Cover Page for Project/Program Approval Request			
1. **Country/Region**:	Africa: DRC	2. **CIF Project ID#**:	(Trustee will assign ID)
3. **Source of Funding:**	■ FIP	☐ PPCR	☐ SREP
4. **Project/Program Title:**			
5. **Type of CIF Investment:**	■ Public	☐ Private	☐ Mixed
6. **Funding Request in million USD equivalent:**	*Grant: 21,5 million USD*	*Non-Grant:*	
7. **Implementing MDB(s):**	African Development Bank (AfDB)		
8. **National Implementing Agency:**	Direction du Développement Durable (DDD)		
9. **MDB Focal Point and Project/Program Task Team Leader (TTL)**:	Headquarters- Focal Point: Mafalda DUARTE	TTL: *Modibo TRAORE*	
10. **Project/Program Description** (including objectives and expected outcomes)**:**			

Project goal and strategic approach

The project goal is to contribute to the reduction of Green House Gases (GHG) emissions from deforestation and forest degradation while helping to reduce poverty among the populations of the Mbuji-Mayi (East Kasaï), Kananga (West Kasaï) and Kisangani (Orientale Province) basins. The project will pilot an integrated approach to REDD+ in a degraded savannah area (Mbuji-Mayi/Kananga) and a closed forest area (Kisangani), implementing a whole range of integrated REDD+ activities including the ones focused on land tenure security, land use planning, sustainable agriculture, forestry, and energy. The direct beneficiaries are estimated at 50,000 households, i.e. 400,000 people[1] while indirect beneficiaries are estimated at 1,500,000 inhabitants in the three provinces.

Deforestation and forest degradation drivers, barriers to change

Agriculture and wood energy are the main drivers of deforestation and forest degradation in DRC. Deforestation by slash-and-burn agriculture is caused by 1) demographic pressures; 2) low yield due to low use of agricultural inputs and effective agricultural techniques, ii) land degradation due to the reduction of fallow time and low investment in soil management; and 3) low income from agricultural activities due to the lack of infrastructure and equipment for transport, storage, and transformation. The barriers to change include lack of security on land tenure, lack of technical capacities, (physical and financial) difficulties to access agricultural inputs, lack of investment capacities. Forest degradation associated with the need for wood-energy is mostly due to the lack of sustainable wood energy supply and of energy alternatives, the low level of energy efficiency of the carbonization and final consumption, and the high level of informality of the value chain. The barriers to change also include the lack of technical and financial capacities and of awareness to develop and adopt more energy efficient techniques and tools (eg. improved stoves) and alternative sources of energy. It has also to do with the lack of economic incentives to do so.

[1] Monograph of the different provinces (Kasaï and Orientale Province).

Project activities and outcomes

To address these deforestation and forest degradation drivers, FIP financing is required to bring local forest resource governance, technical and investment capacities that the local population and the state are currently lacking, thus piloting the REDD+ investment phase in DRC.

The first component of the project aims at supporting Sustainable Forest Management with an important focus on wood energy. The project will seek to improve the sustainability of the wood energy sector by providing economic incentives, capacity-building and awareness-raising activities, identifying land available for forest plantations and fostering access to financial services for the adoption of improved stoves. The project will support the establishment of 11500 has of plantation, the enrichment of 4000 ha of forests with high value timber species, the conservation of 8500 hectares of forest buffer zones and of 2905 has of protected area, the adoption of 30 000 improved stoves, and the training of 2600 trainers in improved carbonization techniques.

The second component of the project aims at supporting Sustainable Agriculture, Land Tenure Security and land use planning. The project will seek to improve yields of subsistence farming by building capacities in agricultural and soil management techniques as well as in agroforestry, facilitating access to agricultural inputs and securing land tenure. The project will support the development and adoption of 9 land use plans, the promotion of 5500 ha of agroforestry, agricultural intensification on 2250 ha, soil conservation measures on 1500 ha, the development of Income Generating Activities (IGA) for 20000 beneficiaries (50% of which will be women), and the construction of 9 watering points.

