Nke	Team Member	Program Assistant	AFCC2
Marie Roger Augustin	Team Member	Legal Analyst	LEGAM
Raymond Sinsi Lumbuenamo	Team Member	NRM Specialist	GENA3
Sameena Dost	Team Member	Legal	LEGAM
Siobhan McInerney-Lankford	Counsel	Legal	LEGAM
Vanessa Retana Barrantes	Team Member	Social development	GCCFM

Extended Team

Name	Title	Organization	Location

CONGO, DEMOCRATIC REPUBLIC OF

IMPROVED FORESTED LANSCAPE MANAGEMENT PROJECT (GEF ADDITIONAL FINANCING)

Contents

I. BACKGROUND AND RATIONALE FOR ADDITIONAL FINANCING

BACKGROUND

1. **This Project Paper seeks the approval of the Board to provide an Additional Financing (AF) grant in the amount of US$6,210,046** to the Democratic Republic of Congo (DRC) for the Improved Forested Landscape Management Project (IFLMP, P128887), with funds from the Global Environment Facility (GEF). The proposed GEF AF, jointly with a previously approved AF from the Central African Forest Initiative (CAFI AF; P162837), will help finance the costs associated with a scale-up and expansion of the parent project activities to the entire Mai Ndombe Province, as well as implementation of new activities to enhance the impact of the well-performing parent project.

2. **The project development objective (PDO), which remains unchanged, is "to test new approaches to improve community livelihoods and forested landscape management, and to reduce greenhouse gas emissions from deforestation and forest degradation in selected areas in the Recipient's territory".** The project's closing date is currently December 31, 2022 and is not extended. The safeguard category is maintained at B (Partial Assessment).

3. **The parent project – DRC Improved Forested Landscape Management Project (IFLMP)** – is financed by a US$36.9 million grant from the Forest Investment Program (FIP) under the Strategic Climate Fund, approved on June 24, 2014 and which became effective in April 2015. The CAFI AF to the IFLMP was approved on June 28, 2017 and became effective on May 18, 2018. The changes the first AF brought to the parent project were: (i) expansion of the geographical scope of the project to cover the entire province of Mai Ndombe; (ii) expansion of the original range of investments to include the development of supply chains for perennial crops such as coffee, cocoa, rubber and oil palm; (iii) support for family planning and Indigenous Peoples (IPs); and (iv) adjustments of the targets in the results framework to reflect the AF activities.

4. **The IFLMP, including its two AFs, is a major part of the country's Emission Reductions Program (ER Program) in the Mai Ndombe Province** which was included in the portfolio of the Carbon Fund of the Forest Carbon Partnership Facility (FCPF) on December 7, 2016. The Mai Ndombe ER Program covers an area of 12.3 million hectares, including 9.8 million hectares of forest. Under the REDD+[1] process, it is the first jurisdictional program for results-based payments on a large scale in DRC and the Congo Basin and among the first in Africa and worldwide. Its goal is to develop a provincial-level model for forest-smart development that provides alternatives to deforestation while simultaneously mitigating climate change, reducing poverty and securing local livelihoods, enhancing the governance of natural resources, and protecting biodiversity. The World Bank and the government signed an Emission Reductions Payment Agreement (ERPA (P160320)), for a value of US$55 million, in September 2018. The net emission reductions target is 29 MtCO$_2$e for 2018-2022, which coincides with the implementation period for the proposed AF-funded activities.

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[1] REDD+ stands for Reducing Emissions from Deforestation and Forest Degradation in Developing Countries, including conservation, sustainable management and increase of forest carbon stocks.

PROJECT PERFORMANCE AND ACHIEVEMENTS

5. **Project Performance.** The IFLMP (including the now incorporated CAFI AF) is rated "Satisfactory" in terms of both "Progress towards achievement of PDO" and "Overall Implementation Progress."[2] Disbursement stands on April 30, 2019 at 62 percent for the IFLMP together with the CAFI AF. Project Management, Procurement, Financial Management, and Monitoring and Evaluation are all rated "Satisfactory". The FIP Coordination Unit (FIP-CU) was established at the national level and housed in the Ministry of Environment and Sustainable Development (MESD), working in close collaboration with the central, provincial, and district governments. It has strengthened administrative and institutional capacity and allowed the Ministry to fulfill its mission of transparent, sustainable natural resources management, and enhancement of environmental services in the longer term. There are no major fiduciary issues or outstanding audits. All legal covenants have been substantially met.

6. **The results achieved on December 07, 2018 include, with FIP funding:** the creation of more than 14,740 hectares of agroforestry with about 110,000 beneficiaries, the protection of more than 21,250 hectares of savanna, the roll-out of a payment mechanism for environmental services for communities of the Plateau District as well as the local manufacturing and distribution of more than 13,950 cookstoves in Kinshasa. The main contracts have been signed with the local implementation agencies (LIAs), including one with the World Wildlife Fund for Nature (WWF) for Component 1 in the Plateau District.

7. **It is too early to report results to date from the CAFI-funded investments in the Mai Ndombe District.** The Consortium FRMi/WWC (Wildlife Works Carbon) was selected as the LIA in May 2018 and only started up in August 2018.

RATIONALE FOR THE PROPOSED ADDITIONAL FINANCING ACTIVITIES

8. **The proposed GEF AF seeks to scale up the investments currently under implementation in the Mai Ndombe Province** through the FIP parent project and the CAFI AF. As detailed below, this will contribute to better achieving the PDO of the parent project, to helping the implementation of the ER Program in the Mai Ndombe Province and achieving programmatic goals of the GEF.

9. **The proposed GEF AF, in tandem with the CAFI AF, will implement a coherent and coordinated territorial approach to combat deforestation and forest degradation in the Mai Ndombe Province by:** (i) enhancing the capacity of local authorities (Local Development Committees—LDCs, and Councils for Agriculture and Rural Management —CARTs) to support land-use planning exercises at the village level; and (ii) supporting trained and motivated decentralized administrations to monitor and support community forest management. Support will be provided for the development of hundreds of management plans at the LDC level (up to 760, out of which 600 in the Mai Ndombe District, and the rest in the Plateau District), as well as for their implementation, including support to community-managed forests.

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[2] Implementation Status Report (ISR) of December 07, 2018.

10. **Given that such activities represent a natural continuation and expansion of the parent project's activities, additional financing is the most appropriate option to maximize development outcomes,** as was the case with the CAFI AF. The implementing agency, the MESD, and more particularly the FIP-CU, has demonstrated strong commitment and has proven to be a competent implementation agency, as shown by the parent project's satisfactory track record. With this second AF, there would be no change to the Project Development Objective (PDO) or to the key implementation arrangements. Minor adjustments are needed of the project's results framework to reflect the additional activities funded by the GEF AF.

11. **The GEF AF will support the government's ER Program in the Mai Ndombe Province.** The country is now equipped with the building blocks of the REDD+ process (Implementation Framework, REDD+ National Strategy, safeguards instruments, Feedback and Grievance Redress Mechanism, Baseline(s), National Forest Surveillance System, and Registry), which is being piloted by the IFLMP. The DRC joined forces with public and private partners, such as WWF and Wildlife Works Carbon (WWC), in the submission of its ER Program to the FCPF Carbon Fund as part of a competitive selection process.

12. **From a GEF perspective, the AF brings incremental resources to Mai Ndombe Province to:** i) provide additional resources to help reduce carbon emissions with a special focus on community-managed forestry; ii) ensure an adequate consideration of biodiversity conservation; iii) focus extra attention on working with indigenous peoples in the management of their own biodiversity/forest resources; and iv) apply incremental resources for the development of policy and regulatory capacity at the national and provincial levels. For this reason, funding from the climate change and biodiversity operational focal areas is being requested for the GEF AF. Annex 3 provides further information on the incremental reasoning with respect to the GEF program priorities.

13. **The GEF AF is in line with the World Bank's FY2013-FY2016 Country Assistance Strategy[3] for the DRC,** which focuses on four strategic objectives: (i) increase the effectiveness of the state at the center and at decentralized levels and improve good governance while strengthening the development impact of World Bank operations; (ii) boost the competitiveness of the economy by accelerating private-sector-led growth that will create jobs; (iii) improve social service delivery to raise human development indicators; and (iv) address the development deficits contributing to fragility and conflicts in DRC's Eastern provinces – with gender and climate change as cross-cutting themes throughout. The AF responds to Objective 1 by empowering the Mai Ndombe Province as the ER Program owner; Objective 2 by contributing to private-sector-led growth and job creation; and Objective 3 by improving community livelihoods.

14. **The IFLMP, including its two AFs (CAFI and GEF) will implement the recommendations set out in the Systematic Country Diagnostic (SCD)[4]**completed in March 2018, and more particularly those detailed under *Chapter 9. Leveraging Infrastructure, Natural Resources, and Agriculture* regarding the following themes: (i) land administration; (ii) agriculture; (iii) forests and biodiversity; and (iv) climate change:

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[3] A new Country Partnership Framework is currently under preparation.
[4] The SCD (Report No. 112733-ZR) was made publicly available on June 28, 2018: http://documents.worldbank.org/curated/en/546161529596307732/Congo-Democratic-Republic-of-Systematic-country-diagnostic/.

adaptation and mitigation.

15. **Alternatives considered to AF.** Given that the proposed activities under the GEF AF represent a natural continuation and expansion of the parent project's activities, an AF is the most appropriate option to maximize development outcomes. As compared to preparing a new stand-alone project, this instrument will also enable a faster and more cost-effective response to the client's request to sustain and scale-up the parent project and to make efficient use of GEF resources.

II. DESCRIPTION OF ADDITIONAL FINANCING

16. **The proposed AF of US$6,210,046 will** scale up and complement the IFLMP investments under implementation in the Mai Ndombe Province. The table below provides an overview of the funding of the project with the GEF AF additions summarily described further below. Annex 1 provides a more detailed description of the GEF AF activities.

Component and Subcomponents	FIP (US$ millions)	CAFI AF (US$ millions)	GEF AF (US$ millions)	Total FIP + CAFI + GEF (US$ millions)
Component 1	Integrated REDD+ Projects in the Mai Ndombe Province "PIREDD Plateau" (Component 1A) "PIREDD Mai Ndombe" (Component 1B)			
Strengthening governance	1A: 14.20	1Ba: 2.60	1Ba: 1.23	34.97
Capacity building for decentralized administration		1Bb: 0.36		
Implementation of Sustainable Management Plans (SMPs)		1Bc: 8.83	1Bc: 2.57	
Value chains		1Bd: 0.72		
Connectivity investments		1Be: 4.46		
Support to vulnerable communities		1Bf: 0.78	1Bf: 0.70	1.48
Family planning		1Bg: 0.47		0.47
Protected areas			1Bh: 1.42	1.42
Sub-Total Component 1	**14.20**	**18.22**	**5.92**	**38.34**
Component 2: Facilitation of private sector activities to reduce fuel wood emissions	8.00			8.00
Component 3: Promotion of agroforestry systems to reduce land-use emissions	10.50			10.50
Component 4: Knowledge management and program coordination	4.20		0.29	4.49
Total	**36.90**	**18.22**	**6.21**	**61.33**

Table 1-1. IFLMP Funding by Subcomponent and Financier

17. **Subcomponent 1Ba (US$1.23 million of GEF funds). Strengthening governance for sustainable management of natural resources of the Mai Ndombe Province.** The IFLMP is supporting the following activities in the Mai Ndombe Province: (i) organizing communities into Local Development Committees (LDCs); (ii) strengthening the CARTs at the territory and sector level (with equipment provided so as to facilitate the work of these committees); (iii) supporting regularization of land tenure; (iv) developing Sustainable Development Plans (SDPs) at every level (territory, sector), starting with the territories; and (v) developing SMPs for LDCs.

18. **The incremental GEF funding will expand the scope of the SMPs** to more completely address biodiversity conservation issues which would otherwise receive only partial attention. About 760 SMPs will be prepared under the IFLMP and its CAFI AF and the additional GEF funds will add about 20 percent more resources per SMP. This will allow for considerably greater attention to biodiversity conservation and forest management than would have otherwise been possible. Additionally, US$400,000 will finance capacity building of MESD at the national level and US$100,000 at the provincial level.

19. **Subcomponent 1Bc (US$2.57 million of GEF funds). Implementation of investments identified in SMPs.** The IFLMP is financing the implementation of investments described in the 760 SMPs. High-priority biodiversity conservation activities will be financed with the existing funding.

20. **GEF AF funding will support the development of two community-managed forests as made possible under the 2015 Community Forestry Law.** Each of the community-managed forests will be up to 25,000 ha (the maximum size allowed under the law). The GEF AF will support the investments needed, as has been done in the six community-managed forests under the Forest Dependent Communities Support Project (P149049) financed by the FIP Dedicated Grant Mechanism (DGM) which does not cover Mai Ndombe Province. The funding would additionally provide financing to register two locally implemented initiatives as formally recognized REDD+ subprojects under the requirements in place as per national procedures. This would allow local communities to benefit from future revenue streams from ER payments. The REDD+ subprojects could be the community-managed forests themselves if sufficient interest and capacity is noted during preparation of the SMPs.

