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The World Bank

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Report No: PAD2613

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED LOAN

IN THE AMOUNT OF US$9.44 MILLION

AND A PROPOSED GRANT
IN THE AMOUNT OF US$5.56 MILLION

TO THE

REPUBLIC OF COTE D'IVOIRE

FOR A

FOREST INVESTMENT PROJECT
{RVP/CD CLEARANCE DATE, same date as on MOP}

Environment & Natural Resources Global Practice
Africa Region

CURRENCY EQUIVALENTS

(Exchange Rate Effective {Jul 07, 2017})

Currency Unit	=	FCFA
500	=	US$1
US$	=	SDR 1

FISCAL YEAR
January 1 - December 31

Regional Vice President:	Makhtar Diop
Country Director:	Pierre Frank Laporte
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Task Team Leader(s):	Salimata D. Follea

ABBREVIATIONS AND ACRONYMS

ADB	African Development Bank
AFD	French Development Bank / Agence Française de Développement
AVIGREF	*Associations Villageoises de Gestion des Réserves de Faune*
AWPB	Annual work plan and budget
BCEAO	Banque Centrale des Etats d'Afrique de l'Ouest
BNETD	National Bureau for Technical and Development Studies / *Bureau National d'Etudes Techniques et de Développement*
CLCG	Local Co-management Committee / *Comités Locaux de Co-Gestion*
CNRA	National Agricultural Research Center / *Centre National de Recherche Agronomique*
CN-REDD+	National Steering Committee - National REDD+ / Commission Nationale REDD+
CPF	Country Partnership Framework
CSO	Civil Society Organization
CSRS	Swiss Center for Scientific Research / *Centre Suisse de Recherches Scientifiques*
DGM	Dedicated Grant Mechanism for Indigenous Peoples and Local Communities
EFI	European Forest Institute
ERP	Emission Reductions Program
ESMF	Environmental and Social Management Framework
EU	European Union
FAO	Food and Agriculture Organisation
FCPF	Forest Carbon Partnership Facility
FIP	Forest Investment Program
FLEGT	Forest Law Enforcement, Governance and Trade
FLEGT-VPA	Forest Law Enforcement, Governance and Trade Voluntary Partnership Agreement
FPRCI	Foundation for Parks and Reserves of Côte d'Ivoire
FREL/FRL	Forest Reference Emissions Level / Forest Reference Level
GDP	Gross Domestic Product
GF	Gazetted Forest
GHG	Greenhouse Gas
GHGI	Greenhouse Gas Inventory
GIS	Geographic Information System
GoCI	Government of Côte d'Ivoire
HDI	Human Development Index
ICRAF	International Center for Research in Agroforestry
IEC	Information, Education and Communication
IGAs	Income-Generating Activities
IMF	International Monetary Fund
INS	Institut National de Statistique
IP	Investment Plan
IPMU	Integrated Project Management Unit
IRD	Research Institute for Development / *Institut de recherche pour le développement*
ITC-REDD+	REDD+ Interministerial Technical Committee
LCCS	Land Cover Classification System
LMS	Land Monitoring System
LTA	Lead Technical Adviser
MEF	Ministère de l'Economie et des Finances
MIM	Ministry of Industry and Mines

MINADER	Ministry of Agriculture and Rural Development
MINEDD	Ministry of Environment and Sustainable Development
MINEF	Ministry of Water and Forestry Resources
MRV	Measurement, Reporting and Verification
MTR	Mid Term Review
NC-REDD+	National REDD+ Commission
NDP	National Development Plan
NFI	National Forest Inventory
NFMS	National Forest Monitoring System
NGO	Non-Governmental Organization
NRM	Natural Ressources Management
OIPR	Ivoirien Office of Parks and Reserves / *Office Ivoirienne des Parcs et Réserves*
OIREN	Ivorian Observatory for Natural Resources Management / *Observatoire Ivorien pour la Gestion des Ressources Naturelles* -
PF	Process Framework
PFMPs	Participatory Forest Management Plans
PPP	Public-Private Partnership
PROGEP-CI	Projet de Gestion des Pesticides Obsolète
RACE-CI	African Network for Environmental Communication in Côte d'Ivoire / *Réseau Africain de la Communication Environnementale en Côte d'Ivoire*
RCI	Republic of Côte d'Ivoire
RD	Rural Domain
REDD+	Reducing emissions from deforestation and forest degradation in developing countries, conservation and sustainable management of forests, and the enhancement of forest carbon stocks
REMECC-CI	Media Network and Climate Change in Côte d'Ivoire / *Réseau Média et Changement Climatique en Côte d'Ivoire*
RPF	Resettlement Policy Framework
R-PP	Readiness Preparation Proposal
SCF	Strategic Climate Fund
SEP-REDD+	REDD+ Permanent Executive Secretariat
SESA	Strategic Environmental and Social Assessment
SIS	Safeguard Information System
SMART	Spatial Monitoring and Reporting Tool
SMART	Spatial Monitoring and Reporting Tool
SODEFOR	National Forest Development Agency / *Société de développement des forêts*
SORT	Systematic Operations Risk-Rating Tool
TEEB	The Economics of Ecosystems and Biodiversity
TNP	Taï National Park
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
UN-REDD	United Nations REDD+ Program
VPA	Voluntary Partnership Agreement
WB	Worldbank

BASIC INFORMATION

Is this a regionally tagged project?	Country(ies)	Financing Instrument
No		Investment Project Financing

[✓] Situations of Urgent Need of Assistance or Capacity Constraints

[ ] Financial Intermediaries

[ ] Series of Projects

Approval Date	Closing Date	Environmental Assessment Category
25-Jan-2018		B - Partial Assessment

Bank/IFC Collaboration
No

Proposed Development Objective(s)

The Development Objective is to conserve and increase the forest stock and enhance livelihoods of forest-dependent communities in the project target zones.

Components

Component Name	Cost (US$, millions)
Forest Cover Restoration in the Gazetted Forests and Adjacent Lands	11,940,000.00
Support to Sustainable Management of the Tai National Park	2,000,000.00
Project Management and Monitoring and Evaluation	1,060,000.00

Organizations

Borrower : Republic of Cote d'Ivoire

Implementing Agency : Ministry of Environnement and Sustainable Development

PROJECT FINANCING DATA (US$, Millions)

[ ] Counterpart Funding	[✓] Trust Funds	[ ] Parallel Financing

Total Project Cost:	Total Financing:	Financing Gap:
15.00	15.00	0.00
	Of Which Bank Financing (IBRD/IDA):	
	0.00	

Financing (in US$, millions)

Financing Source	Amount
Climate Investment Funds	15.00
Total	**15.00**

Expected Disbursements (in US$, millions)

INSTITUTIONAL DATA

Practice Area (Lead)

Environment & Natural Resources

Contributing Practice Areas

Climate Change and Disaster Screening

This operation has been screened for short and long-term climate change and disaster risks

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

Yes

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

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Rating
1. Political and Governance	Moderate
2. Macroeconomic	Moderate
3. Sector Strategies and Policies	Moderate
4. Technical Design of Project or Program	Moderate
5. Institutional Capacity for Implementation and Sustainability	Moderate
6. Fiduciary	Substantial
7. Environment and Social	
8. Stakeholders	Substantial
9. Other	Moderate
10. Overall	Substantial

COMPLIANCE

Policy

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

[ ] Yes [ ] No

Does the project require any waivers of Bank policies?

[ ] Yes [ ] No

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment OP/BP 4.01	✓	
Natural Habitats OP/BP 4.04	✓	
Forests OP/BP 4.36	✓	
Pest Management OP 4.09	✓	
Physical Cultural Resources OP/BP 4.11	✓	
Indigenous Peoples OP/BP 4.10		✓
Involuntary Resettlement OP/BP 4.12	✓	
Safety of Dams OP/BP 4.37		✓
Projects on International Waterways OP/BP 7.50		✓
Projects in Disputed Areas OP/BP 7.60		✓

Legal Covenants

Conditions

PROJECT TEAM

Bank Staff

Name	Role	Specialization	Unit
Salimata D. Follea	Team Leader(ADM Responsible)	NRM	GEN07
Maurice Adoni	Procurement Specialist(ADM Responsible)	Procurement	GGO07
Jean Charles Amon Kra	Financial Management Specialist	Financial Management Specialist	GGO26
Abdoul Wahabi Seini	Social Safeguards Specialist	Social safeguard	GSU01
Abdoulaye Gadiere	Environmental Safeguards Specialist	Environmental safeguard	GEN07
Aissatou Seck	Counsel	Legal Counsel	LEGAM
Anders Jensen	Team Member	M&E	GENOS
Andre Rodrigues de Aquino	Team Member	NRM	GEN01

Issa Thiam	Team Member	Disbursement	WFALA
Julie Nyamien Messoum Kouame	Team Member	Operational and admin support	AFCF2
Laurent Valiergue	Team Member	Forestry	GEN07
Marie Bernadette Darang	Team Member	Operational and admin support	GEN07
Meerim Shakirova	Team Member	Operations	GENGE

Extended Team

Name	Title	Organization	Location
Ellen J. Tynan	Consultant, NRM		United States

COTE D'IVOIRE

FOREST INVESTMENT PROGRAM

TABLE OF CONTENTS

I. STRATEGIC CONTEXT

A. Country Context

1. Côte d'Ivoire is located in West Africa and has a total surface area of 322,463 km². It is bordered by Liberia and Guinea to the west, Mali and Burkina Faso to the north, and Ghana to the east. To the south, the country's long coastline of 550 km runs along the Gulf of Guinea. Côte d'Ivoire is divided into two main geographic regions: a forest zone in the south (48.2% of the surface area), and a savanna zone in the north (51.8% of the surface area).

2. The country's population, which was estimated at 6.7 million in 1975, increased to 23.8 million in 2017. This rapid growth results from a combination of high natural population growth and significant immigration from neighboring countries (with non-native born Ivorians making up 24% of the population). The country's population is young, with 75% under the age of 35. About half of the population lives in urban areas (50.3%), and urbanization is increasing, going from 32% of the population living in urban areas in 1975 to 42.5% in 1998. This demographic dynamic has put increasing pressure on the country's natural resources, especially in the forest zone, where the vast majority of the population lives (75.5% versus 24.5% in the savanna zone).

3. The long political-military crisis (2002-2011) had a significant economic and social impact on the country. The poverty rate was estimated at 46% in 2015 (INS, 2015), and the country ranked 170nd (out of 188) on the 2015 Human Development Index (HDI) of the United Nations Environment Program (UNEP). Since 2012, Côte d'Ivoire has shown new economic momentum, with a GDP growth rate estimated at 8.8% in 2016.

4. The agricultural sector is the main driver for economic growth employing more than two thirds of the active population, and producing approximately 28% of its GDP and over 50% of its export earnings. Côte d'Ivoire is the world's largest producer and exporter of cocoa and the sector accounts for about a third of total exports.

B. Sectoral and Institutional Context

5. Côte d'Ivoire, located in the inter-tropical zone of West Africa, is divided into three main ecological zones: (i) in the north, the Sudanese sector, characterized by alternating wooded and grassy savannas, clear forests and lateritic plateaus; (ii) in the center, the mesophilic sector, a transition zone consisting of a mosaic of savannas, clear forests and semi-deciduous dense forests; and (iii) in the south, the ombrophile area, characterized by dense rainforest. Added to these three main zones, are the swamp forests, the montane forests to the west and the mangroves along the coast.