The third component of the project is dedicated to project management.

Implementation modalities

The project will be implemented on the basis of a Payment for Environmental Services logic. The project will start by supporting the elaboration of land use plans ("micro-zoning") in the 9 sites of interventions, including a development plan supporting the compliance with the land use plan. The project will then develop a contractual agreement by which the community through a local organization (CLD or CARG) commits itself to comply with the land use plan provided that the project supports some of its development plan activities. The project activities will then be implemented in the form of in-kind PES based on the communities' compliance with the agreed land-upon land use plans. Results-based cash payments may be used for tree planting activities instead of traditional work remuneration. This PES mechanism will follow a double logic of supporting (i) investments (capacity-building, forest rehabilitation, start-up equipment for Income-Generating Activities, etc.); and (ii) compliance with the zoning through recurrent supports such as the provision of agricultural inputs. The latter should be sustained after the project's completion, through the channeling of carbon revenues by a national REDD+ benefit sharing mechanism under the form of PES that the project would have helped piloting in its areas of intervention. These carbon revenues will be generated at the national level through the sales of REDD+ carbon credits.

11. **Consistency with Investment Criteria[2]:**

[2] Please provide the information in the cover page or indicate page numbers in the accompanying project/program document where such information can be found.

a) Climate change mitigation potential.

The project will generate an estimated 4 080 446 tonnes of CO2e over 25 years, as a result of three main types of activities:

- Enhancement of carbon stocks (plantations, enrichment, agroforestry) : 3 042 433 tons of CO2e
- Avoided Deforestation (sustainable forest management, sustainable agriculture and soil conservation) **:** 795 387 tons of CO2e
- Avoided Degradation (biomass energy activities) : 242 626 tons of CO2e

These figures include a 30% discount applied to the calculations in order to:

- Be conservative in our assumptions,
- Factor in risks of leakage and non-permanence,
- Take into account the difficulty of evaluating the output of certain activities (e.g. improved stoves) in terms of carbon accounting

Details of the calculations are available in the Technical annex C2.

b) Demonstration potential at scale.

By piloting an integrated approach to REDD+ in both a degraded savannah area (Mbuji-Mayi/Kananga) and a closed forest area (Kisangani), this project tackles the main drivers of deforestation and forest degradation in the two main types of ecosystems, carrying out full-scale testing of approaches that could contribute to the implementation of the REDD+ National Strategy. It has therefore a considerable potential for scaling-up and replication.

c) Cost-effectiveness.

Based on the GHG reduction calculations and the FIP financing of US$ 21.5 million, the implied direct GHG reductions per FIP financing will be up to 5.27 US$ per tCO2e, which is cost-effective. In addition, the project's internal rate of return estimated to be 21.3% without considering carbon revenues is an indication of the viability of the alternative livelihood activities promoted.

d) Implementation potential.

The project implementation arrangements will ensure national ownership, stakeholder engagement, sound financial management and implementation feasibility. The project's executing agency is the Directorate for Sustainable Development (DDD) under the Ministry of Environment, Nature Conservation and Tourism (MECNT) through the FIP coordination Unit, a dedicated team that already exists and has financial management capacity that the project will reinforce. The DDD is regularly audited for the projects it implements. Its capacities will also be strengthened in terms of monitoring & evaluation at the beginning of the project. The project coordination team will comprise a coordinator to be designated by MECNT, an accountant, a procurement officer, and a monitoring/evaluation expert to be recruited through competition. They will manage the overall project implementation and handle major procurement issues such as those pertaining to the recruitment and contracting of Local Executing Agencies, monitoring and evaluation, preparation of annual work programmes and budgets, reporting on progress. The day-to-day supervision of project activities at the provincial level will be carried out by provincial coordination units. They will monitor implementation of project activities by the LEAs on the sites, provide guidance, technical advice and advocacy, and handle minor procurement activities. Each of the 3 units will be a lean structure composed of 3 experts: a provincial coordinator, an agricultural economist and an environmentalist/forester who will engage other government services in their daily activities.