21. **Subcomponent 1Bf (US$0.7 million of GEF funds). Support to the most vulnerable communities.** As currently funded, the IFLMP supports the implementation of micro-projects for IPs. Consultations and activities related to IPs are implemented in close coordination with the Forest Dependent Communities Support Project. Funds are insufficient under the IFLMP to fund all the 20 IP microprojects that have been identified and consulted. The GEF AF will be able to finance about 6 of the already identified micro-projects, in communities where the activities are focused on community-forest management. The GEF AF will also support additional consultations and development of at least two IP-managed community forest concessions as described above for the Subcomponent 1Bc.

22. **Subcomponent 1Bh (US$1.42 million of GEF funds). Support for protected areas** (new subcomponent). The GEF AF will invest resources to support an important protected area in the province, the Tumba Lediima Nature Reserve (TLNR). More details on TLNR are in Annex 6 and the activities themselves are described in Annex 1. Investments will include institutional support to the

Congolese Nature Conservation Institute (ICCN, Institut Congolais pour la Conservation de la Nature), development of co-management structures with local communities (consultations, putting in place truly consultative planning and reserve management implementation with stakeholders), delimitation of the reserve and likely reissuance of the decree to resolve jurisdictional overlaps with forestry concessions and other problems with the existing reserve, infrastructure investments in the reserve and support to reserve operational costs.

23. **Component 4 (US$295,000 of GEF funds). Project management.** Finally, 5 percent of the component subtotal of the GEF grant amount will be added to Component 4 to contribute to project management costs. These funds will contribute to costs such as key project management staff, audits, operational costs of the coordinating unit, and M&E costs. As the IFLMP will start to wrap up investments, a critical activity will be generating lessons learned and compiling and organizing the knowledge accumulated through this project.

III. KEY RISKS

24. **The overall risk rating is high** (see SORT table in Section VII below for more details). The following are all rated as high risk: Political and Governance, Macroeconomic, Sector Strategies and Policies, and Fiduciary. These high-level risks are for the most part out of the direct control of the project although the World Bank continues to work with the government on a mechanism for the systematic improvement of economic governance. A joint mechanism for monitoring the progress on reform implementation has also been established. The objective of these reforms is to strengthen governance and transparency in the extractive industries (forestry, mining, and oil sectors) and to improve the business climate. Fiduciary risk mitigation measures (refer to Annex 2) are in place in the parent project to ensure sound use of the funding towards the achievement of the development objectives. The measures have been effective and the current ratings for financial management and procurement are Satisfactory (December 07, 2018 ISR).

25. **The following are all rated as substantial risk:** Institutional Capacity for Implementation, and Stakeholders. To address institutional capacity risks, the World Bank will continue to support the Project Implementation Unit with training in project management, financial management, and procurement. The IFLMP has been underway for two years and implementation has been satisfactory. Further mitigation measures with respect to institutional capacity are addressed in Annex 2. Risks related to stakeholders are mitigated by the fact that the parent project has solid safeguards and consultative mechanisms in place, which will fully apply to the GEF AF. For further details see the extensive section below on safeguards.

26. **Technical design and Sustainability, Environment and Social risks are considered moderate.** The bulk of the GEF AF resources provide incremental support for activities underway in the parent project and its CAFI AF. Although not without some continuing design challenges, the project now has a solid task record of designing the project investments and of their implementation. New activities under the GEF AF are technically riskier. These include: i) the support for community-managed forests (six similar efforts are currently being piloted under the DGM elsewhere in the DRC from which lessons can be learned), ii) registration of community-managed projects as REDD+ subprojects, which will be quite innovative; and iii) support to TLNR, a new area of investment both for ICCN and for the World Bank

(note however that the World Bank has been working for ten years with ICCN on similar investments in other protected areas in the DRC).

IV. APPRAISAL SUMMARY

A. Economic and Financial Analysis

27. **The project seeks to improve the livelihoods of rural communities, and to reduce land-use based greenhouse gas (GHG) emissions** from deforestation and forest degradation in the targeted project area. The key co-benefit targeted by this project is the enhancement of carbon sinks through the sustainable management and conservation of forests and woodlands.

28. **An economic analysis of the types of activities to be supported by the GEF AF[5] yielded positive results** across a variety of sensitivity analyses and data assumptions (see Annex 4). Despite the emphasis on carbon benefits generated by the project, the analysis confirmed that even if these benefits are excluded, the project is likely to lead to a positive economic outcome. The analysis also tested the economic feasibility of individual project components, which yielded positive results. The analysis was robust as it included varying discount rates and tested for changes in anticipated results.

29. **A substantial portion of the GEF resources will be incremental to the CAFI AF,** reinforcing a focus on biodiversity conservation and community forestry management, and should yield the same economic benefits in terms of livelihood benefits and carbon benefits. Information on the incremental benefits of protecting global environmental goods is further developed in Annex 3.

30. **The economic benefits generated by the project will have significant development impacts.** The project has the potential to catalyze important development momentum in natural resources management and energy access, with potential for replicability and continuity beyond its lifetime. Providing additional livelihood opportunities in rural areas can yield important secondary effects, for example with respect to improving agriculture production, access to education, and health services. The project can serve as an important catalyst for generating changes with impacts beyond the immediate project boundaries and lifetime of the project.

31. **There are several aspects to World Bank value-added for the implementation of the GEF funds through the IFLMP:** i) the World Bank, acting as an implementing agency of various trust funds, is the principal development partner to the ER Program of the Mai Ndombe Province and it is linking the GEF funds to this jurisdictional program (ultimately leading to US$55[6] million of ER payments) that ensures the carbon emission reduction benefits of the project as well as co-benefits such as biodiversity conservation; ii) the emphasis on community-managed conservation concessions will greatly benefit from the fact that the World Bank is already implementing six such pilots in the DRC through the DGM project; and iii) the World Bank has considerable experience on protected areas management in the Congo Basin.

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[5] The full analysis was conducted for the CAFI AF. See Annex 4 of that Project Paper for details.
[6] FCPF carbon fund participants may exercise options for additional volumes up to 6 million tCO_2. That might increase ER payments up to US$86 million.

B. Technical

32. The protected areas Subcomponent 1Bh, newly added to the project with the GEF AF, has benefited from the World Bank's 10 years of implementation, through ICCN, of the Rehabilitation of Protected Areas Network Project (PREPAN, P083813). The most important challenge to implement the planned investments in the Mai Ndombe Province will be to finetune functional institutional arrangements between ICCN and the FIP-CU and ensure they are clearly described. The other investments under the GEF AF are complementary to existing activities under the IFLMP and their design is technically well understood.

C. Financial Management

33. **The financial management procedures of the IFLMP will remain in effect for the GEF AF.** The Project Implementation Manual will be updated prior to effectiveness to reflect the addition of new funding. The FIP-CU will retain oversight of all aspects of financial management. Additional specific FM risk measures were put in place for the processing of the CAFI AF to ensure sound use of grant proceeds during project implementation. They are being satisfactorily followed as noted in the last ISR, where the FM rating is Satisfactory.

34. **Disbursements and Designated Account.** As per the legal agreement of the GEF AF and its Disbursement Letter, the proceeds of the GEF trust fund (TF) will be deposited into the Designated Account of the parent project IFLMP. The FIP-CU will be responsible for withdrawal applications for the GEF TF.

D. Procurement

35. **The GEF funds will be managed under the World Bank's new Procurement Framework** with the requirements set forth or referred to in the "World Bank Procurement Regulations for IPF Borrowers" dated July 2016, revised November 2017 and August 2018 ("Procurement Regulations"), and the provisions of the Recipient's procurement plan for the Project ("Procurement Plan") dated April 10, 2019 provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the World Bank. The procurement section of the Project Implementation Manual remains relevant but will be updated prior to effectiveness as needed to reflect these changes.

E. Social (including Safeguards)

36. **At the time of the preparation and approval of the parent IFLMP in 2014, a full set of project-specific environmental and social safeguard frameworks was prepared.** These included a Resettlement Policy Framework (RPF), a Process Framework (PF), an Indigenous Peoples Plan (IPP), an Environmental and Social Management Framework (ESMF), a Cultural Heritage Protection Framework (CHPF), and an Integrated Pest Management Framework (IPMF). They were closely based on the national REDD+ frameworks of the same names, produced earlier as part of the FCPF-funded REDD+ readiness activities in the DRC.

37. **For the preparation of the CAFI AF, all the project frameworks were updated in 2017** to ensure they provided information on the entire Mai Ndombe Province and covered all potential investments to be made under the AF in the Mai Ndombe District. At that time, the funds from the GEF were intended to be included in the AF (they were only later disassociated for processing reasonings), so the GEF-funded investments were broadly considered in the update of the frameworks. The CAFI AF safeguard instruments were all cleared by the Bank and disclosed both locally and on the World Bank's website.

38. **For the preparation of the GEF AF, a further updating of all the frameworks has been done, to reflect the new funding**. Additional consultations were carried out in Kinshasa at a workshop on November 15, 2018 with major stakeholders. Further local-level consultations will be carried out throughout project implementation. Two of the social frameworks were substantively updated. The Process Framework was adapted to address issues specific to Tumba Lediima Natural Reserve, to be supported under the GEF AF.[7] The Indigenous Peoples Plan (IPP) was similarly updated to reflect the additional funding directed to benefit indigenous peoples. The safeguards policies that are triggered under the original project are relevant for the AF activities and no new safeguards policies are triggered under this AF. However, because of the additional activities under the AF, the existing safeguard documents (ESMF, RPF, PF, IPP and IPMF) have been updated and re-disclosed both in-country and by the World Bank (in January and February, 2019). To describe these changes, the integrated safeguards datasheet (ISDS) was also updated and re-disclosed, which is why "Safeguards policies triggered" under section VI (summary table of changes) below, is checked as "changed".

39. **The parent project has been addressing gender issues during the implementation of the project.** Gender-disaggregated indicators, include those for number of people with monetary/non-monetary benefits from forests, number of participants in consultations, and number of farmers adopting improved agro-forestry technologies. In June 2018, the World Bank conducted a gender-based violence (GBV) Risk Assessment Portfolio Review in the DRC which led to the following project-specific recommendations and opportunities for the IFLMP, which are currently being detailed and implemented (and which are applicable for all the GEF AF investments):

- Integrate gender discussion groups for women, especially those participating in the village savings and credit initiatives, including sharing of household decision-making and financial management (women being able to safely discuss strategies of how to manage the money they earn). If possible, include discussion group activities with husbands/male family members, with the objective of making positive changes to the status of women within the household and contributing to the reduction of the risk of intimate partner violence related to changing gender dynamics by providing men and women with skills in non-violent conflict resolution.
- Increase target from 30 percent to 50 percent female participants in consultation activities during project implementation, to align with the objective of fair representation and full participation of women.
- Include assessment of project-related impacts that reflect gender-differentiated outcomes, including unintended exacerbation of risk of GBV. For example, if cook stoves save time in cooking, understand how women spend that time instead.

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[7] The PF draws on extensive information in a recent study of the reserve and buffer zone carried out by ICCN and WWF under the Programme d'Appui au Réseau des Aires Protégées (PARAP), see Annex 6.

F.   Environment (including Safeguards)

40. **Several of the safeguard instruments as described above (para. 36) fall primarily under the aegis of the environmental safeguards of the Bank:** The Environmental and Social Management Framework (ESMF) and its new annex focusing on the physical cultural resources, and the Integrated Pest Management Framework (IPMF). As noted, all have been updated. The revised ESMF better considers emerging issues such as gender-based violence and occupational and health and safety issues.

41. **Safeguards implementation has been carefully supervised during the implementation of the IFLMP** (including a dedicated mission for this purpose in February 2018). Safeguards implementation is currently considered "Satisfactory" and no significant concerns have arisen either for social or environmental issues. The FIP-CU has dedicated safeguards staff. A Feedback and Grievance Redress Mechanism (FGRM) is functional and has not received any safeguards-related complaints.

V.   WORLD BANK GRIEVANCE REDRESS

42. **Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms[8] or the WB's Grievance Redress Service (GRS).** The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit *http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service*. For information on how to submit complaints to the World Bank Inspection Panel, please visit *www.inspectionpanel.org*

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[8] At the project level, grievances can be submitted to: (i) *plaints.recours@gmail.com*; (ii) the FIP-CU; (iii) the LIAs; and (iv) the LDCs or CARTs.