6. The country's forest areas are administered by three different entities based on the following statuses: (a) the Permanent Forest Estate of the State/*Domaine Forestier Permanent de l'Etat* which covers 6,267,730 ha (19% of the total country area) and includes: (i) 233 "*Forêts Classées*" (Gazetted Forests (GFs), 4.196 million ha), managed by the National Forest

Development Agency (SODEFOR[1]) and; (ii) eight National Parks (including Taï, the largest reservoir of biodiversity in West Africa) and six natural reserves totaling 2,071,730 ha, managed by OIPR[2;] and; (b) the Rural Forest Domain of the State/*Domaine Forestier Rural de l'Etat,* managed by the Ministry of Water and Forests (MINEF) which constitutes a reserve of lands where priority is given to agriculture and which may be granted for forest exploitation.

7. The forest cover, estimated at 37% of the country's territory in 1960, decreased to less than 14% in 2010 (AFD[3], 2013). The average deforestation rate increased from 1.5%/year between 1900 and 1980 to around 4.3%/year between 1990 and 2015 (BNETD 2016), becoming the highest in the World at the time. Between 2000 and 2008, during the political crisis, the deforestation rate reached 25% in the Gazetted Forest reserves (SOFRECO 2009). According to SODEFOR (2014), the encroachment rate in Gazetted Forests increased from 18% of the total area in 1996 to around 50% in 2014.

8. The main direct causes of deforestation and forest degradation are: (i) the massive expansion of extensive slash-and-burn agriculture; (ii) the uncontrolled harvesting of forests, in particular for firewood (currently estimated at 20 million m3 per year, a figure that continues to grow fueled by the lack of protection for GFs and to a lesser extent protected areas, and significant shortcomings in the management of forest resources); (iii) bushfires (accidental or intentional, often for agriculture or hunting); and (iv) mining, notably illegal small-scale gold mining.

9. The main indirect causes, which have a broader yet highly significant impact on forestry resources, are: (i) the growing demographic pressure which is increasing urbanization in the forested part of the country, where 75.5% of the country's population currently lives; and (ii) the generalized poverty of rural households, which leads to overexploitation of available natural resources in order to compensate both the lack of productivity of smallholder farming and the lack of opportunities of non-agricultural rural revenues.

10. To reverse the trend of deforestation and forest degradation, since 2011 Côte d'Ivoire has engaged in the REDD+ process, with support from the World Bank and other partners such as UN-REDD, AFD and FAO. This led to an initial grant for the country in 2014 of US$3.8 million and an additional financing in 2017 of US$5.0 million from the Forest Carbon Partnership Facility (FCPF)-Readiness Fund managed by the World Bank and US$3.2 million from the UN-REDD. The Readiness Fund and the UN-REDD fund are designed to assist forest countries to: (i) prepare a national REDD+ strategy and policy framework, (ii) establish a reference baseline of emissions from deforestation and forest degradation, and (iii) set up a national monitoring, reporting and verification (MRV) system for emissions reduction. The Readiness Fund recognizes that emission reductions require basic reforms and investments in the forest sector and other influencing sectors, and helps countries prepare to access longer-term financing sources, including results-based financing. In this context, the country was accepted in October 2015 in the pipeline of the FCPF-Carbon Fund and is preparing an Emission Reduction Program in the Agriculture sector in the South West around the Taï National Park for performance-based payments of future emissions reductions by the FCPF-Carbon Fund.

[1] Société de Développement des Forêts
[2] Office Ivoirien des Parcs et Réserves/Ivorian Agency for National Parks and Reserves
[3] Agence Française de Développement

11. In parallel to the FCPF, Côte d'Ivoire successfully applied for the Forest Investment Program (FIP), a targeted program under the Strategic Climate Fund (SCF) to catalyze policies and measures and mobilize significantly increased funds in order to facilitate the reduction of deforestation and forest degradation and to promote sustainable management of forests, leading to emissions reduction and the protection of carbon stocks. The FIP provides developing countries with up-front bridge financing for readiness reforms and public and private investments in order to support their REDD+ efforts while helping them to adapt to the impacts of climate change and to contribute to biodiversity conservation and achieving other development goals. The FIP also supports community engagement in forest and REDD+-related consultations, decision-making and implementation through a Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM).

12. The FIP Sub-Committee endorsed the Côte d'Ivoire Forest Investment Plan (IP) in a total amount of US$80 million at its meeting in June 2016. The Côte d'Ivoire IP is designed to combine different interventions in short and medium terms. Its programmatic nature is based on two key focuses: (i) a medium and long-term national vision aimed to balance the economic interests of a range of stakeholders with the goal of emissions reduction and sustainable conservation and management of the country's forests; and (ii) a focus on the sectors which have become the main drivers of deforestation in the country. The Côte d'Ivoire IP comprises a 5-year first phase financed by the FIP trust fund in the amount of US$24 million and a second 5-year phase of US$56 million to be raised by the Government to consolidate, sustain and expand the first phase interventions. It also comprises an additional US$4.5 M for the DGM.

13. This project contributes to the first phase of the FIP. The World Bank and the African Development Bank (ADB) are the two executing agencies supporting the Government of Côte d'Ivoire (GoCI) prepare and implement forest investment projects derived from the IP. The World Bank was selected by the GoCI to be in the lead role. The two institutions have agreed on the following arrangements: (i) ADB will focus on interventions in the Rural Domain (RD); and (ii) the World Bank will focus on the GFs as well the Taï National Park. The WB project budget is US$15 million comprising a US$9.44 million concessional loan and a US$5.56 million grant; and the ADB project amounts to US$9 million consisting of a US$6.36 million concessional loan and a US$2.64 million grant. The WB is also the implementing agency responsible for the DGM project, which is a US$4.5 million grant to be prepared in parallel with the FIP.

C. Higher Level Objectives to which the project contributes

14. The proposed WB Forest Investment Project will contribute to achieving the goals of the World Bank Group's Country Partnership Framework (CPF) 2016–2019 (Report No. 96515-CI) discussed by the Board of Executive Directors on August 17, 2015. The CPF focuses on two cross-cutting areas, governance and spatial inequalities, with three major focus areas: (i) sustaining strong private sector-led growth; (ii) building human capital for inclusive growth, social cohesion and youth employment; and (iii) strengthening public financial management and accountability. While its primary focus is on forest restoration and conservation, the nature of the project's activities and beneficiaries lends significant direct and indirect contributions to the following objectives of the CPF first two focus areas: (i) Objective 1: Improve productivity in agriculture/agribusiness value chains through support to agriculture intensification and enhanced

collaboration with the cocoa industry to implement their engagement in the Government zero-deforestation agriculture objective by 2020; and (ii) Objective 4: Formalize and enhance access to land for business and agriculture, through land tenure security and private-public partnership for sustainable management of Gazetted Forests.

15. **The World Bank's Prosperity and Poverty Reduction Goal**: The project aligns with the World Bank's twin goals of shared prosperity and extreme poverty reduction. According to the IMF, in 2016, Côte d'Ivoire was the fastest growing economy in Africa and its GDP in the same year placed it in the top quarter of African countries[4]. However, despite the relative strength of these higher-level economic indicators, poverty rates in Côte d'Ivoire are high: approximately 30% (WB 2008) by international standards and well over 40% by national standards (WB 2015). While the trend data is unfortunately out of date, based on the World Bank international poverty threshold of US$1.90 per day, estimates of the share of the population living in poverty had risen from 23% to 29% between 2002 and 2008 (WB 2008). These poverty levels reflect overall national trends, but levels of poverty in rural areas are even higher than in urban areas. While this is particularly true of the northern drier regions, the volatility in cocoa and coffee prices is impacting rural poverty rates of the forested zones in the southwest as well and given the current drop in global cocoa prices, these impacts are expected to worsen. According to the UNDP Human Development Report of 2016, "Côte d'Ivoire's Human Development Index value for 2015 is 0.474 - which puts the country in the low human development category - positioning it at 170 out of 188 countries and territories."

16. This project together with the ADB FIP project activities are focused on both the southwest region (the current cocoa belt) and the central region (the former cocoa belt) of the country. Activities to be undertaken directly with local communities in both these zones to enhance livelihoods, improve agricultural practices, clarify land tenure and implement a performance-based payment system are expected to directly impact income levels and potentially poverty rates at the local level.

17. With respect to shared prosperity, through its activities the project works to enhance both self-employment and agricultural employment – two of the three employment categories the World Bank has cited as essential to narrowing the income gap in the country[5]. In addition, the project focus on both rebuilding and conserving the country's natural wealth (forests and national park) will contribute to the long term sustainable development of natural resources, therefore creating more opportunities for those living closest to those resources to benefit directly from their potential returns as well as for opportunities for employment.

[4] IMF World Economic Outlook. October 2016.
[5] "La force de l'Éléphant, pour que sa croissance génère plus d'emplois de qualité." World Bank. December 2015.

II. PROJECT DEVELOPMENT OBJECTIVES

A. PDO

18. The Project Development Objective is to conserve and increase the forest stock and enhance the livelihoods of forest-dependent communities in the project target zones.

B. Project Beneficiaries

19. The direct beneficiaries of the project are the farmers and local forest dependent communities, a population of about 345,000 people within the target GFs below and in their immediate adjacent lands.

a) Center region[6]: (i) Gazetted Forest (GF) of Ahua in the Nzi sub-region, department of Dimbokro, (ii) GF of Proungbo-Sérebi, sub-region of Moronou, department of Mbatto, (iii) network of GFs of Laka-Fetekro-Mafa-Besse-Boka, sub region of Gbèkè in the departments of Bouaké, and; (iv) network of GFs of Kouabo Boka-Soungourou-Boka Go, Iffou sub-region in the department of Bouaké and M'bahiakro;

b) South-West region[7]: (i) GFs of Cavally and Goin Debe in the sub-region of Cavally, department of Taï, (ii) GF of Duekoué, sub-region of Guémon, in the department of Duekoué, (iii) GF of Rapides Grah in the sub regions of San-Pedro and Nawa, departments of Soubré, Méagui and San-Pédro, and (iv) GF of Haut-Dodo in the sub-region of San-Pédro, departments of Tabou and San-Pédro; and the Taï National Park.

20. The secondary beneficiaries are the institutions responsible for GF and National Parks management, i.e. SODEFOR and OIPR, as the project will build their capacity of managing the protected areas.

C. PDO-Level Results Indicators

21. The PDO level results indicators are the following:

a) Emissions reductions resulting from avoidance of deforestation, forest degradation and investment in afforestation/reforestation and agro-forestry in the target zones (in tons of CO2 eq.);
b) Reforested and afforested areas (by ha);
c) Communities adjacent to targeted GFs with increased monetary or non-monetary benefits (in percentage).
d) Satisfaction of beneficiaries (level of engagement, by gender and age).

[6] Surface areas in hectares of selected GF in the Center: (i) Ahua: 2,039; (ii) Proungbo-Sérébi: 10,441; (iii) network of Laka-Fetekro-Mafa-Besse-Boko: 41,000; (iv) network of Kouabo Boka-Sougourou-Boka Go: 15,842

[7] Surface areas in hectares of selected GF in the South West: (i) Cavally: 13,664; (ii) Tai: 500,000; (iii) Duékoué: 50,772; (iv) Goin Debe: 131,000; (v) Haut-Dodo: 216,490; (vi) Rapides Grah: 228,264

III. PROJECT DESCRIPTION

22. The two geographic regions of project interventions were selected for both their high rates of deforestation and their connection through the migration of cocoa producers from one region (center) to the other (southwest).