The weak institutional capacity at provincial level is a constraint that similar projects in DRC are facing and which explains the heavy reliance, for the time being, on Local Executing Agencies. They will be recruited competitively to actually lead the implementation of the project activities on the ground with the participation and support of local NGOs and/or communities. LEAs are often international NGOs with good financial management capacities. The sustainability and change strategy is to gradually involve provincial technical services and user groups in the implementation of activities so that by the 4th year of project's duration they are in a position to take over from the LEAs.

The governance of the project relies on i) the REDD+ national steering committee that will define and decide on the strategic orientation of the project, approve and supervise the project's annual work plans and budgets; ii) the Provincial Steering Committees - composed of representatives of the local Administration, decentralized services of the ministries involved in the project, the REDD + Focal Point, the private sector and the civil society - will have the responsibility to decide on operational issues, providing guidance to the provincial coordinations for effective project implementation.

The implementation arrangement is detailed in section IV of the project appraisal report and Technical Annex B3.

e) Integrating sustainable development (co-benefits).

The project will provide a range of significant co-benefits, including :

- Poverty reduction through the promotion of alternative livelihood activities, including income generating activities.
- Food security through the support to sustainable agriculture and land tenure securization.
- Adaptation to climate change, especially on the savannah areas, through the rehabilitation of degraded forests and soil conservation.
- Biodiversity conservation.

f) Safeguards

The PIREDD/MBKIS is classified under Environmental Category 2 according to the Bank's environmental procedures (ESAP, 2001). In accordance with the Bank's guidelines and policies and DRC's regulatory, legal and institutional framework, an Environmental and Social Management Plan (ESMP) has been prepared during project preparation. The ESMP has outlined various measures and activities aimed at mitigating potential negative impacts, and optimizing positive impacts and effects. The ESMP contains actions to build the capacity of decentralised government structures with a view to providing them with the necessary skills to carry out environmental surveillance of project activities. The project will not result in any involuntary population re-settlement.

An important focus will be on ensuring inclusiveness (i.e. the participation of the poorest, women and youth) in the project's activities. An assessment of the specific needs of the most vulnerable people in the project intervention area will be conducted before project implementation starts. Links will certainly be sought with the national DGM. A budgetary provision of US$ 400.000 has been set aside by the project to support any investment efforts in their favor.

12. **Stakeholder engagement[3]:**

The project relies on a participatory approach for its design and implementation (see 2.7 of the project's appraisal report). Its design has been based on extensive consultations of all stakeholders, which led to the identification and geographical localization of priority actions in relation to the population's needs and the REDD+ objectives. The project implementation will ensure communities' involvement through its approach of contracting with local organizations. National and provincial steering committees will ensure that representatives of all relevant stakeholders (public administration, civil society, private sector, user groups) are engaged in the governance of the project.

13. **Gender considerations[4]:**

[3] Ibid.
[4] Ibid.

The project will encourage women to get involved and assume responsibilities in decision-making bodies. Equal participation of both men and women will be ensured by the project in order to allow them to benefit from the jobs and income generation activities created by the project. Specific activities related to the processing of Non-Timber Forest Products and agricultural products will be developed to reduce gender disparities.

14. **Indicators and Targets (consistent with results framework):**	
Core Indicator	**Target**
(a) Tons of CO2e likely to be reduced by the project	4,1 MtCO2e
(b) Reduced poverty through improved quality of life of forest dependent indigenous peoples and forest communities	81.4% (percentage of populations living on less than US$ 1.25 a day from a 87.7% baseline)

15. **Co-Financing:**		
	Amount (in USD million):	*Type of contribution:*
• Government	0	
• MDB	0	
• Private Sector (please specify)	0	
• Bilateral (please specify)	0	
• Others : Project beneficiaries	0,6 million USD	In the form of operating costs of food processing units, and contribution to procuring improved seeds and labor.
Co-Financing Total:	0,6 million USD	

16. Expected Board/MDB Management[5] approval date: 11th September, 2013

[5] In some cases activities will not require MDB Board approval.