VI. SUMMARY TABLE OF CHANGES

	Changed	Not Changed
Results Framework	✓	
Components and Cost	✓	
Safeguard Policies Triggered	✓	
Procurement	✓	
Implementing Agency		✓
Project's Development Objectives		✓
Loan Closing Date(s)		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Disbursements Arrangements		✓
EA category		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
APA Reliance		✓
Implementation Schedule		✓
Other Change(s)		✓

VII. DETAILED CHANGE(S)

COMPONENTS

Current Component Name	Current Cost (US$, millions)	Action	Proposed Component Name	Proposed Cost (US$, millions)
Integrated REDD+ Project at the Mai Ndombe Province Level	32.42	Revised	Integrated REDD+ Projects in the Mai Ndombe Province	38.34
Facilitation of Private Sector Activities to Reduce Fuel Wood emissions	8.00	No Change	Facilitation of Private Sector Activities to Reduce Fuel Wood	8.00

			emissions	
Promote small-scale agroforestry systems to reduce land-use emissions	10.50	No Change	Promote small-scale agroforestry systems to reduce land-use emissions	10.50
Knowledge management and program Coordination	4.20	Revised	Knowledge management and program Coordination	4.49
TOTAL	**55.12**			**61.33**

Expected Disbursements (in US$)

Fiscal Year	Annual	Cumulative
0000	0.00	0.00
2014	0.00	0.00
2015	177,388.65	177,388.65
2016	389,143.44	566,532.09
2017	494,800.38	1,061,332.47
2018	667,214.82	1,728,547.29
2019	803,927.97	2,532,475.26
2020	925,861.32	3,458,336.58
2021	1,031,350.59	4,489,687.17
2022	1,100,238.12	5,589,925.29
2023	620,120.71	6,210,046.00

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Latest ISR Rating	Current Rating
Political and Governance	● High	● High
Macroeconomic	● High	● High
Sector Strategies and Policies	● High	● High
Technical Design of Project or Program	● Moderate	● Moderate
Institutional Capacity for Implementation and	● Substantial	● Substantial

Sustainability		
Fiduciary	● Substantial	● High
Environment and Social	● Moderate	● Moderate
Stakeholders	● Substantial	● Substantial
Other		
Overall	● High	● High

COMPLIANCE

Change in Safeguard Policies Triggered

Yes

Safeguard Policies Triggered	Current	Proposed
Environmental Assessment OP/BP 4.01	Yes	Yes
Performance Standards for Private Sector Activities OP/BP 4.03	No	No
Natural Habitats OP/BP 4.04	Yes	Yes
Forests OP/BP 4.36	Yes	Yes
Pest Management OP 4.09	Yes	Yes
Physical Cultural Resources OP/BP 4.11	Yes	Yes
Indigenous Peoples OP/BP 4.10	Yes	Yes
Involuntary Resettlement OP/BP 4.12	Yes	Yes
Safety of Dams OP/BP 4.37	No	No
Projects on International Waterways OP/BP 7.50	No	No
Projects in Disputed Areas OP/BP 7.60	No	No

LEGAL COVENANTS – Improved Forested Landscape Management Project (GEF AF) (P160182)

Sections and Description

No information available

Conditions

Type	Description
Effectiveness	The execution and delivery of this Agreement on behalf of the Recipient has been duly authorized or ratified by all necessary governmental action in accordance with its terms (Article IV, Para. 4.01. (a) of the Financing Agreement).
Type	Description
Effectiveness	The Recipient has updated and thereafter adopted the Project Implementation Manual in form and substance satisfactory to the World Bank (Article IV, Para. 4.01. (b) of the Financing Agreement).

VIII. RESULTS FRAMEWORK AND MONITORING

Results Framework
COUNTRY: Congo, Democratic Republic of
Improved Forested Landscape Management Project (GEF AF)

Project Development Objective(s)

The project development objective is to test new approaches to improve community livelihoods and forested landscape management, and to reduce greenhouse gas emissions from deforestation and forest degradation in selected areas in the Recipient's territory.

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	DLI	Baseline	Intermediate Targets			End Target
			1	2	3	
To test new approaches to improve community livelihoods						
People in forest&adjacent community with monetary/non-monetary benefit from forest (Number)		0.00			50,000.00	220,000.00
People in forest and adjacent community with benefits from forest-female (Number)		0.00			15,000.00	90,000.00
People in forest&adj. commy with benefit from forest-Ethnic minority/indigenous (Number)		0.00			0.00	10,000.00
To test new approaches to improve forested landscape management *(Action: This Objective has been Revised)*						

Indicator Name	DLI	Baseline	Intermediate Targets			End Target
			1	2	3	
Designing and implementing new approaches (Number)		0.00			3.00	8.00
Land area where sustainable land mgt. practices were adopted as a result of proj (CRI, Hectare(Ha))		0.00			31,500.00	350,000.00
Action: This indicator has been Revised	*Rationale:* *End target revised: The incremental funding from the GEF will explicitly support community forest management through: (i) the creation of two community forests; (ii) the development of their management plans; and (iii) their implementation. It is conservatively assumed that each community forest will result in an additional 25,000 ha under improved landscape management.*					

To reduce greenhouse gas emissions from deforestation and forest degradation

Indicator Name	DLI	Baseline	Intermediate Targets			End Target
GHG emission reductions (and removals) generated under the project (Metric ton)		0.00			1,150,000.00	9,600,000.00

Intermediate Results Indicators by Components

Indicator Name	DLI	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Integrated REDD+ Projects in the Mai Ndombe Province *(Action: This Component has been Revised)*								
Chiefdom (Chefferie) with Performance-Based Incentives and Investments mechanisms in place (Percentage)		0.00			30.00			55.00

Indicator Name	DLI	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Action: This indicator has been Revised		*Rationale:* *End target revised: The current value (61%) is greater than the end target (50%) of parent project combined with its first additional financing under CAFI. For this reason, it is proposed to review the end target, set at 55 percent from now on.*						
Management Effectiveness Tracking Tool (METT) score for Tumba Lediima Natural Reserve (Number)		30.00						55.00
Action: This indicator is New		*Rationale:* *New indicator* *Baseline and target value are still to be determined and are just provisionally indicated here as 30 and 55.*						
Community sub-projects registered as REDD+ sub-projects (Number)		0.00						2.00
Action: This indicator is New		*Rationale:* *New indicator* *Community sub-projects registered as REDD+ sub-projects in accordance with the ministerial order governing the transfer of carbon ownership in the forest sector.*						
Facilitation of Private Sector Activities to Reduce Fuel Wood emissions								
Production of improved cookstoves (Yes/No)		No	No	No	No	Yes	Yes	Yes
ACCES-compliant cookstoves delivered to the Kinshasa market (Number)		0.00			25,000.00			70,000.00

Indicator Name	DLI	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Improved organization of the sector (Number)		0.00			3.00			7.00
Promote small-scale agroforestry systems to reduce land-use emissions								
Biomass (energy) produced in a sustainable manner (Metric ton)		0.00			240,000.00			1,755,000.00
New agroforestry plantations that received technical support from the project (Hectare(Ha))		0.00			11,500.00			29,000.00
Participants in consultation activities during project implementation (number) (Number)		0.00			15,000.00			70,000.00
Participants in consultation activities during project implementation - female (Number)		0.00			5,000.00			25,000.00
Farmers from the targeted villages who have adopted an improved agro-forestry technology promoted by the project (Number)		0.00			6,000.00			33,500.00
Farmers from the targeted villages who adopted an improved agro-forestry. technology promoted by project ? female		0.00			2,000.00			11,000.00

Indicator Name	DLI	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
(Number)								

Monitoring & Evaluation Plan: PDO Indicators					
Indicator Name	**Definition/Description**	**Frequency**	**Datasource**	**Methodology for Data Collection**	**Responsibility for Data Collection**
People in forest&adjacent community with monetary/non-monetary benefit from forest	This indicator measures the extent to which local people have seen improved livelihood as a result of the intervention. This may cover both monetary income and non-monetary benefits like improved and easier access to fuelwood as well as cultural and spiritual services. The baseline value is expected to be zero.	M&E Specialist	Component 1: according to socio-economic study; Component 2: project activity reports; Component 3: according to ALEs' implementation reports FIP funding: end target: 120,000 CAFI funding: 100, 000		Mid Term review and project completion

People in forest and adjacent community with benefits from forest-female		M&E Specialist	Component 1: according to socio-economic study; Component 2: project activity reports; Component 3: according to ALEs' implementation reports FIP funding: end target: 40,000 CAFI funding: 50, 000		Mid Term review and project completion
People in forest&adj. commy with benefit from forest-Ethnic minority/indigenous			Component 1: according to socio-economic studies FIP funding: end target: 0 CAFI funding: 10, 000		

Designing and implementing new approaches	New approaches include 'technical' approaches, such as community management planning, etc. as well as 'financial' approaches, such as performance-based payments, etc., and are defined as practices which are not the business case as usual. The indicator measures a score characterizing how innovative the project is . To calculate the score, each of the following achievements will be allocated one point: designing a new approach (1 point), implementing a new approach (1 point per year), and satisfactory implementation of anew approach (1 point per year).	M&E Specialist	Implementati on report		Mid-term review and project completion
Land area where sustainable land mgt. practices were adopted as a result of proj	This indicator measures the land area that as a result of the Bank project incorporated and/or improved sustainable land management practices.	Annual	Implementati on reports		Delegated implementing agencies (ALEs in French) for both PIREDD Plateau (FIP funding: WWF) and Mai Ndombe (CAFI funding: FRMi) and

	This indicator can track progress toward sustainability at farm scale and at landscape scales within agroecological zones, watersheds, or basins. The baseline value for this indicator is expected to be zero.				ALEs for component 3 Target values per component: Component 1 (345,000 hectares): FIP funding: End target: 100,000 ha CAFI funding: End target: 195,000 ha GEF funding: End target: 50,000 ha Component 3 (5,000 ha) Total: 350,000 hectares
GHG emission reductions (and removals) generated under the project	Climate mitigation potential: three different types of direct GHG savings (emission reductions and/or removals) have been identified: - Emission reductions (avoided deforestation and/or reduced forest degradation) derived from direct investments in the field (component 1) aiming at reducing pressure on native forests by promoting alternative livelihoods for forest communities in the Plateau district: measured	DIAF + M&E Specialist	Component 1: National REDD+ MRV system. Components 1, 2a and 3: number of hectares duly installed per type of sylvicultural model and proxys (carbon sequestration for each type of sylvicultural		Mid-term review and project completion

by the national REDD+ MRV system; - Emission reductions derived from indirect investments aiming at improving energy efficiency of cookstoves in the greater Kinshasa (Component 2b): measured according to the CDM Small-scale Methodology (AMS-II.G.) "Energy efficiency measures in thermal applications of non-renewable biomass"; - Removals generated under afforestation / reforestation schemes in the Kinshasa basin supply (Components 1, 2a and 3): measured using proxys (carbon sequestration for each type of sylvicultural model).		model). Component 2b: number of improved cookstoves up and running.

Monitoring & Evaluation Plan: Intermediate Results Indicators					
Indicator Name	**Definition/Description**	**Frequency**	**Datasource**	**Methodology for Data Collection**	**Responsibility for Data Collection**
Chiefdom (Chefferie) with Performance-Based Incentives and Investments	Out of the 199 Local Development Committees	Annual	Implementation reports		Delegated implementing agency

mechanisms in place	(LDCs) identified in the Plateau District of the Mai Ndombe Province, 123 have already signed contractual arrangements with the project based on performance-based incentives.				
Production of improved cookstoves	Criteria defining "improved" cookstoves to be established by the ACCES QA-TS system.	Firm providing technical assistance	Activity reports from the firm providing technical assistance		Annual
Biomass (energy) produced in a sustainable manner	The production of sustainable biomass (mainly for charcoal production) from new plantations will be observed once harvested. Since management plans will reasonably propose a rolling period from 8 to 10 years for the clear cuts, no biomass will be produced during the lifetime of the project. Only forecasts are possible. They will be based on observed newly-established plantations and	M&E Specialist	Data reported for activities 1, 2a and 3, including numbers of hectares duly planted and expected dates for clear cuts.		Mid-term review and project completion

	estimated as the existing stock of the standing trees.				
Management Effectiveness Tracking Tool (METT) score for Tumba Lediima Natural Reserve		Mid-term review and completion report	ICCN	Standard METT methodology used for all GEF projects.	FIP-CU in close cooperation with ICCN
ACCES-compliant cookstoves delivered to the Kinshasa market	Either locally produced or imported	Firm providing technical assistance	Activity reports from the firm providing technical assistance		Annual
New agroforestry plantations that received technical support from the project	Objectives in numbers of newly-established hectares (agro-forestry): - Forest Investment Programme: Component 1: 5 000 ha, Component 2a: 10 000 ha, Component 3: 5 000 ha - CAFI: Acacia plantations: 2,000 ha; oil palm in savannas: 1,000 ha; and perennial crops in forested landscapes: 6,000ha - Total: 29,000 hectares	Delegated implementing agencies (ALEs in French) for both PIREDD Plateau (WWF) and Mai-Ndombe (FRMi), FIP Coordination Unit for component 2a and ALEs for component	Implementation report		Annual

		3			
Community sub-projects registered as REDD+ sub-projects		Annual	FIP-CU	Methodological Framework of the Forest Carbon Partnership Facility. Ministerial order governing the transfer of carbon ownership in the forest sector.	FIP-CU
Improved organization of the sector	The indicator measures a score defining the level of organization of the sector. To calculate the score, each of the following achievements will be given one point: establishment of the National Alliance (1 point), operation of a sustainably-funded National Alliance (1 point per year), design and implementation of consumer engagement strategy (1 point), national network / trade fairevents (1 point per event)	Firm providing technical assistance	Activity reports from the firm providing technical assistance		Annual
Participants in consultation activities during project implementation (number)	This indicator measures the level of community engagement in project	Delegated implementing agency	Implementation report Participants		Annual

implementation.			are defined as people attending (or being represented) in consultation / participation processes(meetings at the CARGCART and or CLD level) during the project lifetime	
Participants in consultation activities during project implementation - female		Delegated implementing agency	Implementation reports Participants are defined as people attendinginvolved (or being represented) in consultation / participation processes (meetings at the CARGCART and /or CLD	Annual

			level) during the project lifetime		
Farmers from the targeted villages who have adopted an improved agro-forestry technology promoted by the project		ALE	Implementati on report		Annual
Farmers from the targeted villages who adopted an improved agro-forestry. technology promoted by project ? female		ALE	Implementati on report		Annual

ANNEX 1. DETAILED PROJECT DESCRIPTION (MODIFIED AND NEW ACTIVITIES)

BACKGROUND

1. **The DRC is a country with vast natural resources yet still one of the poorest countries in the world.** It covers 2.3 million square kilometers. The DRC has the second largest extent of rainforests in the world—152 million hectares, accounting for most of the remaining rainforest in the Congo Basin and about 10 percent of the remaining humid tropical forest of the planet. The biodiversity of these forests is remarkable, with considerable plant diversity and iconic mammals such as elephants, hippopotamus, buffalo, bonobos, and leopards. Moreover, these forests make a crucial contribution to the living conditions of the approximately 40 million Congolese who depend on them – providing food, building materials, energy, and monetary incomes. Bushmeat consumption sourced from the rainforests is estimated at one million tons per year, and this constitutes an important source of animal protein. Although rates of deforestation in the DRC are low compared to tropical forests in the Amazon and Southeast Asia, almost half a million hectares are lost each year. Specifically, in the Mai Ndombe Province, the drivers of this destruction have been identified as: (i) slash-and-burn agriculture, which consumes 20,000 hectares of primary forest each year as well as 130,000 hectares of secondary forest; (ii) charcoal production, massive amounts of which are transported from Mai Ndombe to supply the greater Kinshasa megalopolis; and (iii) the legal and illegal exploitation of forests for timber.