23. The Center region covers some 3.5 million ha (about 11% of the country's land area) and includes the administrative regions of Gbèkè, Bélier, Iffou, and N'Zi. The region contains 42 relatively small Gazetted Forests (GFs) with a total area of about 0.23 million ha, while the Rural Domain (RD) accounts for around 3.3 million ha of land. The Center region was once the most productive area, home to the former cocoa belt. However, due to overuse and unsustainable exploitation of resources, the area lost its attraction for both agriculture and forestry as trees gradually disappeared from the landscape and soil quality and biodiversity became degraded, and many among the region's rural population joined the heavy migration toward the southwest from the 1970s on. As a result, due to lower agricultural pressure, the Center region has today a major potential for regenerating its forest cover.

24. The South-West region covers an area of approximately 4 million ha (about 12.5% of the country's land area) and includes the five administrative sub-regions of San-Pedro, Gboklè, Guémon, Cavally, and Nawa. The region encompasses 17 GFs (for a total area of around 1.1 million ha) while the Rural Domain covers approximately 2.4 million ha. The last decades have seen a huge growth in populations through migration from both within the country (many from the Center, former cocoa belt) and from outside its borders for reasons both economic and political. This led to the exponential expansion of cocoa crop to the severe detriment of the GFs. Political instability in the years 2000-2010 created even greater incursions into the region and its Gazetted Forests.

25. The country has recently launched a new forest sector policy *(Déclaration de Politique Forestière 2017)* focused on a zero-deforestation agriculture and sustainable management of the country's protected areas (GFs and National Parks). The strategy encompasses in particular: (i) restoration of degradation GFs; (ii) concessions of highly degraded GFs by cocoa farming to the private sector for sustainable agroforestry (through introduction of trees and intensification on existing cocoa plantations); (iii) GF concessions for sustainable production of timber and fuelwood; (iv) agricultural intensification; and (v) creation of new protected areas or agroforestry protected areas in the rural domain.

26. The FIP is the first program to pilot the implementation of the new forest sector policy: While the ADB project supports the policy execution in the rural domain, the WB focusses on its implementation in protected areas (GFs and the Taï National Park).

A. Project Components

Component 1: Forest cover restoration in the Gazetted Forests and adjacent lands (US$11,940,000 of which 9,440,000 loan and 2,500,000 grant)

27. The objective of this component is to contribute to the implementation of a zero-deforestation agriculture in GFs and their sustainable management in an inclusive and participatory manner with forest-dependent communities and promoting incentive mechanisms that would provide alternative revenues to communities thereby reducing human pressure on protected areas.

28. The component is articulated around two subcomponents: (i) participatory development and implementation of GFs management plans and; (ii) Development and implementation of an incentive system for forest-dependent communities to enhance the livelihoods of these communities with alternative revenues, thereby reducing pressure on GFs.

29. Sub-component 1.1: Participatory development and implementation of GFs management plans (US$9,440,000 loan). Almost all of the selected GFs have no management plans and are subject to increasing pressure from individuals who continue to expand their cocoa farms within the GFs. The objective of this sub-component is to support SODEFOR with the participatory development of GF management plans through the mobilization of village associations for GF co-management. The project will first help establish inclusive local committees in project target zones for GF co-management (*Comités Locaux de Co-Gestion: CLCG*) with SODEFOR. The setting up process of the CLCG has started during project preparation and it is expected that they will be in place during the first year of project implementation and take an active part in the development of the Participatory Forest Management Plans (PFMPs). The sub-component will finance awareness-raising activities at the local level through participatory workshops and trainings to finalize the establishment of the CLCG with support from the National NGO (Ivorian Observatory for Natural Resources Management/*Observatoire Ivorien pour la Gestion des Ressources Naturelles - OIREN)* and SODEFOR. Particular attention will be paid to communication to women in the villages adjacent to the GFs so that they are fully informed of the objectives sought and take an active part in the establishment of the CLCG and hold key roles including leadership positions in the committees. The sub-component will also finance consultant services to elaborate maps of vegetation in the target GFs and to establish a detailed inventory of fauna, flora and biomass in order to inform the management plans. Results of the socio-economic diagnostic studies conducted during project preparation will also be factored in the PFMPs.

30. Through the PFMPs, the project will contribute to the restoration of 20,000 hectares of degraded forests in selected GFs through reforestation and agroforestry activities. The project will also create an enabling environment to facilitate concessions with the private sector for timber, fuelwood production and agroforestry through: (i) technical assistance to conduct an inventory of old plantations, assess these plantations, develop economic models and investment plans to harvest, renew or create productive plantations for timber and fuelwood in a sustainable manner for the local market (fuelwood) and for both local and international market (timber); (ii) technical assistance for the publication of requests for expression of interest at the national and international levels, preparation of bidding documents and technical assistance for the elaboration of the concession contracts. The project will also enhance SODEFOR's operating capacity to supervise and implement the PFMPs through provision of equipment (vehicles, motos, GPS, drones, and

provision of a monitoring and evaluation software of protected areas surveillance, i.e the ‘’Spatial Monitoring and Reporting Tool’’ (SMART) currently used by OIPR for the TNP.

31. The project will also work to establish an agreement between the CLCG and SODEFOR for the benefit sharing of incomes generated from GFs management with the CLCG, drawing from the example of Benin where 30% of protected areas management resources goes to the Village Associations for PA co-management (AVIGREF – *Associations Villageoises de Gestion des Réserves de Faune).* A mutually agreed percentage of the benefit sharing applicable in the context of Côte d’Ivoire will be agreed upon between the CLCG and SODEFOR at the onset of the project with a commitment from the Government to sustain this system as it is the case in Benin.

32. Sub-component 1.2: Development and implementation of an incentive system to reduce pressure on forest resources (US$2,500,000 grant): This component will pilot a performance-based incentive mechanism in villages adjacent to selected GFs to provide alternative revenues to local communities in order to reduce human pressure on natural resources. The project will finance performance-based agroforestry and afforestation sub-projects through: (i) provision of upfront subsidies to individuals or communities engaged in the program; (ii) scheduled payment triggered by: (a) the effective introduction of a certain number of tree seedlings in farms (for example 50 to 100 trees by ha – a price tag will be fixed by tree planted); (b) survival rate after a certain period (a year for example); and (iii) conservation of the trees on the long term. A performance-based contract will be established between the beneficiaries and the IPMU with clear provisions and actions that will trigger payment. Contracts will be signed by both men and women and not be contingent on land ownership, which can exclude women from receiving benefits from the program. Furthermore at least 10% of incentive-based subproject funds will be directed to targeted gender activities. This provision will be contained in the project implementation manual.

33. The component will also support an ongoing voluntary migration trend from the southwest to the center of center-natives that are now attracted to the center due to land availability there and also as they are increasingly faced with land tenure issues in the southwest. This is an opportunity that the project would like to seize because: if this natural movement trend is well structured and organized, it could become a heavier trend in the long run and have an indirect impact on the project through balancing land use between the two areas, thereby contributing to a reduced demographic pressure on the southwest GFs. The project will finance technical assistance to conduct surveys to identify voluntary individual return initiatives and work with the ADB project to develop reforestation or agroforestry sub-projects that they could implement in the rural domain in center. This will be done through local conventions, which will also incorporate some relocation costs as an incentive to support their smooth transition back to the center. The Prefet of Didiévi in the center has been fully involved in the preparation of the IP and both WB and ADB projects and is a champion in accommodating people coming back voluntarily to resettle. The project will support a memorandum of agreement with the Prefet, through which operating costs related to this activity (mainly travel costs and meetings between the two regions to coordinate potential movements) will be supported by the project. Local NGOs will also be contracted out to support this activity.

Component 2: Support to sustainable management of the Taï National Park (US$2,000,000 grant)

34. The Component will be implemented through two subcomponents:

35. Sub-component 2.1 Enhancing surveillance capacity for OIPR (US$1,000,000): the objective of this sub-component is to enhance OIPR surveillance capacity of the Taï National Par in order to reduce pressure on the park and maintain the park integrity. The component will finance acquisition of surveillance vehicles and remote sensing equipment including surveillance cameras and drones. The component will also finance small works to rehabilitate access roads in order to facilitate patrolling by park rangers. Surveillance missions operating costs will also be supported by the project and monitored by SMART[8].

36. Sub-component 2.2: Support to enhance park communities' livelihoods (US$1000,000). In conjunction with surveillance activities inside the TNP, OIPR is engaged in several initiatives with local communities to reduce human pressure on the park, including awareness raising campaigns, capacity building of local communities to engage in alternative activities such as vegetable gardening, agroforestry, and reforestation with fruit trees, fodder, fuelwood trees and other nutritional tree species that benefit women. These initiatives have helped reduced human pressure on the TNP to a small extent but if scaled up, it is expected that the impact will be more visible. The project will therefore support enhancement of these activities to reach a wider number of local communities in order to secure park integrity. The sub-component will also finance the rehabilitation of degraded low lands in the vicinity of the TNP due to illegal gold panning through assisted natural regeneration.

Component 3: Project management and Monitoring and Evaluation (US$1,060,000 grant)

37. This component supports the overall daily administration of the project to ensure that regular M&E is carried out and that results are fed back into decision making on project implementation. The component is implemented through the two sub-components below:

38. Subcomponent 3.1 Project management (US$810,000): the sub-component will finance the overall daily administration of both WB and ADB projects to: (i) ensure coordination among the different entities involved with project implementation in compliance with the WB fiduciary requirements and; (ii) ensure that regular M&E is carried out and that results are fed back into decision making on project implementation.

39. Subcomponent 3.2 Independent monitoring (US$250,000): in order to ensure an independent evaluation of the project's results, a civil society team will be mandated by the project to carry out independent monitoring on the implementation of several aspects of the project including traceability, monitoring and contracting between SODEFOR and farmers. The civil society report will make it possible to verify that the activities implemented have respected the commitments made and that the results presented are consistent with the reality on the ground.

8

B. Project Cost and Financing

Table 1: summary table by components

Project Components	Project cost	IBRD or IDA Financing	Trust Funds	Counterpart Funding
Component 1	11,940,000	0	11,940,000	
Component 2	2,000,000	0	2,000,000	
Component 3	1,060,000	0	1,060,000	
Total Costs	15,000,000		15,000,000	

C. Lessons Learned and Reflected in the Project Design

40. The project design benefits from a range of lessons learned from national, regional and international efforts to promote effective forest restoration, afforestation, conservation and enhanced livelihoods of communities. While the project incorporates a landscape approach in its design in recognition of lesson learned globally on the complex set of actors, activities and environments at play in a large-scale forest investment, it also incorporates lessons from well-proven forestry and agroforestry initiatives. First and foremost, the country has gleaned a significant set of lessons through its work over the past three years in implementing the REDD+ process. The studies and work undertaken through the national REDD+ and Readiness Fund have directly impacted the design of project activities and components. In particular, results from pilots and studies related to sustainable forest management, particularly with respect to zero-deforestation agriculture, have significantly informed the agroforestry initiatives that form the basis upon which key project components are based. Experiences from the FLEGT Action Plan in Cote d'Ivoire have also informed project design with regard to improved forest governance and monitoring for control of destructive practices.

41. The importance of co-management with community and stakeholder involvement for successful implementation of restoration and conservation initiatives has been shown in several countries and regions over the past decades. Over the past 15 years, for example, Benin has shown itself to be a leader in successfully building capacity in communities and NGOs for co-management and surveillance as well as commitment within their own government agencies to these principles. Project design elements for co-management, community and stakeholder participation and independent oversight by NGOs are based on lessons learned from the Benin experience through direct cooperation between the two countries' forestry departments.

42. The project design draws on significant World Bank experience on sustainable forest management, particularly with regards to engaging the private sector. Past experiences in the region, as well as in Brazil and other countries with both Bank and IFC project has provided lessons on the key role of domestic and regional markets for forest products that contributed to a better understanding of the potential for revitalizing old lumber and fuelwood plantations in the FIP. In addition, the Bank's significant experience with the ecotourism and public-private partnerships has yielded specific lessons with regards to how to support, build upon and catalyze existing

private sector initiatives to enhance sustainable forest management, regeneration, reforestation and employment generation.

43. Finally, the design of actions to support the enhanced surveillance and management of Taï National Park stem directly from the Bank's extensive experience in projects focused on protected area management, biodiversity conservation and the use of conservation trusts throughout Sub-Saharan Africa.

IV. IMPLEMENTATION

A. Institutional and Implementation Arrangements

44. An Integrated Project Management Unit (IPMU) responsible for the implementation of all environmental, forestry and NRM projects, including the FIP, under the responsibility of the Ministry of Environment and Sustainable Development was established a year ago and currently manages two World Bank financed projects: (i) the FCPF-Readiness grant managed by a REDD+ focal point who is also the Permanent Secretary of the REDD+ (SEP-REDD+); and (ii) the Obsolete Pesticides Management Project under a dedicated project manager.

45. The projects are supported by the following shared units: Financial Management, Procurement, Monitoring & Evaluation, Communication, Safeguards and technical. The IPMU is currently being strengthened with a General Coordinator (GC) responsible for overall coordination of all projects under the IPMU. The GC will be supported in his daily tasks by a seasoned International Technical Assistant to enhance technical soundness of all project outputs as well as financial oversight of projects spending.

46. The FIP will be under the IPMU and will have a dedicated focal point within the umbrella of the SEP-REDD+ supported by the same shared units. Furthermore, National entities with mandates for managing Gazetted Forests (SODEFOR), National Parks (OIPR) and the Rural Domain (MINEF) will also be involved with implementation of FIP activities through Memoranda of Understanding with the project. A monitoring group made of civil society members, such as NGOs will also provide independent oversight of project activities.

47. The National REDD+ Committee, chaired by the Prime Minister's office and composed of key Sectoral Ministries involved with the FIP (Ministries of Environment, Agriculture and Rural Development, Water and Forestry, Industry and Mining) as well as elected local representatives (regional councils and city countries) and community representatives, will be the FIP Steering Committee. The mandate of this committee includes: (i) approving policy guidelines and providing overall supervision for project implementation; (ii) approving the annual work plans and budget; (iii) approving the annual procurement plan; and (iv) reviewing the annual implementation performance report to be prepared by the IPMU, and overseeing the implementation of corrective actions, when necessary.

B. Results Monitoring and Evaluation

48. Project monitoring and evaluation will serve to: (i) monitor and report on implementation progress as agreed in budgeted annual workplans; (ii) proactively identify gaps during implementation progress and take immediate corrective actions; and (iii) assess and report on the achievement of planned outputs, outcomes and impacts as per the project results framework. Information gathered will also inform the country FIP program reporting in line with the guidelines "*Result monitoring and reporting in the FIP*" approved by the FIP Sub-Committee on October 30, 2013.

49. The M&E system will be based on the Results Matrix and will focus on tracking project results and providing gender-disaggregated data whenever possible based on baselines established during project preparation.

50. Overall monitoring and evaluation will be ensured by SEP-REDD, SODEFOR and OIPR. The FIP focal point under the SEDP-REDD within the Integrated Project Management Unit, will be responsible for data collection and upstream reporting and monitoring information and overall progress toward achieving results to the FIP Steering Committee (i.e. the National Commission for REDD+/CN-REDD) and to the World Bank on an annual basis.

51. The M&E system will rely on the REDD+ M&E system established under the FCPF-Readiness and the M&E Specialist for reporting. Furthermore, national technical staff from SODEFOR and OIPR will actively contribute to data collection. Cost of data collection and monitoring is embedded in the project management component.

52. Specific elements of the M&E system will include: (i) technical, procurement and financial management audits; (ii) analysis of intermediate project effects and the strength of the participatory GF management, agro-forestry contractual system with SODEFOR, performance-based payment sub-projects (analysis provided by an independent observer); and (iii) impact evaluation of adjacent forest communities' living conditions. The carbon impact will be monitored using proxies and will rely on the MRV system set-up under the FAO and more generally on the online system that provides information on forest cover change (supported by FAO) already in place.

53. The M&E system will feed the FIP Program's annual report which includes: (i) GHG emission reductions/enhancement of carbon stocks; (ii) livelihood co-benefits; and (iii) other relevant co-benefit themes as they apply to the country investment plan (such as biodiversity and additional environmental services, governance, tenure, rights and access, capacity development).

C. Sustainability

54. FIP activities are significant and transformational, particularly with regard to their involvement of communities. Successful implementation of the FIP activities will create a new, more collaborative and sustainable approach to forest management. In particular: (i) the focus on land tenure through the ADB FIP project in the rural domain; (ii) the strengthening of customary rights of local communities on traditional lands, and (iii) the system of contracts between SODEFOR and farmers to adopt agroforestry techniques in the GF, present the potential to create the conditions for a long-term change in community rights and control that could create models and positively impact the sustainability of resources use.

55. Furthermore, the high rate of deforestation and degradation observed in Côte d'Ivoire over the past five decades led the country to become involved in the international REDD+ process in 2011. Côte d'Ivoire's political commitment to the national REDD+ process was then embodied in Decree No. 2012-1049 of October 24, 2012, which was signed by the President following its adoption by the Council of Ministers upon the joint proposal of the Ministers in charge of the Environment, Water Resources and Forests, and Agriculture. This decree lays the foundation for the national REDD+ process and provides for the establishment of REDD+ preparation management structures. This political commitment to the national REDD+ process is also manifested in the country's endorsement of the New York Declaration on Forests which aims to eliminate deforestation caused by the production of agricultural raw materials by encouraging companies to adopt zero-deforestation policies and encouraging local administrations to manage their forest resources appropriately. This commitment to the REDD+ process provides the basis for direct government support to the implementation and goals of the FIP and ensure sustainability of project results.

D. Role of Partners

56. The World Bank and the African Development Bank are the key institutions working with the Government of Côte d'Ivoire, particularly the SEP-REDD+, on development and implementation of the FIP. The World Bank and the African Development Bank each have a clear mandate to assist the country in creating an enabling environment within which they can effectively combat climate change and as a consequence enhance livelihoods, particularly of the most vulnerable. The two institutions will also work to implement the zero-deforestation agriculture objectives of the Government as detailed in the project description and components in annex 1.

V. KEY RISKS

E. Overall Risk Rating and Explanation of Key Risks

57. The overall risk of the project is considered Substantial. Below is an explanation of the most relevant risks and mitigation measures:

58. **Political and Governance - Moderate:** The Risk of lack of political commitment to the FIP is moderate as the high rate of deforestation and degradation observed in Côte d'Ivoire over the past five decades led the country to become involved in the international REDD+ process in 2011. Côte d'Ivoire's political commitment to the national REDD+ process was then embodied in Decree No. 2012-1049 of October 24, 2012, which was signed by the President following its adoption by the Council of Ministers upon the joint proposal of the Ministers in charge of the Environment, Water Resources and Forests, and Agriculture. This decree lays the foundation for the national REDD+ process and provides for the establishment of REDD+ preparation management structures. This political commitment to the national REDD+ process is also manifested in the country's endorsement of the New York Declaration on Forests which aims to eliminate deforestation caused by the production of agricultural raw materials by encouraging companies to adopt zero-deforestation policies and encouraging local administrations to manage

their forest resources appropriately. This commitment to the REDD+ process provides the basis for direct government support to the implementation and goals of the FIP.

59. **Macroeconomic – moderate:** Côte d'Ivoire continues to be vulnerable to price shocks on the international commodity markets, including cocoa and other agricultural products, as evidenced by the recent drop in international cocoa prices. Given that the agricultural sector is the main driver for economic growth in the country employing more than two thirds of the active population, and producing approximately 28% of its GDP and over 50% of its export earnings, this situation could have an impact on the country's fiscal situation and public spending. The World Bank will continue working closely with the Government to diversify its economy, adjust spending and investment levels.

60. **Sectoral Strategy & Policies – Moderate**: There are risks of: (i) lack of funding of the sector due to other Government priorities; and (ii) weak inter sectoral coordination. In line with its commitment to the REDD+, the Government has earmarked funding in its National Investment Budget to support the FIP activities and this will be reflected in the FIP financing agreements during project preparation. The funding is a parallel financing and will mostly cover top-off civil salaries for civil servants involved with project implementation. ensure smooth inter sectoral coordination, the National REDD+ Committee which is chaired by the Prime Minister's office will also play the role of the FIP Steering Committee.

61. **Technical design of project – Substantial**: The design of the project might appear too ambitious given the range of interventions proposed (forest development plans, development of incentive schemes for agroforestry and plantations, support to concessions development and park management) considering the small amount of resources available. The project annual procurement plans will be developed in such a way that activities can be regrouped in limited lots to facilitate acquisition of goods and services and to facilitate smooth and timely implementation. Furthermore, SODEFOR and OIPR have extensive experience in developing management plans and establishment of plantations and concessions with the private sector, as this is part of their mandate. Local NGOs will also be contracted out to enlist communities' participation in the development of the participatory forests management plans.

62. **Institutional Capacity for Implementation and Sustainability – Substantial:** The regulatory and institutional landscape in Côte d'Ivoire presents numerous advantages for successful FIP implementation. The Government has passed several regulatory reforms in order to create a framework favorable to the sustainable management of forests, including the new forest sector policy. Nevertheless, several obstacles remain, including the issue of land tenure security which is key to ensuring sustainability of project activities. The ADB project includes a sub-component to address land tenure issues and will also support the implementation of the New Forestry Code of 2014 which includes a provision on rural land tenure. Furthermore, the Institutional Capacity to implement agroforestry might be low. To mitigate this risk, the project will seek expertise from the International for Research in Agro-Forestry (ICRAF) to provide technical assistance to SODEFOR. A south-south exchange with Brazil will also be established so the Ivorian cocoa farmers can learn from the successful agroforestry systems there (i.e. introduction of trees in cocoa farms) and replicate them in their farms.

63. **Fiduciary – Substantial:** Fiduciary risks are substantial given the results of a recent in-depth financial management review of the Permanent Executive Secretariat of the REDD+ (SEP-REDD+) that revealed some financial irregularities in the management of the FCPF-Readiness Grant. These risks will be mitigated through closer FM supervision missions by the Bank FMS based in the country office and also with financial oversight of the International Technical Assistant being recruited. Furthermore, all procurement for goods and services will be submitted to the Bank for prior review.

64. **Environmental and Social – Moderate:** In the context of a post-conflict environment, there are potential environmental and social risks to successful implementation of the FIP activities: large numbers of migrants (allochtones) and immigrants (allogènes) from neighboring countries moved into the gazetted forests especially during the decade-long conflict when enforcement of regulatory controls was essentially non-existent. These communities are now entrenched in the forest zone and often utilizing forest resources, typically unsustainably, for their livelihoods.

65. Implementation of the FIP activities will create a new, more collaborative and sustainable approach to forest management. In particular: (i) the focus on land tenure; (ii) the strengthening of customary rights of local communities on traditional lands, and (iii) the system of contracts between SODEFOR and farmers to adopt agroforestry techniques in the GF, present the potential to create the conditions for a long-term change in community rights and control that could create models and positively impact the sustainability of resources use. Furthermore, during FIP project preparation, adequate safeguards instruments will be elaborated to mitigate potential negative impacts.