2. **Reducing Emissions from Deforestation and Forest Degradation (REDD+).** The DRC is committed to slowing forest loss. The country has long been engaging in and championing the REDD+ process as exemplified by its early selection in 2008 into the Forest Investment Program (FIP) as one of eight pilot countries. In 2012, the government adopted a National REDD+ Strategy. The strategy aims to stabilize forest cover on two thirds of the country's land area by 2030 and maintain it thereafter. As part of the DRC's engagement in the REDD+ Process, it has embarked on the Emissions Reduction Program (ER Program) for Mai Ndombe Province, described below.

ER Program for Mai Ndombe Province

3. **The Mai Ndombe ER Program is the first jurisdictional REDD+ program for results-based payments on a large scale in DRC and the Congo Basin and among the first in Africa and in the world.** Its goal is to develop a provincial-level model for forest-smart development that provides alternatives to deforestation while simultaneously mitigating climate change, reducing poverty and securing local livelihoods, enhancing the governance of natural resources, and protecting biodiversity.

4. **In order to address the drivers** of deforestation and forest degradation and generate ERs, the ER Program's intervention strategy is three-fold: (i) reorienting agricultural production on forest land towards practices that are less land-consuming than slash-and-burn farming, such as perennial crops and agroforestry; (ii) providing incentives for the conservation and sustainable management of forests through REDD+, and (iii) supplying the demand for wood products from the province-city of Kinshasa through reforestation and regeneration activities on savannah lands. More specifically, the ER Program will implement a balanced combination of enabling and sectoral activities.

5. **Enabling activities aim at creating favorable conditions and addressing underlying causes of deforestation and forest degradation,** which are critical for the program's success. While measures to address the underlying causes of deforestation and forest degradation, such as population growth, are more complex and do not translate directly into ERs, they underpin the intended shift towards forest-smart development at a jurisdictional scale. The ER Program contains four pillars of enabling activities:

a) Land use planning, land tenure and governance: developing a participatory framework for the sustainable management of natural resources, establishing LDCs, developing SDPs and SMPs for strategic investments at all levels (province, territories, communes), clarifying land tenure through participatory planning methods, and promoting coordination across sectors;

b) Capacity building: Strengthening institutional and technical capacities of decentralized state services and local institutions, LDCs, and CARTs; building capacities of the central government to manage natural resources transparently; and improving capacities of governmental agencies to control forestry and charcoal making;

c) Enabling conditions for alternative (forest-smart) economic activities: developing new agricultural value chains for perennial crops intended to substitute slash-and-burn farming, facilitating producers' access to markets, improving local infrastructure and connectivity, and strengthening forest law enforcement; and

d) Demography: Supporting family planning through the provision of information, awareness raising and access to means of birth control, and promoting youth education programs.

6. **Sectoral activities address the direct causes of deforestation and forest degradation and aim at developing alternative economic activities in the following three sectors:**

a) Agriculture: Promoting agroforestry on savannah lands, and improving cultivation techniques and pasture management and developing perennial crops (coffee, cocoa, palm oil and rubber) in forested landscapes as an alternative to slash-and-burn agriculture;

b) Forestry: Establishing payments for environmental services (PES) schemes related to forest protection, supporting community forestry, promoting conservation concessions and reduced impact logging in forest concessions, enhancing afforestation/reforestation for timber production, and supporting the management of protected areas;

c) Energy: Developing assisted natural regeneration as well as afforestation/reforestation for charcoal production, establishing sustainable business lines for biomass energy supply, and expanding the dissemination of more efficient and cleaner cook stoves.

7. **The ER Program is not implemented in isolation but as part of the national REDD+ approach,** which includes the following: i) the implementation of REDD+ related policy reforms, such as land use planning and land tenure; ii) a functional REDD+ infrastructure, in particular national REDD+ tools, such as the national REDD+ Registry; the FGRM; monitoring of social and environmental REDD+ standards; the measurement, reporting and verification (MRV) system; and iii) functional national REDD+ institutions.

8. **The ER Program for Mai Ndombe Province is composed of two types of finance:**

(a) Investments to support the national REDD+ infrastructure and the implementation of ER Program activities, which are financed through projects and initiatives of CAFI, the World Bank, GEF, and other financiers. The most important package of financing falls under the IFLMP and is described in the following section. Important contributing projects supported by the World Bank (all at a national level, but including Mai Ndombe Province), are: (i) DGM: Forest Dependent Community Support Project (P149049), a US$6 million project with funds from the FIP; (ii) Public Financial Management and Accountability Project (P159160), a US$50 million IDA-financed project; and (iii) Health System Strengthening Project for Better Maternal Health and Child Health Services (P147555), a US$400 million project. In addition to the World Bank-supported investment projects, one private project owner (Wildlife Works Carbon - WWC) has invested US$10 million in the establishment of a conservation concession in the ER Program area.

(b) Results-based payments for verified ERs generated under the ER Program, which will be paid according to the terms negotiated under the ERPA, signed in September 2018. These ERPA payments over a period of at least five years (2018-2024) are included in the US$55 million Mai Ndombe Emission Reductions Program (P160320).

Improved Forested Land Management Project (IFLMP)

9. **The DRC Improved Forested Landscape Management Project** was originally financed by a US$36.9 million grant from the Forest Investment Program (FIP) approved on June 24, 2014 and which became effective in April 2015. The CAFI AF to the IFLMP was approved on June 28, 2017 and became effective on May 18, 2018. The changes the first AF brought to the parent project were: (i) expansion of the geographical scope of the project to cover the entire province of Mai Ndombe; (ii) expansion of the original range of investments to include the development of supply chains for perennial crops such as coffee, cocoa, rubber and oil palm; (iii) support for family planning; and (iv) support for IPs.

10. **The project has four components** (see also the financing table presented above in Section II of the main text):

a) Component 1: Integrated REDD+ Project at the Mai Ndombe Province Level. The REDD+ project in the Plateau District (known as "PIREDD Plateau") is financed by the FIP resources of the parent project. The REDD+ project in the Mai Ndombe District (known as "PIREDD Mai Ndombe") is financed by CAFI, through the CAFI AF (with subcomponents 1Ba through 1Bg). These investments foster a reduction in forest-based greenhouse gas emissions for the province through supporting community-level natural resources management. They are implemented by LIAs, the WWF in the Plateau District and FRMi/WWC in the Mai Ndombe District.

b) Component 2: Facilitation of private sector activities to reduce fuel wood emissions. This component (FIP funding only) facilitates private investments for agroforestry projects by subsidizing sub-projects selected through a public call for proposals (Subcomponent 2a) and on improved cookstove dissemination to reduce overall fuel wood use (Subcomponent 2b).

c) Component 3: Promotion of agroforestry systems to reduce land-use emissions. This component (FIP funding only) provides support to seven LIAs, most of them located in Kongo Central Province but also in Plateau des Bateke and in part of Kenge Territory (Bukanga Lonzo), to promote community and

private small-scale agroforestry on the savannah.
d) Component 4: Knowledge management and program coordination. The last project component finances the management of the project by the FIP Coordination Unit (FIP-CU).

11. **Table 1-1 provides a summary description of the IFLMP, disaggregated by funding sources, explaining how it supports the enabling and sectoral pillars of the ER Program.** The following sections by subcomponent provide further details on the GEF AF.

Enabling and sectoral pillars of the ER Program	FIP: Plateau District of the Mai Ndombe province (PIREDD Plateau)	CAFI AF: Geographical expansion of the PIREDD Plateau Project to the Mai Ndombe District to cover the entire Mai Ndombe province	GEF AF: Incremental financing to activities in the Mai Ndombe District and support to the Tumba Lediima Natural Reserve
Enabling Activities			
Land use planning, land tenure, and governance	215 LDCs and 160 SMPs in the Plateau District	600 LDCs / SMPs in the Mai Ndombe District	600 LDCs / SMPs
	• Organizing communities into LDCs; • Developing local SDPs and SMPs for LDCs through participatory land use mapping and natural resources management planning; • Clarifying land tenure at all levels through participatory planning methods; • Promoting the representation of women in LDCs and CARTs; • Building administrative and institutional capacities of the central government (Ministries of Environment, Agriculture, Interior, Land Administration) to manage natural resources transparently; • Improving capacities to control forestry and charcoal-making		• Building capacities at the central government level, e.g. on national strategy for community forestry and knowledge management
Capacity building of the decentralized administration	• Building administrative, institutional and technical capacities of decentralized government agencies (i.e. environmental and agricultural technical extension services of Ministries of Environment, Agriculture, Interior, Land Administration); • Building capacities of local structures at all levels, such as LDCs, farmer's organizations and CARTs, to manage natural resources sustainably		• Building capacities at the decentralized level
Enabling conditions for economic sectors	• Implementing priority investments as defined in the SDPs, e.g. public infrastructure,	• Developing value chains for perennial crops, such as coffee, cocoa, rubber and oil palm;	

	improved methods for cultivation and NRM	• Improving infrastructure and connectivity, e.g. roads, bridges, a ferry on the Kasai River	
Demography		• Supporting family planning through provision of information, awareness raising and access to means of birth control; youth education programs	
Sectoral Activities			
Agriculture	• Implementing agricultural investments defined in the SMPs, e.g. fire-fallow cultivation on savannah lands and agroforestry plantations with small-scale plots of acacia intercropped with cassava, and oil palm; • Prevention of bush fires to promote natural regeneration of savannah lands; • Promoting research to improve farming practices and pasture management		
		• Developing perennial crops (coffee, cocoa, rubber, and oil palm) in forested landscapes	
Forestry	• Establishing PES schemes to sustain new agricultural practices while protecting forests; • Supporting micro-projects for IPs in coordination with the DGM		
	FIP Component 2: Establishing sustainable business lines for biomass energy supply (mainly charcoal) to urban centers	• Promoting community forests for biodiversity conservation, e.g. registration of community forests; • Helping communities get access to carbon revenues, e.g. homologation of community REDD+ sub-projects	• Incrementally supporting the establishment of IP-managed community forest concessions and other activities identified in IP Development Plans; • Supporting the management of protected areas (Tumba Lediima Natural Reserve); • Diversifying community incomes

| Energy | • Establishing agroforestry plantations for charcoal supply
 • FIP Component 2: Improving quality and improving production of cook stoves | • Establishing agroforestry plantations for charcoal supply | |

Table 1-1: Overview of the IFLMP alignment with the ER Program

Component 1B: Integrated REDD+ Project in the Mai Ndombe District (PIREDD Mai Ndombe) (US$5,915,046 from the GEF AF)

12. Component 1 of the IFLMP originally consisted of FIP funding of an integrated REDD+ sub-project in the Plateau District ("PIREDD Plateau"), which aimed to test an integrated and comprehensive method designed to reduce carbon emissions by tackling the drivers of deforestation and forest degradation, which in that district are primarily slash-and-burn agriculture and charcoal production.

13. **The recently added CAFI AF, for an amount of US$18.22 million, extended to the Mai Ndombe District (Component 1B) the sectoral and enabling investments included under Component 1A of the IFLMP** in the Plateau District (constituting the "PIREDD Mai Ndombe"). The new investments are placed in Subcomponents 1Ba through 1Bg. The now-expanded IFLMP supports many of the initial investments required to reduce deforestation, thus paving the way for the success of the ER Program at the jurisdiction of the province.

14. **The project paper for the CAFI AF included a detailed text describing the Mai Ndombe Province and the Mai Ndombe District,** added to the project area through that AF. It covered territories and populations (including indigenous populations), land and water use, living standards and incomes, access to property, deforestation, and information on existing initiatives and projects in the project area. This information remains up to date and is not repeated in this document.

15. **The formation of Local Development Committees (LDCs) at the village level remains crucial to the success of the project.** Each LDC represents groups of two to four villages whose territory falls under the authority of the same traditional chief.