66. **Stakeholders – Substantial:** There is substantial risk associated with the contractual system by which SODEFOR will allow existing farmers in the GF (mostly immigrants (allogènes) from neighboring countries and from other regions of Côte d'Ivoire (allochtones) to remain in the GF, subject to undertaking agroforestry in their farms. As the illegal occupation of the GF is already a source of frustration between the autochones (native-ivorians and originally from the concerned GF-adjacent villages) and the allogènes and allochtones, its recognition through contracting risks: (i) aggravating tensions and exacerbating conflicts between and among these communities; and (ii) encouraging the establishment of new clandestine farms by migrant farmers coming into the region to take advantage of the contracting opportunity.

67. To mitigate this potential risk, the autochtones will be the primary beneficiaries of the incentives based mechanism (activity a of sub-component 1.2) for adhering to the law (non-encroachment of GFs). The allogènes and allochtones in the GF will not benefit from that sub-component but will have to adhere to the contractual rights for use and occupancy based on a set of strict guidelines and agreements with SODEFOR. Furthermore, during project preparation, a detailed inventory of farmers in the GF will be conducted and closely monitored to prevent any establishment of new farms in the GF.

VI. APPRAISAL SUMMARY

A. Economic and Financial

68. The cost benefit analysis conducted for this project yields positive results across a variety of sensitivity analyses and data assumptions (see table 2 below and annex 4 for details). This analysis contrasts the actual costs with economic benefits for the project, both discounted to 2018 (the baseline year). The FIP will lead to sustainable changes, namely: (i) increased productivity of forests (wood and NTFP) and reduced adverse effects of climate change on agricultural soil fertility, through conservation, rehabilitation and extension of the forest cover; (ii) reduced country's dependence on wood with the creation of lumber and fuelwood plantations by private operators, given the improvement of land tenure security; (iii) increased and diversified incomes for communities and small-scale farmers, as a result of the provision of quality inputs and training in agroforestry, agroecology and sustainable agriculture practices; and (iv) reduced public spending on forest management thanks to the involvement of communities and the private sector in GF co-management, maintenance and development through (a) performance-based sub-projects and IGAs for communities, (b) conditional tenancy rights for farmers in GFs, (c) agroforestry know-how and provision of inputs for small growers and (d) new opportunities for fuelwood and lumber plantations for private industrial operators.

69. Rationale for public sector provision/financing. The project will support investments in sustainable agro-forestry and other initiatives that enhance forest and land management to reduce greenhouse gas emissions (GHG) from land use change and deforestation. The reintroduction of trees in rural areas will have a direct and immediate impact on carbon sequestration in the new forest capital created. Moreover, the gradual replacement of current sources (resulting from deforestation) with products from the various types of plantations (agro-forestry, small-scale plantations, and industrial plantations) will also contribute to reducing GHG emissions. The project will also contribute to carbon sequestration through conservation of aboveground biomass and avoided GHG emissions by safeguarding the Tai National Park from deforestation and degradation and restoring habitat. In addition, the project focuses on the integration of principles of sustainable development (biodiversity and ecosystems) through protection and enhanced management of the Park. Public financing is justified as these expected results relate to global public goods with substantial benefits accruing to Ivorians.

70. Value added of the World Bank's support: (i) Technical Expertise on Climate, Landscape and Forestry Issues: In Africa, the World Bank climate change portfolio focuses on promoting resilience and helping countries with adaptation, as well as mitigation. The World Bank conducts technical analysis, provides advice and designs projects to address countries’ critical adaptation and mitigation needs, including sustainable land management, forest and land use, climate smart agriculture, as well as building resilience into infrastructure investments. The World Bank can provide expertise to Côte d’Ivoire based on a large staff of technical and sectoral experts in key fields. To support countries’ initiatives toward reduced emissions from deforestation and forest degradation, the World Bank hosts a range of carbon and climate finance mechanisms, as noted below, which provide technical and financial support for transformational changes in land use and forestry; and (ii) Experience in Côte d’Ivoire: The World Bank has considerable experience working with Côte d’Ivoire particularly with regard to analytical support to the Government on REDD+ through the Forest Carbon Partnership Facility (FCPF) REDD+ readiness grant, and the Emissions Reduction Program under preparation. Several key studies at the national level - history of land use, wood use for energy, reforestation potential, as well as the national REDD+ strategy

financed by the FCFP-readiness, will serve as basis for investments that will be supported by the project.

71. The Net Present Value of the project is estimated to be US$3,334 Million, and the Benefit Cost Ratio is 257.79 The result's robustness is verified through different sensitivity analysis. Different discount rates (5%, 10%, and 20%) are applied as well as a low carbon price and variations in key input parameters. The benefits are much larger than the costs throughout all scenarios, even though this analysis did not include many benefits, such as effects on biodiversity conservation, recreational, tourism and governance benefits. In reality, the project benefits might be far greater, as this analysis disregards benefits from new policies, financial and governance capacity building or the strengthening of land rights, which are all likely to trigger further positive developments.

72. The economic benefits generated by the project are likely to have significant development impacts given the broader economic framework within which the project will be implemented. The potential for the project to catalyze important development momentum in the area of natural resources management is very high, with potential for replicability and continuity beyond the official lifetime of the project. 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.

Table 2: Summary of economic simulation results

	Baseline			**All Benefits with Low Carbon Price**			**Without Carbon Benefits**		
	5%	**10%**	**20%**	**5%**	**10%**	**20%**	**5%**	**10%**	**20%**
NPV [in US$ million]	3,334.7	2,256.8	1,179	2,126.9	1,425.5	731.3	84.9	56.6	28.4
B/C-Ratio	257.79	199.65	132.97	164.78	126.47	82.86	7.54	5.98	4.18
	-50% Benefits and Low Carbon Price			***Environmental Benefits only (without Carbon Benefits)***					
NPV [in US$ million]	1,057	707.1	361.2	51.2	33.2	15.6			
B/C-Ratio	82.39	63.24	41.43	4.94	3.92	2.74			

B. Technical

73. The proposed project originates from the Forest Investment Plan developed to address key drivers of deforestation and forest degradation in Côte d'Ivoire through agriculture intensification, agro-forestry, restoration of degraded forests, afforestation, and promotion of alternative to fuel wood extracted from gazetted forests. The project will follow international good practice guidelines for the implementation of sound agro-forestry and agriculture intensification in partnership with Bank financed support to the Agricultural Sector Project (PSAC). The project will also partner with IFC's work providing lending to women and agribusiness, particularly with regards to supporting women in agro-forestry.

74. The project will also partner with Department of Agriculture to provide technical guidance to cocoa farmers in agricultural intensification. Finally, SODEFOR in charge of implementing

project activities in the gazetted forests and OIPR in charge of National Parks, have technical capacity to implement project activities.

75. An FM assessment of the Integrated Project Management Unit (IPMU) managing the REDD+ and PROGEP-CI, identified to manage the project, was carried out in August 2017. The objective of the assessment was to determine whether the IPMU has acceptable FM arrangements in place to ensure that the project funds will be used only for intended purposes, with due attention to considerations of economy and efficiency. The assessment complied with the Financial Management Manual for World Bank investment projects financing operations, effective December 11, 2014.

76. Arrangements are acceptable if they are capable of accurately recording all transactions and balances, supporting the preparation of regular and reliable financial statements, safeguarding the project's assets, and are subject to auditing arrangements acceptable to the World Bank. These arrangements should be in place when the new project implementation starts and be maintained as such during project implementation. The assessment concluded that the FM of the IPMU satisfies the World Bank's minimum requirements under Bank Policy and Directive- IPF and therefore is adequate to provide, with reasonable assurance, accurate and timely FM information on the status of the project required by the World Bank.

77. The overall FM risk rating is assessed as Substantial and mitigation measures proposed (see Table 3) will strengthen the internal control environment and maintain the continuous timely and reliability of information produced by the IPMU and an adequate segregation of duties.

Table 3: FM Action Plan

Action	Responsible Party	Deadline and Conditionality
1. Design a mechanism for sharing the operating costs of the IPMU among the different projects managed by the IPMU; this will allow to reflect the contribution of each project to the overall operating cost of the IPMU.	IPMU	Three months after effectiveness
2. Update the PIM, including fiduciary procedures to reflect specific arrangements related to the new project and the improvements required following the in-depth review of REDD+.	**IPMU**	**By effectiveness**
3. Update the configuration of the accounting software	IPMU	Three months after the effectiveness
4. Recruit one Accountant (assistant) assigned to the new project and with qualifications and experience satisfactory for the World Bank.	IPMU	Three months after effectiveness
5. Recruit one Principal Accountant with qualifications and experiences acceptable for the World Bank assigned to the new project and to oversee and coordinate the accounting works performed by the accountants assigned to other projects managed by the IPMU	IPMU	By effectiveness
6. Recruit the external auditor	IPMU	Four months after effectiveness

Note: MEF = Ministry of Economy and Finance.

78. Disbursements. The grant will finance 100% of eligible expenditures inclusive of taxes. A designated account will be opened at the central bank (BCEAO) in francs CFA and a project account (PA) opened in a commercial bank acceptable to the Bank. Upon the FIP effectiveness, transaction-based disbursements will be used. An initial advance up to a ceiling of XOF500 million will be made to the designated account, and subsequent disbursements will be made against submission of Statements of Expenditures (SOE) reporting on the use of the initial/previous advance. Applications for withdrawal will be supported with Statements of Expenditures (or records documenting the eligible expenditures) during the entire period of FIP implementation. The existing implementations modalities of the decree 475 will apply to the FIP.

79. The project will submit applications on a monthly basis using the electronic delivery tool, "e-Disbursements", available at the Bank's Client Connection website. The Authorized Signatory Letter signed by the government will include authorization for the designated signatories to receive the electronic authentication devices ("Tokens") from the World Bank. The other methods of disbursing the funds (reimbursement and direct payment) will also be available to the project. The minimum value of applications for these methods is twenty percent of the DA ceiling.

C. Financial management

Table 4: Disbursement table

Category	Amount of the Preparation Installment Allocated (expressed in USD)	Percentage of Expenditures to be Financed
(1) Consultants' Services, including audits, Goods, Workshops, Training and Operating Costs	15,000,000	100%

D. Procurement

80. An assessment of the IPMU procurement capacity and its recent experience in managing the Bank-financed project (FCPP-readiness+) and PROGEP-CI was carried out and was deemed adequate for execution of procurement aspects of the FIP-CI. The assessment evaluated the following: (a) experience in procurement, (b) staff capacity, (c) capacity of filing of procurement documents, and (d) the existence of an implementation manual on procurement. The assessment concluded that the IPMU capacity was acceptable to the Bank based on its implementation of FCPF-REDD+ and PROGEP-CI and as such will be responsible for project implementation, assuming a number of mitigation measures are in place to overcome some capacity constraints identified.

81. **Guidelines.** Côte d'Ivoire's procurement code and regulations generally do not conflict with IDA guidelines. However, certain provisions in Côte d'Ivoire's code that diverge with IDA guidelines (related to the use of point systems and re-bidding when at least three bids have not been submitted) will not be permitted for national competitive bidding. The procurement for the proposed project will be carried out in accordance with the following World Bank guidelines summarized in the following sources: (a) *Guidelines: Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits and Grants* (July 1, 2016) and (b)

Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers (July 1, 2016).

82. Procurement documents. Procurement would be carried out using the Bank's Standard Bidding Documents (SBD) for all International Competitive Bidding (ICB) for goods and works and for Standard Request for Proposal (RFP) for the selection of consultants through competitive procedures. The Recipient will develop standard documents based on the Bank's SBDs for National Competitive Bidding (NCB) for goods and works and the Bank's RFP for the selection of consultants through methods other than Quality and Cost Based Selection (QCBS), with modifications that will be submitted to the IDA for prior approval.