16. **The GEF AF, a proposed second additional financing to the IFLMP, brings additional resources to better achieve the PDO.** As described in more detail in the sections below by subcomponent, it will provide incremental resources to some of the Subcomponents 1Ba through 1Bg (and add Subcomponent 1Bh on protected areas) to support the decentralized administration of natural resources, to implement the SMPs, to better include IPs and local communities in the management of their local resources, and to maximize the side benefits of the investments (notably enhanced protection of biodiversity). It will help to achieve the emission reductions objectives of the IFLMP,

aligned with the programmatic climate change window of the GEF. Biodiversity conservation goals of the GEF are also addressed by the addition of the new subcomponent to support Tumba Lediima Natural Reserve (which by addressing deforestation in and near the reserve, will also contribute to enhanced carbon sequestration in the province, in the context of the ER Program).

Subcomponent 1Ba: Strengthening governance for sustainable management of natural resources of the Mai Ndombe District (US$1.23 million from the GEF AF)

17. **The project's approach to governance consists in strengthening the organizational structure of farmed village tracts (terroirs) and the Decentralized Territorial Entities (DTEs)** based on the model of LDCs and CARTs, as recommended by the Ministry of Rural Development. These institutions are producing SDPs for the province (1), the territories (8) and sectors (19) in the Mai Ndombe Province, as well as SMPs for the village terroirs (760). These plans will, at each appropriate scale, analyze the drivers of deforestation and forest degradation and propose tailored measures to address the drivers while improving living conditions.

18. **There are 1,590 (1,371 in the District of Mai Ndombe and 219 in the Plateau District) georeferenced villages and some 1251 (1,100 in the District of Mai Ndombe and 151 in the Plateau District) farmed tracts in the Province of Mai Ndombe.** Although natural resources management planning for all tracts would be useful, not all will be covered under the project. This is especially true of tracts deep within the forest and for villages with small populations. From the viewpoint of reducing deforestation and forest degradation, it is better to focus efforts on planning along the main rivers and roads and in the villages where human pressure is greatest and where fields are sometimes already more than 10 km deep. Within the scope of the project, there are about 760 tracts of this type which will be the subject of a SMP.

19. **The methodology for the implementation of the plans at all levels comprises:** (i) geo-referenced demarcation of the territory in question; (ii) demarcation of the major types of plant cover based on satellite coverage; (iii) inventory of types of land use; (iv) inventory of the presence of biodiversity and threats to it; (v) estimation of the farmland needs of the local populations and identification of areas for expansion; and (vi) participatory definition of courses of action to take with respect to:

   - Large concessions, potentially including the renegotiation of land reserves for small farmers;
   - Livestock farms in large, medium, and small concessions, including the potential rehabilitation of fallow areas;
   - Savannah areas, including the management of bushfires;
   - Forests, particularly the most valuable among these in terms of biodiversity and environmental services;
   - Non-timber forestry products;
   - Rivers with the most fish life and under the greatest threat from destructive practices;
   - Areas where forestry is practicable (communal, artisanal, or industrial);
   - Creation of conservation concessions and identification of areas where this is not possible;
   - Flooded forests as well as hunting and conservation of the most threatened plant and animal species;

- Charcoal production (where it can be done, how it can be done, what can or cannot be cut to preserve biodiversity, enrichment of fallow land, etc.);
- Farming practices in savannah and forest areas (fire management, experiments with new crops, including in flood-recession areas, management and improvement of slash-and-burn and fallow lands, agroforestry, perennial crops);
- Needs in terms of equipment, and measures required to meet these, to be taken by the entities concerned (labor, various inputs, financing).

20. **The GEF funding of US$1,230,000 for this subcomponent will be allocated to three sets of activities:**

   a) $730,000 to expand the scope of the plans noted above to more completely address biodiversity conservation issues which would otherwise have been only partially addressed under the CAFI funding. Some of the funding will be used at a district level to identify biological hotspots. For each of the individual SMPs, the GEF funding will increase available resources by approximately 20 percent. The extra funding will be used for the community-led inventory and mapping of forests and biodiversity and supporting consultations with additional focus on local management of these resources. The funds will also cover an internationally recruited technical expert in addition to local experts.

   b) $400,000 to strengthen MESD at the national level, to allow the ministry to play a stronger role in the implementation of the project and to develop capacity in supporting biodiversity and forest management at the local level. Investments will cover specialized studies on bioprospecting to develop additional incentives for local communities in the Mai Ndombe Province to maintain their forests, development of the national bioprospecting strategy, two projects to pilot bioprospecting in local communities (in communities where SMPs will be already supported by the project), limited operational costs, and purchase of a vehicle.

   c) $100,000 to similarly build the capacity of the provincial Ministry of the Environment. The provincial ministry is newly formed, following the recent creation of the new province, and has limited staff and capacity. The GEF funds, combined with other IFLMP investments, will support training and provision of basic operational costs to support their role in their oversight of the project.

Subcomponent 1Bc: Implementation of planned investments as identified in SMPs (US$2.57 million from the GEF AF)

21. **The parent project funding together with the CAFI AF supports:** (i) training in natural resources management at the community level; (ii) investments (including for high-priority biodiversity-focused investments identified under Subcomponent 1Ba) and provision of inputs; and (iii) payments for results through payment-based incentives. Investments target both traditional small farmers and other farmers able to benefit from the project in areas of 5 to 10 hectares for plantations and 50 to 100 hectares for exclosures. The support targets farmers in areas covered by the LDCs' SDPs. Investments depend on the priorities identified in each SMP but include developing agriculture in savannah areas,

improving the sustainability of forest agriculture, exclosing and protecting biodiversity-rich forests in savannah-forest mosaic areas, and formulating a detailed strategy for managing charcoal production. A special attention shall be given to activities around TLNR.

22. **Incremental funding from the GEF AF will explicitly support community forest management objectives.** Under the 2015 community forestry law, forest management can be delegated to local communities. A limited number of pilot projects are now under implementation in the DRC. The World Bank-supported DGM project is supporting 6 such pilots, but none in the Mai Ndombe Province. The preparation of the SMPs will allow the identification of forests with high conservation value and where communities are most interested and committed. The GEF funds will support: (i) the creation of two community forests as per the requirements of the 2015 law; (ii) the development of their management plans; and (iii) their implementation by financing priority investments and/or operating costs over a three-year period. By law, each community forest is limited to 50,000 ha, so these investments will potentially bring an additional 100,000 ha under active management. For the project's indicators, it is conservatively assumed that each community forest will result in an additional 25,000 ha under improved landscape management.

23. **In addition, this subcomponent will facilitate the identification of two groups of LDCs ready to develop their own REDD+ sub-projects to be submitted to the national REDD+ regulator for registration.** This will allow the groups of LDCs to be part of the Benefit Sharing Plan of the Mai Ndombe ER Program, and thereby benefit from potential performance-based payments down the road. Activities will include: (i) outreach through consultations and discussions with LDCs with a view to identifying two motivated groups; (ii) the development of two REDD+ sub-projects in close cooperation with the two selected groups of LDCs; (iii) the completion of the REDD+ sub-project documents in compliance with a carbon standard accredited by the REDD+ regulator in the DRC; and (iv) support for the implementation of the REDD+ sub-projects. The two REDD+ sub-projects could conceivably be the community-managed forests as discussed above.

Subcomponent 1Bf: Support to the most vulnerable communities (US$0.7 million from the GEF AF)

24. **This subcomponent as currently funded is supporting the implementation of micro-projects for IPs, as identified and described in the IPP developed in 2017.** Consultations and activities related to Indigenous Peoples are being implemented in close coordination with the DGM-financed Forest Dependent Community Support Project (P149049). IPs represent about 3 percent of the population of the province, representing about 45 000 persons found in 177 villages, of which 39 are exclusively IP, and others mixed. The parent IFLMP produced an Indigenous Peoples Plan (IPP), at the time of the CAFI AF, itself in part adapted from earlier IPPs financed by an earlier World Bank Project, the Forestry and Nature Conservation Project. The IPP identified 6 micro-projects in IPP communities to be financed for a total estimated cost of US$500,000. Of this amount, there was a financing gap of US$80,000.

25. **The GEF AF will provide incremental support of about US$210,000 to the financing of: (i) the already identified and consulted 6 micro-projects, to cover the shortfall in funds; and (ii) a new series of micro-projects to be identified over the course of the project implementation**. About US$80,000 will be used to further support consultations with IPs during implementation of the subcomponent. Finally,

the remaining US$410,000 will support the establishment of at least two IP-managed community forest concessions as described above for the Subcomponent 1Bc. Depending on the outcome of further consultations, the IP-managed community forests could be in the same communities targeted for micro-projects or in newly-identified communities following completion of the SMPs.

26. **Under Subcomponent 1Bc, it was noted that two REDD+ subprojects will be developed for registration with the national authorities.** One of these subprojects could be one of the IP-managed community forests, to be determine during project implementation.

Subcomponent 1Bh: Support for protected areas (US$1.42 million from the GEF AF)

27. **Under this new subcomponent, the GEF funds will be used to support on-the-ground investments in protected areas.** ICCN has indicated that the highest priority in the province for investment support to protected areas is the Tumba Lediima Natural Reserve (TLNR), which covers parts of two provinces, Mai Ndombe and Equateur.

28. **A detailed background report on TLNR was prepared in 2016 by ICCN and PARAP.** The Reserve faces significant challenges including partially overlapping forestry concessions, uneasy relations between ICCN and local communities, an imprecise decree that created the Reserve, and an unclear management model. Brief information on TLNR is included in Annex 6. The proposed GEF funding will support:

(a) Support to ICCN to implement the subcomponent, both in Kinshasa and locally (US$300,000); these costs will cover training, operational costs, and follow-on financing to a number of institutional strengthening activities of ICCN begun under the PREPAN project but not yet completed (creation of a functional safeguards unit, and upgrading of administrative, financial management and human resources capacity).

(b) Putting in place consultative co-management with local communities, meeting all requirements of the project's social safeguard frameworks (US$200,000); these costs will cover consultations, capacity building of local communities, and costs to put in place innovative and sustainable co-management structures; this subcomponent does not per se include livelihood investments but local communities around the TLNR are already included in the community-support investments of the overall IFLM;

(c) Delimitation of the reserve, including socio-economic studies and if needed, a new decree (US$200,000); this work needs to address problems related to overlap of the reserve boundaries with existing forest concessions;

(d) Reinforcement of patrols and park management operational costs (US$300,000);

(e) Infrastructure construction: offices, housing, basic park infrastructure (US$420,000); the project will support basic construction of park headquarters and park guard housing (which are currently non-existent). Infrastructure investments will be limited to areas within the Mai Ndombe Province.

29. **Component 4 (US$295,000 of GEF funds). Project management.** Finally, 5 percent of the GEF grant amount will be added to Component 4 to contribute to project management costs. These funds will contribute to costs such as key project management staff, audits, operational costs of the coordinating unit, and M&E costs. As the IFLMP will start to wrap up investments, a critical activity will be generating lessons learned and compiling and organizing the knowledge accumulated through this project. A

Knowledge Management Plan will be produced in 2019 and implemented in 2020; GEF funds will contribute to the development of lessons learned from this innovative interface of GEF and REDD+ funding.

ANNEX 2. IMPLEMENTATION AND FIDUCIARY ARRANGEMENTS

1. **Implementation arrangements for the project will for the most part remain unchanged,** as described in the existing Project Implementation Manual (PIM), which will be updated prior to effectiveness of the GEF AF. Briefly, the Mai Ndombe Provincial Steering Committee will remain responsible for steering, monitoring and evaluating the Mai Ndombe PIREDD. It is chaired by the provincial Minister of the Environment. Subcomponent 1Bh will be technically implemented by ICCN under the FIP-CU supervision.

2. **The implementation of the project falls under the authority of MESD;** its implementation (including for the activities financed by the GEF AF) will continue to be assigned to the FIP-CU. The FIP-CU has competitively engaged an international non-governmental organization (NGO) for the implementation of most of the activities financed by the CAFI AF, known as the Delegated Implementing Agency (DIA). The GEF-financed activities will for the most part not be implemented by the DIA but will be executed directly by the FIP-CU or outsourced in accordance with the project's procurement procedures and the PIM. The partnership agreement with the DIA will be updated to reflect the additional responsibilities that will accrue to them.

3. **Monitoring and evaluation of the project's indicators will be conducted by the FIP-CU,** supported in the field by the LDCs and the Councils for Agriculture and Rural Management (CART). These will be reinforced by the project and will be in direct contact not only with the FIP-CU but also with the National REDD+ Coordination Unit (CN-REDD).

4. *Sub-projects.* The FIP-CU makes sub-grants to beneficiaries in accordance with eligibility criteria and procedures acceptable to the World Bank described in the PIM. Further details are included in the PIM but briefly, the sub-grants include a contribution from the beneficiary, obligations to respect the project's environmental and social safeguard frameworks, anti-corruption measures, procurement and financial management provisions, and reporting requirements.

5. *Performance-Based Incentives and Investments*. Part of the proceeds of the sub-grants available to communities are provided under Agreements for Performance-Based Incentives, as are already described in the PIM ("Agreements for Performance-Based Incentives and Investments").

Fiduciary Arrangements

6. **Based on the World Bank Group's fiduciary mechanisms, fiduciary risk mitigation measures are in place in the parent project** to ensure sound use of the funding towards the achievement of the development objectives. The measures have been effective and the current ratings for financial management and procurement are Satisfactory (December 07, 2018 ISR). The financial management and procurement arrangements for the parent project remain in effect as they are today, but the new applicable procurement rules and procedures for procurement will fully apply to the GEF additional financing.