83. Pending actions. To enhance the IPMU's procurement capacity to implement the project, the following recommendations in advance of project launch will be implemented: (a) the recruitment of one procurement specialist familiar with Bank procurement policies and procedures and (b) the adoption of the project implementation manual specifying procurement procedures specific to the project. As such, the following areas will be specified: the various procurement methods or consultant selection methods, any activities requiring pre-qualification, estimated costs of activities, prior review requirements, and procurement calendar. The procurement plan will be updated at least annually or more frequently as required to reflect actual project implementation needs and capacity.

E. Social (including Safeguards)

84. The project is expected to have overall positive social impacts especially for the communities living near the GFs and the TNP. The project is not expected to require any land acquisition or involuntary resettlement of people. However, the development and implementation of local land use plans promoted may potentially reduce access to natural resources or potentially create some restriction of access for some households. Therefore, a Process Framework and a resettlement policy framework (RPF) will be prepared as due diligence to ensure the appropriate measures will be taken in elaborating and implementing those plans to ensure appropriate guidance on how to address any potential loss of income or livelihood. These reports (PF and RPF) will be reviewed, consulted upon and disclosed both in Cote d'Ivoire and at the World bank website prior to the Decision Meeting. The social safeguards policy triggered is OP/BP 4.12.

F. Environment (including Safeguards)

85. From the environmental perspective, the RCI-FIP is a category B-partial assessment. No significant negative environmental are expected. However, the project triggers the following safeguards policies: (i) OP/BP 4.01 "Environmental assessment as forests restoration activities, demarcation Laka-Fetekro-Mafa-Besse-Boka GFs (component 1); rehabilitation of access roads in the Park Tai (component 2) might have potential adverse impact on the environment, although the impact may be moderate, site-specific and manageable at an acceptable level. While the exact locations of these investments are not yet known, the proper safeguard instrument to be prepared in compliance with this policy is an Environmental and Social Management Framework (ESMF). This ESMF will be reviewed, consulted upon and disclosed both in Cote d'Ivoire and at the World bank website prior to the Decision Meeting; (ii) OP/BP 4.04 "Natural Habitats: The project aims to enhance the quality of the management of forest and woodlands. But, some activities will take place in GFs and those activities may affect natural habitats. Consequently, the policy is triggered with the aim of paying special attention to these particular ecosystems. Therefore, the conception of the subprojects should take into account this issue; (iii) OP 4.09 "Pest Management": Agricultural intensification such as the agriculture zero deforestation of cocoa production and reforestation activities, for instance, could require pest management in the course of project implementation. The ESMF to be prepared in compliance with OP4.01 will address critical issues related to pest management through the development of a specific chapter focused on how to handle a good pest management approach; (iv) OP/BP 4.11 "Physical Cultural Resources": This policy is triggered because some of the project activities could take place in areas containing sites deemed physical or cultural resources by local communities (holy/secret sites such as sacred groves, sacred forests etc.). It is not anticipated that the project will have negative impacts on any such sites. During implementation, particular attention will be paid to ensure that project activities do not affect such sites; and (v) OP/BP 4.36 "Forests": None of the activities of the project is expected to promote unsustainable wood exploitation or to finance activities which will contribute to destroying the forest. OP4.36 is triggered to pay attention to the forest resources during the project preparation and its implementation. Forest policy and management are a primary focus of this project. While the project will explore integrated forest management as part of a strategy of increasing carbon sequestration potential, the expected results are of improved forest management. The ESMF will include guidance on managing forestry issues.

G. World Bank Grievance Redress

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 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

VII. RESULTS FRAMEWORK AND MONITORING

The Development Objective is to conserve and increase the forest stock and enhance livelihoods of forest-dependent communities in the project target zones.

Project Development Objective Indicators

Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
PDO Indicator 1: GHG emission reductions (and removals generated under the project)		tCO2 eq	(3,06%) 643,632	(9,22%) 1,939,350	Annual	National MRV System, online forest cover change system supported by FAO	SODEFOR and SEP-REDD
Description: This indicator measures climate mitigation potential through: (i) emission reductions (avoided deforestation and/or reduced forest degradation derived from direct investments in the field (component 1 and 2); and (ii) removals generated under afforestation/reforestation. GHZ reductions and removals are measured by the national MRV system or using proxies for carbon sequestration.							
PDO Indicator 2: Reforested areas		Ha	13,200	18,200	Annual	Aerial imaging Field surveys Project reports Forests database	SODEFOR and SEP-REDD
Description: This indicator measures the total areas reforested in the gazetted forests (creation of new plantations).							
PDO Indicator 3: Communities adjacent to targeted GF with increased monetary or non-monetary benefits (in percentage).		%	0	100	Annual or bi-annual	Qualitative and quantitative data resulting from beneficiary surveys	SODEFOR and SEP-REDD
Description: This indicator measures the extent to which communities adjacent to targeted GF have seen improvements as a result of project interventions. This may cover both monetary income and non-monetary benefits such as capacity building or improved access to services (health, education etc.)							
PDO Indicator 4: Satisfaction of beneficiaries (level of engagement, by gender and age).	X	%	0	70%	Bi-annual	Qualitative and quantitative data resulting from beneficiary surveys	SODEFOR and SEP-REDD
Description: Satisfaction with project interventions focuses on (i) GF co-management associations and farmers benefiting from agro-forestry contractual agreements with SODEFOR as well as communities adjacent to GF benefiting from performance based subprojects and; (ii) perception whether interventions are effective and meet the demand of project beneficiaries and will be solicited through a semi-structured questionnaire.							
PDO Indicator 5: Direct project beneficiaries, (of which female)	X	number	0	345,000 (50%)	Annual	Qualitative and quantitative data resulting from direct beneficiary surveys	SODEFOR and SEP-REDD
Description: This is a core indicator of the WBG. A 'beneficiary' in the broadest sense is anyone who is benefiting from a project/ program. In particular, in the context of World Bank-financed operations, direct project beneficiaries are people or groups who directly derive benefits from an intervention and is as such pitched at the activity level.							

Intermediate Results Indicators

Component 1: Forest cover restoration in the Gazetted Forests and adjacent lands

Sub-component 1.1: Participatory development and implementation of GFs management plans

Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Intermediate Indicator 1: GF with participatory management plans under implementation		number	0	4	Bi-annual	Project reports	SODEFOR
Description: This indicator measures the number of GF management plans established in a participatory manner between SODEFOR and GF co-management village associations as well as their effective implementation by both parties.							
Intermediate Indicator 2: Number of community forest co-management committees created and trained in participatory forest management approaches		number	0	15	Annual	Project reports	SODEFOR
Description: This indicator assesses the effective establishment of GF co-management associations and their capacity to implement the participatory management plans.							
Intermediate Indicator 3: Surface area of targeted gazette forest managed through PPP		ha	100,975 of 817,554 (12.35 %)	327,061 817,554 of (40%)	Annual	Project reports Based on initial inventory and evaluation of old plantations	SODEFOR
Description: This indicator assesses the surface area of GF under concessions with the Private sector (lumber industries or private individuals)							
Intermediate Indicator 4: Surface area of new of restored plantations in GF through concessions with women and youth associations		ha	100	2,000	Annual	Project reports Based on initial inventory and evaluation of old plantations	SODEFOR
Description: This indicator focuses on the GF surface areas conceded to women and youth for agro-forestry (pairing of trees with vegetable gardening) – it measures the number of ha of GF that will be restored thanks to theses concessions.							
Intermediate Indicator 5: Number of agroforestry contracts created between SODEFOR and farmers disaggregated to males and females		number	0	3,000	Annual	Project reports	SODEFOR and SEP-REDD
Description: This indicator assesses the system of contracting system between SODEFOR and cocoa-farmers in the gazetted forests to support zero-deforestation agriculture through agriculture intensification and agro-forestry.							

Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Intermediate Indicator 6: Surface area of agroforestry in the GF		ha	0	15,000		Project reports	SODEFOR, MINADER and SEP-REDD
Description: This indicator assesses the total hectares under agroforestry thanks to SODEFOR contracting system.							
Intermediate Indicator 7: Number of male, female and youth farmers trained in agroforestry techniques and environmentally sound agricultural intensification techniques		number	0	3,000	Annual	Project reports	SODEFOR, MINADER and SEP-REDD
Description: This indicator will assess the effectiveness of trainings in agroforestry techniques in the GFs supported by the project.							
Description: This indicator will assess the effectiveness of trainings in agricultural intensification techniques supported by the project.							

Sub-comp 1.2: Development and implementation of an incentive system to reduce pressure forest resources

Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Intermediate Indicator 8: **Households** return initiatives from the South West to the Center identified		number	0	100	Annual	Project reports	SODEFOR and SEP-REDD
Description: This indicator will assess effectiveness of collaboration between the World Bank and the ADB to work in synergy to identify and support individual return initiatives from the southwest (WB) and to identify land opportunities in the Central Region to ease their reinstallation in that region (ADB). The number of successful return initials will be critical to determine the successful collaboration between the two multilateral development agencies.							
Intermediate Indicator 9: performance-based schemes created and operational		number	0	4	Annual	Project reports	SEP-REDD
Description: This indicator assesses the effectiveness of the performance-based schemes and their sustainability							
Intermediate Indicator 10: Community members (% female) benefiting from the performance-based schemes		#	0	500	Annual	Project reports	SEP-REDD
Description: This indicator measures the engagement and success of the pilot performance-based system launched by the project.							

Component 2: Support to sustainable management of the Tai National Park

Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Intermediate Indicator 11: Surface areas brought under enhanced biodiversity conservation	X	ha	0	300	Mid-term	SMART report	OIPR
Description: This indicator is a WBG core indicator and will assess the rehabilitation of degraded lowlands around the TNP due to illegal gold panning that constitute a threat to the park integrity.							
Intermediate Indicator 12: Proportion of quadrats visited by year		proportion	90%	100%	Annual	SMART report	OIPR
Description: this indicator measures the surveillance efforts by TNP park rangers.							
Intermediate Indicator 13: Number of gold panning sites		Number	5	0	Annual	SMART report	OIPR
Description: This indicator measures the success of awareness raising campaigns by OIPR on the impacts of gold panning on environment and health, therefore redirecting illegal gold panners to alternative activities such as agro forestry, vegetable gardening promoted and financed by the project.							

Results Framework
COUNTRY : Cote d'Ivoire
Forest Investment Program

Project Development Objectives

The Development Objective is to conserve and increase the forest stock and enhance livelihoods of forest-dependent communities in the project target zones.

Project Development Objective Indicators

Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection

Intermediate Results Indicators

Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection

	Target Values
Project Development Objective Indicators	
Indicator Name	
Intermediate Results Indicators	
Indicator Name	

ANNEX 1: DETAILED PROJECT DESCRIPTION

COUNTRY: Côte d'Ivoire
Forest Investment Program

1. The FIP design focuses on two phases: Phase 1 (5 years) which will implement two main projects: (i) one addressing the main drivers of deforestation and forest degradation in selected Gazetted Forests (WB project) and the Taï National Park, and; (ii) the second one addressing the same issues in Rural Domain Forests (ADB project). Both projects build on the understanding that it is essential to engage stakeholders fully in locally-based, co-implemented activities, particularly those focused on the reintroduction of trees and the introduction of timber production chains while at the same time preserving the existing natural and rural resources. A second 5-year phase for which funding will need to be raised by the Government of Côte d'Ivoire, will build on lessons learned from the first phase and implement these actions on a wider scale until the transformational changes sought by the program as a whole have been achieved. The FIP activities are designed with a 'grassroots' approach ultimately aimed at reducing pressure on the forest and the emissions of greenhouse gas while helping to improve livelihoods of a range of direct and indirect beneficiaries.