7. **Procurement for the proposed AF:** All goods and consulting and non-consulting services required for the project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in the following sections:

   (a) **Section VI. Approved Selection Methods:** Goods, Works, and Non-consulting services of the 'World Bank Procurement Regulations for IPF Borrowers - Procurement in Investment Project Financing: Goods, Works and Non-consulting and Consulting Services', dated July 2016 revised November 2017, in the case of goods and non-consulting services;

   (b) **Sections VII. Approved Selection Methods:** Consulting Services of the "World Bank Procurement Regulations for IPF Borrowers - Procurement in Investment Project Financing: Goods, Works and Non-consulting and Consulting Services," dated July 2016 revised November 2017, in the case of consulting services;

   (c) **Section IV. Project Procurement Strategy for Development (PPSD) and Procurement Plan:** the recipient has prepared the PPSD and the Procurement Plan in accordance with paragraphs 4.1 to 4.5 of the "World Bank Procurement Regulations for IPF Borrowers - Procurement in Investment Project Financing: Goods, Works and Non-consulting and Consulting Services," dated July 2016 revised November 2017.

   (d) **Annex IV. Fraud and corruption.** The procuring entity as well as all bidders, suppliers, contractors, and service providers should observe the highest standards of ethics during the procurement and execution contracts financed under this project in accordance with the provisions of the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011.

8. **National Procurement Arrangement.** In accordance with paragraph 5.3 of the Procurement Regulations, when approaching the national market (as specified in the Procurement Plan tables in STEP), the country's own procurement procedures may be used. When the Beneficiary uses its own national open competitive procurement arrangements as set forth in Public Procurement Code, such arrangements shall be subject to paragraph 5.4 of the Procurement Regulations and the following conditions : (i) the procurement is open to eligible firms from any country; (ii) the request for bids/request for proposals document shall require that Bidders/Proposers submitting Bids/Proposals present a signed acceptance at the time of bidding, to be incorporated in any resulting contracts, confirming application of, an compliance with, the World Bank's Anti-Corruption Guidelines, including without limitation the World Bank's right to sanction and the World Bank's inspection and audit rights; and (iii) maintenance of records of the Procurement Process. When other national procurement arrangements other than national open competitive procurement arrangements are applied by the Beneficiary, such arrangements shall be subject to paragraph 5.5 of the Procurement Regulations.

9. **Procurement methods.** The various procurement methods to be used for activities financed by the proposed grant have been set in the procurement plan for the 18 first months and duly approved on April 10, 2019.

10. **Procurement of works.** Works are envisaged to construct or rehabilitate infrastructure (urban roads, roadside drainage, public buildings, income generating infrastructure, school, health centers, etc.).

11. **Procurement of goods.** Goods will include computer equipment, vehicles, furniture, etc.

12. **Procurement of consulting services (firms and individuals).** Procurement of consulting services will be carried out in accordance with the World Bank Procurement Regulation for Investment Project Financing Borrowers. Consulting services also include the services of training, the recruitment of NGOs, national or international consultants (firms) and individual comprising a Procurement specialist, Financial Management Specialist, and accountant, etc.

13. **Frequency of procurement supervision.** In addition to the prior review to be carried out by the World Bank, supervision missions will be undertaken at least once per year. One in five procurement packages not subject to World Bank prior review will be examined ex post on an annual basis.

14. **Procurement Plan.** The draft Procurement Plan for the first 18 months was finalized at project negotiations and approved by the World Bank. The Procurement Plan will be updated by the FIP-CU on an annual or as-needed basis to reflect actual project implementation need.

15. **Procurement Planning and Tracking Tool.** In accordance with paragraph 5.9 of the "World Bank Procurement Regulations for IPF Borrowers" (July 2016 revised November 2017) ("Procurement Regulations") the World Bank's STEP system will be used to prepare, clear and update Procurement Plans and conduct all procurement transactions for the Project.

16. **PPSD summary.** A Project Procurement Strategy of Development has been prepared to ensure the procurement activities are packaged and prepared in such a way as to minimize the risk. The FIP-CU has experience and a track record in successfully implementing the full suite of fiduciary measures required for World Bank-financed projects. In addition, the PIU has political backing from the highest levels in Government.

17. **Disbursement modalities.** The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Grant ("Category"), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Operating Costs and Training under - Component 1.B.(a)(iv), (v) and (vi); - Component 1.B.(c)(iv) and (v); and - Component 1.B.(h) of the Project	5,220,000	100%
(2) Goods, works, non-consulting services, consulting services, Operating Costs and Training under Component 1.B.(f) of the Project	700,000	Percentage of Eligible Expenditures as the World Bank may determine for each calendar year, starting in calendar year 2019, covered by the respective AWBP in accordance with the provisions set forth in Section B.2 of this Schedule.
(3) Goods, works, non-consulting services, consulting services, Operating Costs and Training under Component 4 of the Project	290,046	100%
TOTAL AMOUNT	6,210,046	
Notwithstanding the foregoing provisions no withdrawal shall be made under Category (3) unless and until the Original Project is fully disbursed. The sum of the World Bank's financing percentage of Eligible Expenditures under the Grant combined with the financing percentage provided under the CAFI AF equals 100%.		

18. **Procurement thresholds, methods and prior reviews.**

	Procurement Method	Prior Review Threshold US$	Comments
1.	**Works** Open international competitive procurement	≥ US$ 5 million	*All*
	Open national competitive procurement	< US$ 5 million	*All*
	Request for Quotations	≤ US$ 200,000	*First contract*
2.	**Goods & non-consulting services** Open international competitive procurement	≥ US$ 500,000	*All*
	Open national competitive procurement	< US$ 500,000	*First contract*
	Request for Quotations	≤ US$ 100,000	*First contract*
	Selection Method	Prior Review Threshold US$	Comments
1.	Competitive Methods (Firms)	Above US$ 200,000	*All*
2.	Single Source (Firms)	All	
3.	Individual	Above US$ 100,000	*All*

19. **Financial Management.** Generic and specific FM risk measures are in place to ensure sound use of the grant proceeds during project implementation. The table below illustrates incremental measures brought into effect for the CAFI AF. These have been found to be satisfactory and no new measures are proposed specific to the GEF AF.

	Generic measures	Specific measures	Measures introduced with the CAFI AF
Project field supervision visit	Frequency ranges from 3-12 months, based on level of determined risk of project.	Frequency range will be reduced to a maximum of 6 months.	The Bank will externally source as needed a financial controller (FM Consultant) for

	During field supervision visits, transaction testing is optional (based on level of determined risk of project) and is usually done on a test basis.	Transaction testing will be mandatory and cover all transaction occurrences for period under review.	permanent monitoring and control of all FM aspects, including: (i) Join project field supervision visit; (ii) Planning and budgeting; (iii) Accounting; (iv) Internal control with a focus on fraud and corruption risk; (v) Funds flow/disbursement; (vi) Financial reporting; (vii) Auditing arrangements; (viii) Update of the work program of the current Internal Audit Unit to reflect the new project specificities.
Planning and Budgeting	Budget planning and execution documented and illustrated in a quarterly monitoring sheet.	In addition, all variances will be commented and justified in a quarterly schedule.	
Accounting	Review of accounting and book keeping arrangements, involving adequacy of Bank reconciliation statements; Inventory Reconciliation.	Regular procedures will apply.	
Internal control	Review of the adequacy of: • Manual of procedures; • Internal audit function.	All the preceding and the content and structure of the Manual of procedures will be based on existing manual tailored to project specificities.	
Funds flow	Organize frequent controls for each involved actor in order to help to prevent and mitigate the risk of diversion of funds. Payment requests will be approved by the Coordinator (B signatory) and the financial management specialist (A signatory) prior to disbursement of funds.	Regular procedures will apply.	

Financial reporting	Review of quarterly Interim Financial Reports (IFRs) and their compliance with legal agreement and Bank stipulations and guidelines.	In addition, quarterly financials in OHADA reporting format as well as accompanying schedules and analyses will be produced on a quarterly basis.	
Auditing arrangements	Recruitment of independent external auditor will be based on agreed Terms of Reference developed in line with International Accounting Standards Review of annual audited financial statements and related audit reports.	In addition, the auditor selection criteria will be enhanced to ensure a superior quality assurance review policy is in place; and candidates will be assessed on Bank external audit evaluation guidelines.	
In-depth reviews	Performed on an optional basis (based on level of determined risk of project); non-recurrent.	Performed on an annual and impromptu basis.	

20. **Designated Account.** If the Bank determines that an ineligible expenditure is financed from a Designated Account, it will require a refund in accordance with the provisions outlined in the Disbursement Handbook. This provision applies equally to any amounts transferred from a designated account.
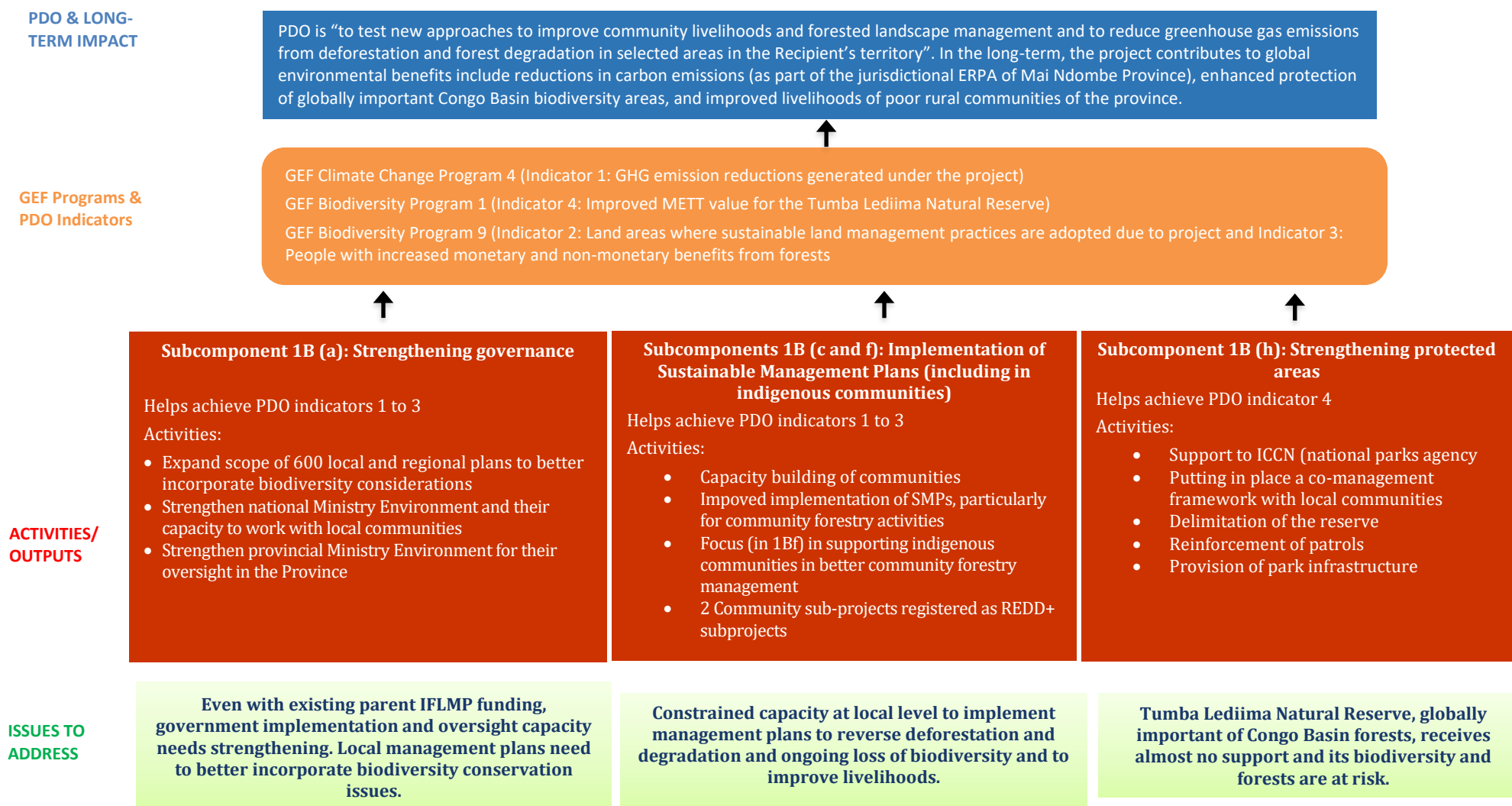
ANNEX 3. GEF-SPECIFIC INFORMATION

Incremental Reasoning

1. **The baseline scenario is constituted by a mix of investments in the Province of Mai Ndombe under the umbrella of a REDD+ program supported by the Forest Carbon Partnership Facility (FCPF).** The DRC recently submitted an Emission Reductions Program Document (ERPD) which was accepted by the FCPF in June 2016, the first country in the world to pass this milestone. The ERPD formed the foundation for the negotiation of an Emission Reductions Purchase Agreement (ERPA) with the FCPF, signed in September 2018 for US$55 million.

2. **The ERPA builds on major investments over the last few years which have created the enabling conditions for the Province of Mai Ndombe** to reduce its carbon emissions as compared to the forest reference emission level. These investments include the FIP project as well as many other investments of other donors and the private sector. The IFLMP is expected to still be in implementation as the ERPA comes into effect and will help sustain the investments needed to ensure reductions in emissions.

3. **Under the baseline scenario, there is some attention to biodiversity conservation but the focus of the REDD+ program is on changes in forestry and agricultural practices.** There is considerable focus on policy, planning and regulatory frameworks for emissions reductions and on adoption of practices to increase the area of production landscapes under sustainable management and which are contributing to lower-carbon development. However, the province is a large diverse area and the available resources are insufficient to completely meet these goals.

4. **The project alternative proposed by this GEF AF brings incremental resources to Mai Ndombe Province to help:** i) provide additional resources to help reduce carbon emissions with a special focus on community-managed forestry; ii) ensure an better consideration of biodiversity conservation in the preparation and implementation of local management plans and in direct protection of a globally important natural reserve; iii) focus extra attention on working with indigenous peoples in the management of their own biodiversity/forest resources; and iv) apply incremental resources for the development of capacity at the policy and regulatory level both at the national and provincial level. For this reason, funding from the climate change and biodiversity operational focal areas is being requested for the GEF AF. Figure 3-1 on the following page presents the theory of change of the GEF funding, and how the different sub-components contribute both to the PDO and to the global environmental targets of the GEF. The theory of change focuses in on the new GEF AF and does not cover the entire IFLMP.

Figure 3-1. Theory of Change for the GEF-funded Additional Financing

PDO & LONG-TERM IMPACT	PDO is "to test new approaches to improve community livelihoods and forested landscape management and to reduce greenhouse gas emissions from deforestation and forest degradation in selected areas in the Recipient's territory". In the long-term, the project contributes to global environmental benefits include reductions in carbon emissions (as part of the jurisdictional ERPA of Mai Ndombe Province), enhanced protection of globally important Congo Basin biodiversity areas, and improved livelihoods of poor rural communities of the province.
GEF Programs & PDO Indicators	GEF Climate Change Program 4 (Indicator 1: GHG emission reductions generated under the project) GEF Biodiversity Program 1 (Indicator 4: Improved METT value for the Tumba Lediima Natural Reserve) GEF Biodiversity Program 9 (Indicator 2: Land areas where sustainable land management practices are adopted due to project and Indicator 3: People with increased monetary and non-monetary benefits from forests

ACTIVITIES/OUTPUTS

Subcomponent 1B (a): Strengthening governance	**Subcomponents 1B (c and f): Implementation of Sustainable Management Plans (including in indigenous communities)**	**Subcomponent 1B (h): Strengthening protected areas**
Helps achieve PDO indicators 1 to 3 Activities: • Expand scope of 600 local and regional plans to better incorporate biodiversity considerations • Strengthen national Ministry Environment and their capacity to work with local communities • Strengthen provincial Ministry Environment for their oversight in the Province	Helps achieve PDO indicators 1 to 3 Activities: • Capacity building of communities • Impoved implementation of SMPs, particularly for community forestry activities • Focus (in 1Bf) in supporting indigenous communities in better community forestry management • 2 Community sub-projects registered as REDD+ subprojects	Helps achieve PDO indicator 4 Activities: • Support to ICCN (national parks agency • Putting in place a co-management framework with local communities • Delimitation of the reserve • Reinforcement of patrols • Provision of park infrastructure

ISSUES TO ADDRESS

Even with existing parent IFLMP funding, government implementation and oversight capacity needs strengthening. Local management plans need to better incorporate biodiversity conservation issues.	Constrained capacity at local level to implement management plans to reverse deforestation and degradation and ongoing loss of biodiversity and to improve livelihoods.	Tumba Lediima Natural Reserve, globally important of Congo Basin forests, receives almost no support and its biodiversity and forests are at risk.

5. **Global environmental benefits include an expected reduction in carbon emissions of the Mai Ndombe Province.** The DRC is the first country in the world to have submitted an ER Program Document (ERPD) to the FCPF and to have signed the corresponding ERPA. Additionally, the DRC submitted an Intended Nationally Determined Contribution (INDC) to the United Nations Framework Convention on Climate Change (UNFCCC) prior to COP21 in Paris. The document underscores the importance of agriculture, energy, and forests on the mitigation side. The GEF funding will contribute to the country's efforts to meet ambitious carbon emission reduction targets, both for the ERPA and for the INDC.

6. **The GEF funding supports Program 4 of the Climate Change Focal areas.** The project will help achieve two of the program's outcomes:

   - Outcome A (Accelerated adoption of innovative technologies and management practices for GHG emission reductions and carbon sequestration). The project will be working with local communities, including indigenous communities, in developing a minimum of two REDD+ subprojects to help ensure that future ERPA benefits and benefits from other REDD+ projects accrue directly to communities.
   - Outcome B (Policy, planning and regulatory frameworks foster accelerated low GHG development and emissions mitigation). Under Sub-component 1Ba, the project will invest significantly in improved governance of the Ministry of Environment (at both the national and provincial levels) to manage and oversee activities related to REDD+ in the province.

7. **For the biodiversity focal area, the project aligns with two GEF programs:** a) Program 1. Improving Financial Sustainability and Effective Management of the National Ecological Infrastructure; and b) Program 9. Managing the Human-Biodiversity Interface, by contributing to the following outcomes:

   - Outcome 1.2: Improved management effectiveness of protected areas. Specifically, the project will provide critical support to the Tumba Lediima Natural Reserve, a globally important biodiversity area (see Annex 6) that has to date received virtually no funding from national or international sources.
   - Outcome 9.1: Increased area of production landscapes that integrate conservation and sustainable use of biodiversity into management. Under the sub-components that focus on preparation of local management plans (Subcomponent 1Ba) as well as their implementation (Subcomponents 1Bc and 1Bf), the focus of the GEF funding is on better incorporation of biodiversity conservation and forest management. GEF funds will contribute to the actual implementation of about 600 SMPs, with investments that ultimately will help local communities better manage and protect their natural resources. Four community-managed forests (as defined under the 2015 Community Forestry Law) will be directly supported.

8. **The project will also help the DRC meet its obligations under the Aichi Targets.** The project will contribute to achieving the five strategic goals, but the major focus will be to assist with Strategic Goal B ("Reduce the direct pressures on biodiversity and promote sustainable use") and Strategic Goal C

("To improve the status of biodiversity by safeguarding ecosystems, species and genetic diversity").
Efforts will be made to ensure they can adequately measure contributions to the relative Aichi Targets.

ANNEX 4. ECONOMIC ANALYSIS

Economic and Financial Analysis

1. **A detailed economic and financial analysis was carried out for the CAFI AF investments.** The GEF-financed investments, being largely incremental to the CAFI AF, can be considered similarly. A brief summary follows.

2. **The proposed additional investments will generate a diverse range of economic direct and indirect benefits.** Table 4-1 provides an overview of selected examples of benefits that will derive from the GEF funding.

Direct	Indirect
• Reduction in GHG emissions • Reduction in deforestation • Afforestation / reforestation • Strengthened self-governance capacity of communities and community groups • Increased income for rural communities • Biodiversity conservation • Strengthening of ICCN (national parks agency) • Better protection of TLNR • Strengthened institutions in support of decentralization and delivery of public services	• Reduced pressure on protected areas • Increased resilience to external shocks • Reduced malnutrition • Better access to credit • Reduction in soil erosion/ increase in soil conservation • Improved efficiency of forest product value chains

Table 4-1: Selected economic benefits generated by the GEF AF

Quantification of selected benefits

Carbon

3. **Two different types of carbon benefits can be assigned to the project from the GEF AF: reduced emissions from avoided deforestation and sequestration through afforestation**. In the context of deforestation and forest degradation, the positive carbon effect resulting from the additional funding is that it is anticipated that the project investments will slow the rate of deforestation and forest degradation, while increasing carbon stocks through afforestation and reforestation. These benefits cannot be calculated just for the GEF AF since the project as a whole will generate them. The impact of the AF can be assessed on a pro rata basis (the GEF funding constituting 10 percent of the IFLMP project budget).

4. **It is expected that the rate of deforestation for the project will be reduced by 3 percent over a five-**

year period[9] - which is considered a conservative assumption, while afforestation will allow the storage of further tCO_2e over the same period. The overall carbon differential is thus estimated at 1.19[10] million tCO_2e up to December 31, 2022 for the GEF AF.

5. **A monetization of project carbon benefits requires the assignment of a dollar value per ton of carbon.** We assume a very conservative value of US$1/$tCO_2$. This would generate a benefit of about US$1 million for the expected carbon benefits attributed only to the GEF AF. However, the market price of carbon does not reflect the social value of carbon storage of forests. This value would be much higher, possibly as high as US$70/$tCO_2$.

<u>Livelihoods and Poverty Alleviation</u>

6. **In the DRC, eight out of ten households in rural areas are poor.** The poverty rate among households whose head is working in the informal agricultural sector is 76 percent, and households whose head is a semi-skilled employee or worker is 72 percent. The size of poor households is larger than that of more affluent households and the number of their dependents is often higher. The educational level is a key factor determining the standard of living in the DRC: the more educated the household head is, the higher the household consumption, and the less likely it becomes for such a household to be poor.

7. **Spending in poor Congolese households is dominated by food, representing 62.3 percent of total expenditures**. This household expenditure pattern reveals that any inflation affecting food reduces real incomes, while increasing the number of the poor and vulnerable, all things being equal. Following the expenditure pattern of Congolese households, a typical poor Congolese household will take an average of at least 3.5 years to move out of poverty if it records an average annual increase of 20 percent of household expenditure. The same household will take 70 years to move out of poverty if its annual increase in spending is only 1 percent and 23 years if its annual increase in spending is only 3 percent. This result shows that poverty alleviation requires the implementation of an economic policy supporting high growth (economic growth at least twice as high as the population growth of 3.1 percent) coupled with a proper redistribution policy, to have a chance of halving poverty by 2020 in accordance with the Sustainable Development Goals in the DRC.

8. **The livelihood impact anticipated from the project is approximated using basic income data that is available for DRC,** adjusted and adapted to the project by making several assumptions. The reported per capita income for DRC is US$410 (gross national income [GNI], Atlas method, 2015) without taking account of rural urban-urban income differentiation. To take account of this differential, the income is adjusted to a lower value of US$307.5, which is 75 percent of the average income. This also takes account of the fact that agricultural households have higher poverty prevalence than other households. The anticipated incremental livelihood benefits are subsumed in an assumed income increase of 5 percent - or US$15.40 – received by people impacted by project activities. As noted in the results matrix, it is estimated that an additional 15,000 persons will benefit from the incremental GEF funding,

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[9] Calculations based on Mai Ndombe Programme Document from November 2016:
http://www.forestcarbonpartnership.org/sites/fcp/files/2016/Dec/20161108%20Revised%20ERPD_DRC.pdf.
[10] The GEF AF represents 15 percent of the Component 1 funding so on a pro rata basis, this will equal to an amount of about 1.19 million tCO2 up to December 31, 2022 (refer to Annex 5).

for an estimated benefit of US$230,000/year.

9. **This demonstrates that anticipated livelihood benefits are outweighed by carbon benefits, even if only low market carbon prices are assumed.** However, the incremental livelihood increase does not consider any secondary effects triggered by increased incomes, such as better access to health services, improved education, or overall positive impacts on the economy.

Project feasibility with all quantified project benefits

10. **The economic feasibility simulation carried out for the overall IFLMP project yields positive results under the baseline assumptions.** At a shadow price of carbon of US$1 per ton of carbon and with a 5 percent incremental increase in livelihood benefits compared to a without project situation, the 15-year simulation derives positive Net Present Values (NPV) and Benefit-Cost-Ratios (B/C-Ratio) larger than 1 for all three discount rate scenarios of 5 percent, 10 percent, and 20 percent (see Table 4-2). If the simulation is only run over the actual project period of the additional funding of 3 years with a carbon price of US$1, the simulations yield negative NPVs and B/C-Ratios between 0.42 and 0.40. However, using the social cost of carbon yields highly positive NPVs and high B/C-Ratios even when run over three years only and with high discount rates (see Table 2-2).

	All Benefits with Carbon price set at US$1			Excluding Carbon Benefits			With Social Cost of Carbon US$70		
15 years simulation	**5%**	**10%**	**20%**	**5%**	**10%**	**20%**	**5%**	**10%**	**20%**
NPV [in US$ million]	51.8	30.4	10.4	-2.0	-4.8	-6.9	3,767.6	2,456.3	1,204.0
B/C-Ratio	4.13	3.01	1.81	-0.12	-0.32	-0.53	228.55	163.29	94.73
Sensitivity analysis	*3 years only*			*Livelihood benefits +20 %*			*Baseline -50%*		
NPV [in US$ million]	-9.6	-8.9	-7.7	41.5	26.2	11.1	1,875.5	1,220.6	595.6
B/C-Ratio	0.42	0.41	0.40	3.51	2.73	1.86	114.28	81.64	47.36
Sensitivity analysis 2							*Baseline 3 years only*		
NPV [in US$ million]							279.2	250.7	205.7
B/C-Ratio							17.56	17.56	17.01

Table 4.2 Summary of economic simulation results

11. **The economic analysis conducted for the parent project, supplemented by the analysis for the CAFI AF, supports additional funding of the project given positive results across a variety of sensitivity analyses and data assumptions.** Despite the emphasis on carbon benefits generated by the project, the analysis confirmed that even an exclusion of these benefits is likely to yield positive economic results for the project. The analysis also tested the economic feasibility of individual project components, which yielded positive results. The analysis was also robust as regards varying discount rates and also testing for changes in anticipated results.