2. While ADB's project focuses on interventions in the Rural Domain, the WB project interventions are designed to prioritize the Gazetted Forests below given: (i) their high degree of deforestation and degradation (at least 50 percent); (ii) the current and increasing level of human pressure on GFs; and (iii) the potential of developing public-private partnerships to manage the GF. In addition to these criteria, GFs in the South West (SW) were selected due to their proximity to the Taï National Park, the only remaining primary forest and carbon sink in the country and the intervention site of the Emission Reduction Program.

a) Center region: (i) Gazetted Forest (GF) of Ahua in the Nzi sub-region, department of Dimbokro, (ii) GF of Proungbo-Sérebi, sub-region of Moronou, department of Mbatto, (iii) network of GFs of Laka-Fetekro-Mafa-Besse-Boka, sub region of Gbèkè in the departments of Bouaké, and; (iv) network of GFs of Kouabo Boka-Soungourou-Boka Go, Iffou sub-region in the department of Bouaké and M'bahiakro;

b) South-West region: (i) GFs of Cavally and Goin Debe in the sub-region of Cavally, department of Taï, (ii) GF of Duekoué, sub-region of Guémon, in the department of Duekoué, (iii) GF of Rapides Grah in the sub regions of San-Pedro and Nawa, departments of Soubré, Méagui and San-Pédro, and (iv) GF of Haut-Dodo in the sub-region of San-Pédro, departments of Tabou and San-Pédro; and the Taï National Park.

A. Project Development Objectives

3. The Project Development Objective is to conserve and increase the forest stock and enhance the livelihoods of forest-dependent communities in the project target zones. This will be achieved through the following components:

B. Project Components description

Component 1: Forest cover restoration in the Gazetted Forests and adjacent lands (US$11,940,000 of which 9,440,000 loan and 2,500,000 grant)

4. The component is articulated around two subcomponents: (i) participatory development and implementation of GFs management plans and; (ii) Development and implementation of an incentive system for forest-dependent communities to enhance the livelihoods of these communities with alternative revenues, thereby reducing pressure on GFs.

Sub-component 1.1: participatory development and implementation of GFs management plans US$9,440,000 loan)

5. The main objective of this sub-component is to ensure sustainable management of selected GFs through participatory forests management plans (PFMPs), co-elaborated and co-implemented by the forest administration (SODEFOR) and GFs adjacent village communities. The project will: (a) establish a governance framework of targeted GFs and; (b) support the implementation of the framework.

a) Establishment of a forest governance framework (US$1,177,000)

6. The aim is to create an enabling environment for sustainable management of selected GFs through the: (i) establishment of local committees for GFs governance in a participatory manner with the Forest Administration (SODEFOR); (ii) elaboration of GFs governance tools, i.e. Participatory GFs Management Plans; and (iii) supervision of GF Management Plans.

7. *Activity (i): Establishment of Local Committees for GFs co-management (US$77,000):* The project will establish five local Committees for GFs co-management *(Comités Locaux de Co-Gestion: CLCG)* in villages adjacent to the following GFs: (i) GF of Ahua (2,039 ha); (ii) GF complex of Prougbo-Sérébi (10,441 ha); (iii) GF complex of Soungourou-Kouabo-Boka- Go (15,842 ha); (iv) GF complex of Lafa-Mafa-Besse-Boka-Fetekro (41,000 ha); and (v) GF of Cavally (13,663 ha).

8. These GFs have been selected given: (i) the current involvement of some community members in their surveillance on behalf of SODEFOR, i.e. reporting any illegal activities noticed in the GF (Prougbo-Sérébi) to the decentralized SODEFOR center of surveillance; and (ii) existence of co-management partnership with a women association (Ahua), with a private conservationist (Lafa-Mafa-Besse-Boka-Fetekro) and with Wild Chimpanze Foundation (WCF) for Cavally.

9. The project will work with these existing partners, local communities and SODEFOR to formally establish CLCG around these selected GFs and monitor their involvement in GFs

management, evaluate them at project mid-term and scale up the framework to other GFs or readapt and improve it based on lessons learned.

10. The project will finance awareness raising and communication in villages adjacent to these GFs on principles and the concepts of sustainable forests governance through: (i) organization of workshops for the definition of GF co-management framework and the definition of shared roles and responsibilities between SODEFOR and forest dependent communities in forest governance; (ii) organization of workshops for the establishment of the CGLC and development of their operating manual; (iii) nomination by their pairs of the committee members during a regional validation workshop; (iv) registration of the committees with the Local Administration to obtain the status of association; and (v) training of the committees on the concepts and practical application of sustainable forests management. Contracts will also be established with local radios to enhance community awareness of co-management and its benefits as well as coverage of the results of the co-management throughout the project duration. A communication strategy and communication plan will also be financed by the project to widely disseminate overall project results and impacts. A gender strategy will be also developed in a participatory manner in order to ensure targeted gender actions are identified and implemented and women and youths not only participate in the project, but also benefit and are empowered by it (e.g. take leadership roles).

11. A key feature of this component is the establishment of an agreement between the CLCG and SODEFOR for the benefit sharing of incomes generated from GFs management with the CLCG, drawing from the example of Benin where 30% of protected areas management resources goes to the Village Associations for PA co-management (AVIGREF – Associations Villageoises de Gestion des Réserves de Faune). A mutually agreed percentage of the benefit sharing applicable in the context of Côte d'Ivoire will be agreed upon between the CLCG and SODEFOR at the onset of the project with a commitment from the Government to sustain this system as it is the case in Benin.

12. *Activity (ii): Elaboration of selected GFs governance tools, i.e. Participatory development of GF Management Plans (US$300,000):* The project will develop five PFMPs for the selected GFs through financing of: (i) consultant services to elaborate maps of vegetation in the selected GFs and for a detailed inventory of fauna, flora and biomass in order to inform the PFMPs. The PFMPs will also incorporate results of the socio-economic diagnostic studies conducted during project preparation; (ii) consultation workshops between the local committees and SODEFOR to define and agree on the content of the PFMPs and elaborate the plans in a participatory and inclusive manner; (iii) validation workshops of the PFMPs; and (iv) printing and dissemination of the plans to all stakeholders as well us publishing them on the Government website. The local radios will also cover the entire process as well as the mainstream media.

13. *Activity (iii): Supervision of the PFMPs (US$800,000):* The project will finance recurrent costs for implementing the five PFMPs through the acquisition of: Surveillance vehicles and motos for GFs patrolling by SODEFOR agents and the CLCG as well as small surveillance equipment (GPS, cameras and drones) and operating costs related to surveillance. The system of monitoring forests patrolling (SMART) currently used for National Parks by OIPR will be acquired and implemented for GFs surveillance.

b) <u>Support to the implementation of GF governance framework: PFMPs (US$8,263,000)</u>

14. The project contribution to the implementation of the GF governance framework, i.e. the PFMPs, has been tailored in line with the history, degradation rate, socio-economic context of the GFs and available budget with the aim to restore 20,000 hectares of degraded GFs through reforestation and agroforestry.

15. *Activity (i): Reforestation program (US$5,953,000):* The objective of this activity is to contribute to the restoration of the following degraded GFs: Ahua and the complex of Soungourou-Kouabo-Boka-Boka-Go (28,575 ha). These GFs lost 8,153 ha of natural forest between 1986 and 2015. The project aims to reforest 5000 ha (planting) thereby restoring more than 60% of their lost forest cover. The reforestation activities will be undertaken by women and youth associations from adjacent communities under technical guidance and supervision of SODEFOR. A well-organized and experienced women's association (Malebi), active in reforestation activities in the GF of Ahua, will provide training to youth and community members to participate in this program. Local adapted tree species will be selected by SODEFOR in collaboration with women, men, and youths from local communities, and informed by international agroforestry and forestry research.

16. The project will finance technical operations and operating costs related to the reforestation program, namely: (i) development of tree seedlings by SODEFOR; (ii) transportation of seedlings to the plantation sites (GFs); (iii) local conventions with communities for (a) field preparation to enable successful planting; (b) labor for planting; (c) nurturing and protecting of the seedling against livestock and other domestic animals (d) labor for establishment of firebreaks to protect the new forest plantations; and, (d) maintenance of the firebreaks.

17. *Activity (ii): Support to zero deforestation agriculture through agro-forestry contracts with existing cocoa farmers in GFs (US$1,540,000):* To address the issue of deforestation and forests degradation in the GFs, SODEFOR has initiated a process of contractual agreements with cocoa producers who have been illegally farming in GFs for decades. The objective of the contract is for cocoa farmers to introduce selected tree species into farmlands, with the technical assistance and monitoring and evaluation of SODEFOR in partnership with the cocoa industry. The private sector (cocoa industry) will be responsible for organizing farmers, providing improved cocoa seedlings for enhanced farms productivity, and for providing training in the adoption of smart agriculture techniques. The contractual obligation will entail no new clearing to extend their cacao plantations in the GF. A contract's duration will be determined in a participatory manner between SODEFOR and the farmers, and SODEFOR may renew the contract depending on compliance with its terms by the farmers.

18. The project will pilot this contracting system in four highly degraded forests: Duékoué (50,772 ha), Goin-Débé (131,000 ha), Rapides Grah (228,263 ha) and Haute-Dodo (216,489 ha). These GFs are also adjacent to the Taï National Park (TNP) (500,000 ha). By intervening in these GFs, the strategy of the project is also to contribute to enhancing protection of the TNP, which is the site of the Emissions Reduction Program.

19. The project aims to reforest a total of 15,000 ha in the selected four GFs through introduction of trees within cocoa farms targeting the areas adjacent to TNP. The first step will consist of providing: (i) technical assistance to SODEFOR to undertake a census and mapping of existing cocoa plantations in the areas adjacent to TNP; and (ii) technical assistance to establish a

convention between SODEFOR and the cocoa farmers for the development of agroforestry in the buffer zones to TNP; (iii) provision of forest seedlings to cocoa farmers for introduction into their farms; (iii) establishment of an MOU with an earmarked budget with the International Center for Research in Agroforestry (ICRAF) which has an office in Abidjan for technical assistance to the farmers and to SODEFOR for the implementation of agroforestry systems.

20. The project will also seek experience from Ecuador's successful program of promoting farmer field school through South-South exchange. At project launch, a national workshop with small holding cocoa farmers, the cocoa board, Department of agriculture, environment and forestry, representatives from the cocoa industry and other key stakeholders will be organized to present the Ecuador program concept and successful implementation examples by technical experts from the World Bank and Ecuadorian farmers applying this program in their cocoa farms. During FIP implementation, voluntary farmers' plots will be used as demonstration sites. These voluntary farmers (men and women) will be provided with, and trained to, apply a technical and practical guidance package for intensification and productivity enhancement. The aim is to scale up or readapt this farming technique based on lessons learned from the demonstration plots.

21. The project will also finance an exchange program between Brazilian and Ivorian cocoa farmers to enable the latter to visit successful cacao plantations under trees in Brazil and learn lessons to apply in Côte d'Ivoire. This will be organized in close collaboration with PROFOR (Program for Forests) of the World Bank.