12. **The results of the analysis are also robust insofar as only a few selected project benefits were included in** the economic analysis. If additional and downstream project benefits had been considered, the simulations would have yielded even stronger results. For example, enhancing protection of the TLNR and its constituent biodiversity surely generates long-term economic value, although it would be difficult to precisely calculate it.

13. **The economic benefits generated by the project are likely to have significant development impacts** given the broader economic framework in which the project is implemented. The potential for the project to catalyze important development momentum for natural resources management and energy access is very high, with potential for replicability and continuity beyond the immediate lifetime of the project. Providing additional livelihood opportunities in rural areas can yield important secondary effects; for example, with respect to improving agriculture production, and access to education and health services. Similarly, taking account of demographic developments and the accelerating urbanization requires urgent action on clean(er) energy access solutions with important benefits and associated downstream effects. The project can serve as an important catalyst for generating such changes with impacts beyond the immediate project boundaries and lifetime of the project.

ANNEX 5. ASSESSING NET CARBON BALANCE

Net carbon balance of the overall IFLMP

1.   **The GEF AF contributes to the net carbon balance of the overall IFLMP**. This analysis was described in some detail in the CAFI AF Project Paper and here we present a summary.

2.   **Three different types of direct GHG emission reductions and/or removals have been identified.** Further information is provided below on each of them and see also the table below.

- Emission reductions (avoided deforestation and/or reduced forest degradation) derived from direct investments in the field aimed at reducing pressure on native forests by promoting alternative practices to slash-and-burn agriculture for forest communities in the Plateau and Mai Ndombe Districts (Component 1);
- Emission reductions derived from indirect investments that improve energy efficiency of cookstoves in the greater Kinshasa area (Component 2);
- Removals generated under afforestation / reforestation schemes in the Kinshasa supply basin (Components 1, 2 and 3).

Avoided deforestation and/or reduced forest degradation and/or carbon sequestration (Component 1)

3.   **Direct impacts of the component 1 are expected:**
   a. **to reduce GHG emissions from deforestation and forest degradation by 3 percent for the Mai Ndombe Province against the reference level,** established at 48,022,794 tCO_2e per annum. The basis of the calculations of the reference level are presented in the ERPD. Using a 5-year period to estimate the impact of the project, it will thus avoid the emission of 7.20 million tCO_2e; and
   b. **to store carbon in the field through afforestation / reforestation activities.** 0.46 million tCO2e are expected to be sequestered over a five-year period.

4.   **Emission reductions from energy efficient investments are supported by the Component 2 of the IFLMP (FIP funding) but the GEF AF is not supporting this component.** Detailed calculations are presented in the CAFI AF project paper and the summary results are in the table below. Total estimated emissions reductions of the IFLMP over a five-year period total about 9.6 million tCO_2e.

5.   **Over a 15-year period**, further emission reductions can be estimated with a climate change mitigation potential amounting to 26 million tCO_2 by 2029 (table below).

5-year period (tCO$_2$)				Budget (US$M)		
tCO$_2$	Deforestation	Energy efficiency	Afforestation	FIP	CAFI	GEF
Component 1	7,203,419		465,000	14.02	18.22	5.92
Component 2a			885,000	5.90		
Component 2b		600,702		2.10		
Component 3			405,000	10.50		
Total	7,203,419	600,702	1,755,000	4.20		0.29	Component 4
tCO2		**9,559,122**		36.90	18.22	6.21

15-year period (2015 -2029)			
tCO2	Deforestation	Energy efficiency	Afforestation
Component 1	21,610,257		285,000
Component 2a			585,000
Component 2b		3,331,168	
Component 3			255,000
Total	21,610,257	3,331,168	1,125,000
tCO$_2$		**26,066,425**	

Net carbon balance attributable to the GEF AF

6.   Avoided deforestation and/or reduced forest degradation in the Province of Mai Ndombe results from the integrated interventions for the overall project as financed by FIP, CAFI, and the GEF. It is difficult to attribute results to one particular funding source. On an approximate basis, we can however assume that the GEF AF will generate emission reductions in two ways:

- Over the five-year period as reported in the table above, emission reductions from Component 1 from reduced deforestation and forest degradation and afforestation will amount to about 7.67 million tCO$_2$. The GEF AF represents 15 percent of the Component 1 funding so on a pro rata basis, this will equal to an amount of about 1.19 million tCO$_2$ up to December 31, 2022.

Additionally, the GEF AF investments will also be responsible for some part of the emission reductions calculated over the 15-year period (3.38 million tCO2), although uncertainty mitigates against estimating an actual value. The support to TLNR should also in the long term improve protection of the reserve's forests.

ANNEX 6. BIODIVERSITY PROFILE OF TARGET AREA

1. **According to the recent survey of protected areas in the DRC carried out by PARAP,** Mai Ndombe Province includes six formally designated protected areas:

a) Tumba-Lediima Natural Reserve (TLNR) -- only a part of the Reserve is located within the province and it partially overlaps with a forestry concession;
b) Salonga National Park; occurs partially within the province;
c) Oshwe Hunting Reserve; it overlaps with forestry concessions and there currently is no presence of ICCN;
d) Hippopotamus Reserve on the Sankuru, Kasai, and Kwa Rivers where there is some ICCN presence;
e) Mangai Hippopotamus Reserve with no ICCN presence; and
f) Hippopotamus Reserve on the Kasai and Kwa Rivers with no permanent ICCN presence.

2. **Salonga NP is already benefiting from GEF funding through a project being implemented by WWF.** Supporting Oshwe Hunting Reserve is not appropriate for a project of short duration given that there is no presence of ICCN. The three hippopotamus reserves are not actively managed protected areas. ICCN has indicated that the highest priority in the province for investment support to protected areas is the Tumba-Lediima Natural Reserve (TLNR).

3. **A background study of Tumba Lediima Natural Reserve was published in 2016 by ICCN and WWF[11].** The report provides a wealth of detail on the globally important biodiversity of the natural reserve. The Reserve was created in 2006 and covers a large area of 767,800 ha.

4. **The southern part of the TLNR is in the Central Congolian Lowland Forests Ecoregion and the northern half in the Eastern Congolian Swamp Forests Ecoregion (Figure 6-1).** Several savannah-forest matrix ecoregions occur just to the south of the reserve. For the globally significant Congo Basin forests of the western part of the DRC, TLNR is the second most important protected area, after Salonga National Park.

5. **Two principal types of forests occur in the Reserve (Figure 6-2).** The swamp forests of the northern part of the reserve (about one tenth of the reserve area) are periodically flooded forests typical of the Congo River floodplain. The rest of the reserve is composed of Guinean-Congolese rainforests, non-flooded semi-deciduous forests, with a discontinuous canopy, but extremely rich in species and distinctive from the more open savannah-forests mosaics which occur south of the Kasai River.

6. **The forests of the Reserve (Figure 6-2) are substantially intact** with only small areas of deforestation evident in the southern part of the Reserve. There is however a significant human population in and adjacent to the Reserve and anthropic pressures are growing.

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[11] Revue des stratégies de conservation des valeurs naturelles de l'espace Tumba-Lediima. April 2016. Programme d'Appui au Réseau des Aires Protégées (PARAP) et l'Institut Congolais pour la Conservation de la Nature (ICCN) et Bureau du Fonds Mondial pour la Nature (WWF). 196 pages.

Figure 6-1. Ecoregions of the Tumba-Lediima Natural Reserve
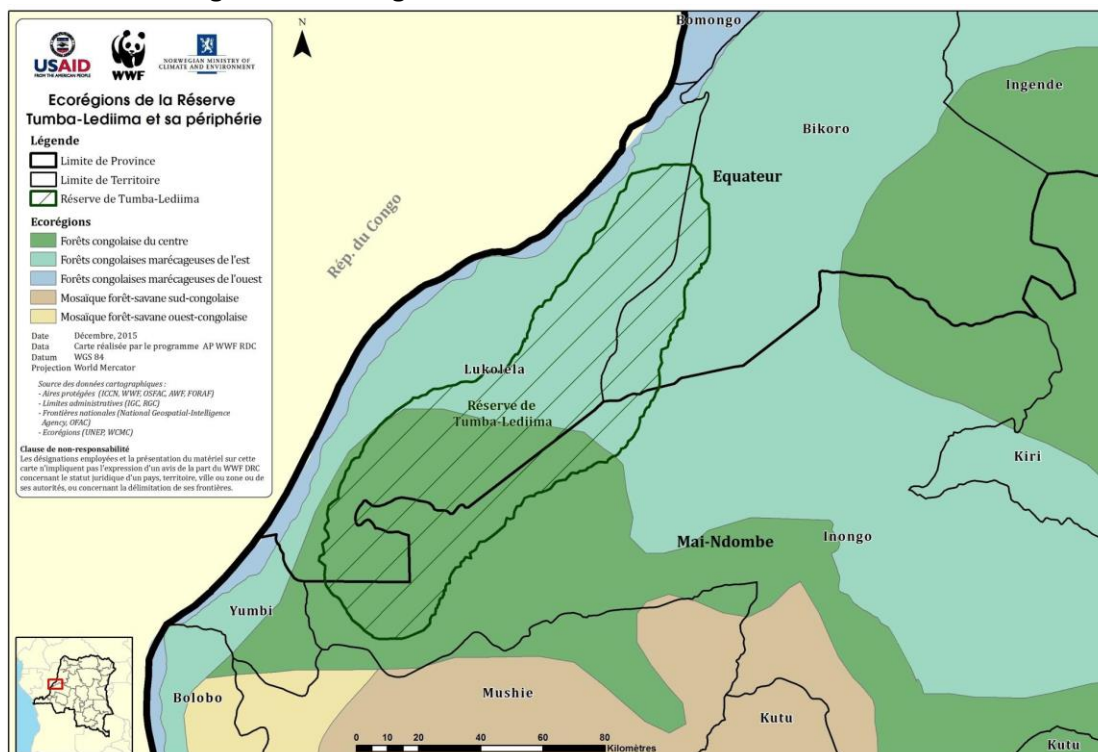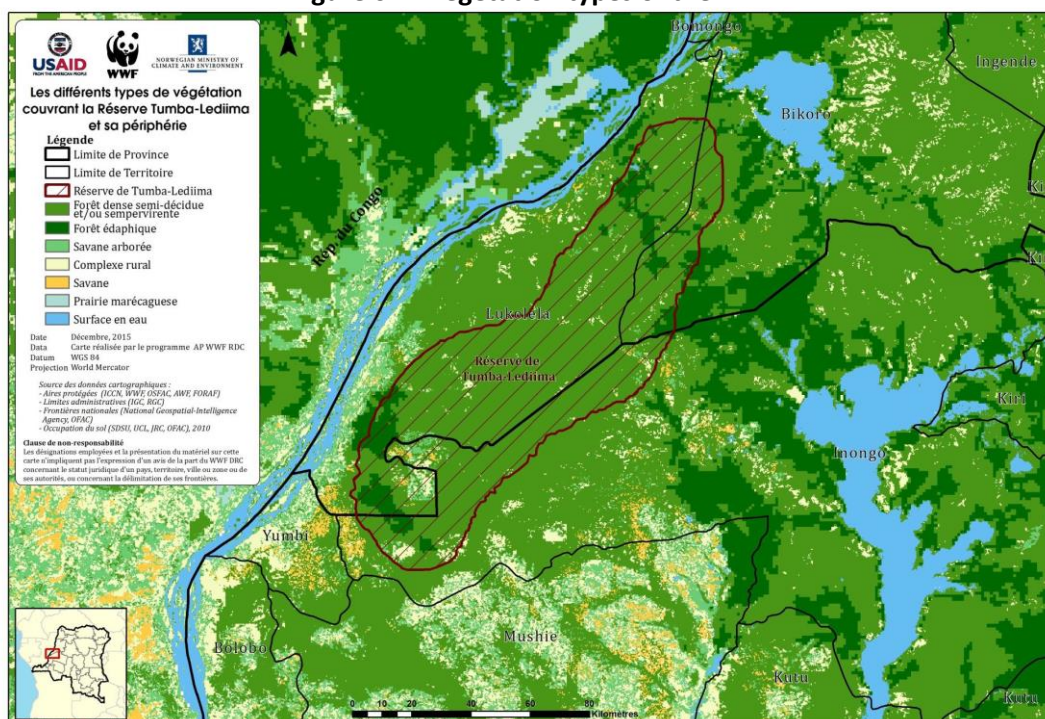

Figure 6-2. Vegetation types of the TNLR

7. **Information on the mammals of the Reserve was obtained from a literature review and limited inventories in the field** carried out by the PARAP team. The Reserve hosts all of the larger mammal species typical of the forests of the Congo Basin forests. In particular, there is a healthy population of bonobos (*Pan paniscus*), endemic to the DRC and a IUCN Red-listed species (population estimated to be between 2000 and 3500). Other notable species observed in the Reserve include buffalo, bongo, sitatunga, hippopotamus, forest elephant (two small disjunct populations), many antelope species, three pangolin species, 13 species of primates, lions (no recent records after 2010), leopards, and three species of otters.

8. **The PARAP study inventoried 291 species of birds, a rich diversity** resulting from the high number of species characteristic of extensive Congolese forests as well as the presence of a rich range of habitats and microhabitats. Of note were 27 species of diurnal and nocturnal raptors and 9 species of kingfishers. Low numbers of the large hornbill species and other large species, suggests intense hunting pressure.