22. *Activity (iii): Promotion of forests concessions with the private sector for agroforestry and for timber and fuelwood (US$370,000):* In order to rehabilitate degraded GFs, the Government is promoting long-term concessions with the private sector for agroforestry or for timber or fuelwood plantations. An ongoing example is a concession of a women's association (Malébi) working together with SODEFOR to rehabilitate and manage selected areas in the GF of Ahua through agroforestry (combining selected forest species with vegetable gardening) and establishment of fuelwood trees for sustainable charcoal production to provide for the local market. Over the long term, additional concessions in other areas of degraded forest will be granted to the women's association for combined vegetable gardening and forestry efforts, as the initial planting of forest trees mature. The objective of such concessions (renewable after a minimum 10-year period), is to ensure full restoration of the GFs with forest tree cover. The sub-component will finance equipment, training and small works (e.g., boreholes) to enable women and youth to have easy access to water to produce vegetable seeds and tree seedlings in the vicinity of their concessions and irrigate their plots. The project will also finance the technical assistance needed to (i) guide women and youth associations in applying the best technical guidelines and enhanced agricultural practices for vegetable farming; and (ii) increase productivity. During project preparation, an assessment of these associations will be conducted and a needs assessment for training will be developed and implemented for organizational capacity building, including training in simple accounting methods, which will be financed at the start of the project to enhance capacity early on in the implementation process.

23. The Government is also promoting forests concessions to private industries for timber production as well as energy in a sustainable manner for both the local and international markets thereby creating jobs in the sector. The project will support these initiatives in the following GFs

with a high potential for production forest: (i) Ahua, (ii) Proungbo-Sérébi, (iii) Soungourou Kouabo-Boka, Boka-Go; (iv) Goin-Debe, Duékoué, Rapides Grah and, (v) Haute-Dodo.

24. The project will first finance technical assistance to conduct an inventory of old plantations, evaluate these plantations, develop economic models and investment plans to harvest, renew or create productive plantations for timber and fuelwood in a sustainable manner. The project will also finance technical assistance for the publication of requests for expression of interest at the national and international levels, preparation of bidding documents and technical assistance for the elaboration of the concession contracts. The project will ensure that rules and conditionality for sustainable management of the concessions are incorporated in the contracts and this will be closely monitored by the independent NGO (see component 3), OIREN, as well as the FLEGT (Forest Law Enforcement, Governance and Trade) unit at the Ministry of Forest

25. *Activity (iv): Promotion of partnerships with third parties for conservation of Gazetted Forests (US$400,000):* In selected GFs, which low degradation rate, SODEFOR has been working in partnership with the third parties for the conservation and valorization of biodiversity in these GF. These partnerships exist in the project targeted sites: (i) the GF of Cavally with Wild Chimpanzee Foundation; and (ii) the complex of Laka-Mafa, Besse-Boka, Fetekro with Nzi River Lodge. The project will reinforce these partnerships by clarifying their roles and responsibilities in the implementation of the management plans of these GFs through memorandum of understanding between SODEFOR and these partners for conservation actions in the GFs, including operating costs of enhanced surveillance of Cavally which is a buffer zone to TNP. For the GF network of Laka-Mafa, Besse-Boka, Fetekro (a concession of 41,000 ha), N'zi River Lodge has classified 8,000 ha as a Fauna Reserve for biodiversity conservation and eco-tourism. The private investor is responsible for ensuring sustainable management of this network of GFs, including silviculture operations and productive plantations renewal and surveillance. He has recruited 30 eco-guards in the villages adjacent to the forests, including youth as game viewing guides. He also supports adjacent communities by developing income-generating activities (IGAs) such as vegetable gardening to enhance livelihoods. The project will finance the demarcation of the Laka-Mafa, Besse-Boka, Fetekro complex in order to clarify boundaries with the Rural Domain, thereby allowing for better management and conservation of the GF network.

Sub-Component 1.2: Development and implementation of an incentive system to reduce pressure on forest resources (US$2,500,000 grant):

26. The objective of this subcomponent is to promote an incentive system to reduce anthropic pressure on GFs in the southwest and promote restoration of the forest landscapes in the center. The subcomponent will be implemented through two activities: (a) support to a performance-based payment system; and (b) support to voluntary resettlement from the southwest to the center through an incentive system.

a) support to a performance based payment system (US$1,500,000 grant)

27. The objective of this activity is to pilot a performance-based incentive mechanism in villages adjacent to selected GFs contiguous to the Taï National Park (TNP) in order to enhance livelihoods of the communities and reduce pressure on forest resources.

28. Eligible performance-based sub-projects will include: (i) agroforestry operations consisting of the introduction of trees, including trees with nutritional value in cocoa, rubber, palm tree plantations, vegetable gardens; and (ii) village reforestation or afforestation operations and tree plantations with nutritional value.

29. Each sub-project will be subject to a performance-based contract between the beneficiaries and the project, with clear provisions and actions that will trigger payments. This activity will take note of lessons from incentive-based payment schemes, e.g. in East Africa, that have pursued targeted strategies for ensuring women benefit equally – e.g. signatories do not have to have land titles, payments are made directly to women as well as men, rotating leadership rules if payments go to groups, monitoring systems based on annual cellphone photos at the farm level that upload and linked to live tree cover maps, etc.

30. Eligible beneficiaries must be resident of a village adjacent to the GF covered by the project. They will include individual smallholder farmers, or farmers organized in associations (community farmers). The associations must show proof of official recognition and have transparent rules and accounting, membership that is representative and includes women and a rotating leadership. The individual or community performance-based contracts would be signed between the IPMU and the identified beneficiaries. The sub-grants will be provided to the beneficiaries for the implementation of their sub-projects.

31. To guide individual of associations in the development of the eligible sub-projects, the sub-component will finance: (i) technical assistance for the development of standard specification sheets to serve as a framework to guide the beneficiaries in techniques of agroforestry and forest plantations (development of tree nurseries, field preparation, tree species, number of trees by ha for agroforestry, value per tree, maintenance techniques including firebreak, long-term conservation techniques); (ii) technical assistance to help communities to elaborate their sub-projects for submission to the project for financing and implement these sub-projects; and (iii) sub-grants to recipients for the implementation, monitoring and evaluation of their sub-projects.

32. Depending on the demand of the communities, the funds can also be used to finance small community infrastructure and other services that can benefit the community as a whole.

33. The selection of the sub-projects will take place in semi-annual or quarterly consultative participatory workshops organized and facilitated by the project implementation unit (SEP-REDD) and gathering CLCG, SODEFOR. Final selection and payment decisions will be made by the IPMU and validated by a committee composed of key stakeholders that will be established at the project onset.

34. A detailed manual guiding the selection and implementation of the sub-subprojects, will be prepared three months after project effectiveness.

b) Support to voluntary resettlement from the southwest to the center (US$1,000,000 grant)

35. The Center region was once the most productive area, home to the former cocoa belt. However, due to overuse and unsustainable exploitation of resources, the area lost its attraction for both agriculture and forestry as trees gradually disappeared from the landscape and soil quality and biodiversity became degraded. Many among the region's rural population joined the heavy migration toward the southwest from the 1970s on, and who face increasing land-related conflicts. Today, due to lower agricultural pressure, the Center region has major potential for regenerating its forest cover and is attracting its natives back.

36. Anecdotal reports, particularly in the Belier Region, Department of Didiévi, indicate that some individuals that had migrated to the South West region have been moving back to their family land in the center zone and are now cultivating these lands. Also, some rich inheriting landowners who are not farmers are leasing their lands as long-term concessions to individuals interested in afforestation with various species (including teak or agro-forestry, pairing trees with vegetable gardening) in exchange of a mutually agreed percentage of the harvest revenues (small scale farmers) or other contractual terms with the private sector.

37. Although this activity is not indispensable to the viability of the project, the aim is to accompany this natural trend, organize it as it could scale up in the long run and achieve a transformation change for the country's land use balance and reduce pressure on the southwest GFs, thereby indirectly impacting project results. Therefore, the WB and ADB will work in close collaboration to identify and support individual return initiatives in targeted GFs in the southwest (WB); and to identify land opportunities in the rural domain of the center (ADB) in order to facilitate the voluntary relocation of interested individuals. A socio-economic study financed by the preparation grant is currently underway and will assess potential of overlapping land claims related to this movement and inform the strategy to adopt to support this movement without inducing overlapping land claims. Furthermore, the conflict resolution mechanism developed under the FCPF-Readiness, will be used to resolve any unforeseen conflicts that might arise down the road.

38. The voluntary return initiatives will be piloted in the three following highly degraded forests due to cocoa farming: Rapides Grah, Haute-Dodo and Goin Débé. If successful, this could be scaled up to other GFs by the Government who is committed to the success of this program.

39. The sub-component will finance technical assistance to conduct surveys to identify voluntary individual return initiatives and work with the ADB project to develop reforestation or agroforestry sub-projects that they could implement in the center. This will be done through local conventions which will also incorporate some relocation grant as an incentive to support their

smooth transition back to the center. The Prefet of Didiévi in the center has been fully involved in the preparation of the IP and of both WB and ADB projects and the project will work closely with him to facilitate this voluntary return initiative. The project will establish a memorandum of understanding with the Prefet, through which operating costs related to this activity (mainly travel costs and meetings between the two regions to coordinate potential movements) will be supported by the project.

40. A detailed manual guiding the execution of the return initiative will be prepared before three months after project effectiveness and validated at the National level.

Component 2: Support to sustainable management of the Taï National Park (US$2,000,000 grant)

41. The Taï National Park (TNP), a UNESCO World Heritage site, is currently under threat from a variety of sources. Home to several endangered species, including pygmy hippos and certain species of chimpanzees, Park Taï is the last primary rain forests left in West Africa. Pressure on the park comes from several sources, including poaching, pressure from agriculture, and illegal small-scale gold panning. While the TNP's borders are still intact with agricultural zones in the rural domain stopping at the park's edges, there are recurrent attempts at encroachment, most significantly at the park's northern and eastern borders.

42. The Park is managed by OIPR in line with existing management and business plans. The main sources of the TNP financing are: (i) income from ecotourism, (ii) contribution from the national budget for staff salaries; (iii) contribution from donors through projects; and (iv) contribution from the Foundation for Parks and Reserves of Côte d'Ivoire (FPRCI) a conservation trust fund with a window for the TNP. Today, TNP window at FPRCI has an endowment capital of 12 million Euros enabling coverage of a substantial part of the park recurrent costs, but there is still an annual financing gap of 2 million Euros. This component will contribution to reducing this gap through implementation of two sub-components.

<u>Sub-component 2.1 Enhancing surveillance capacity for OIPR (US$1,000,000)</u>

43. The objective of this sub-component is to enhance OIPR surveillance capacity of the TNP in order to reduce pressure on the park and maintain the park integrity.

44. The component will finance acquisition of surveillance vehicles and remote sensing equipment including surveillance cameras and drones. The component will also finance small works to rehabilitate access roads in order to facilitate patrolling by park rangers. Surveillance missions operating costs will also be supported by the project and monitored by the Spatial Monitoring and Reporting Tool (SMART).

<u>Sub-component 2.2: Support to enhance park communities' livelihoods (US$1000,000)</u>

45. In conjunction with surveillance activities inside the TNP, OIPR is engaged in several initiatives with local communities to reduce human pressure on the park, including awareness raising campaigns, capacity building of local communities to engage in alternative activities such as vegetable gardening, agroforestry, reforestation with fruits trees. Seedlings are provided for free to interested farmers including technical assistance to manage and maintain their farms for better harvests. These initiatives have helped reduced human pressure on the TNP to a small extent but

if scaled up, the impact will be more visible. The project will therefore support enhancement of these activities to reach a wider number of local communities.

46. In addition to these initiatives, surveillance is particularly increased in areas around the park exposed to illegal small-scale gold panning. Despite these efforts, gold panning activities continue to degrade significantly low lands thereby reducing their regeneration potential. OIPR has set up a consultation and monitoring committee whose role is to conduct awareness raising campaigns on the negative impacts of gold panning on soils, on the environment and especially on human health. The impact of the Committee's work has not been significant given the lack of means to make it fully operational. The project will enhance its operationalization by establishing a road map with measurable results and financing its consultation meetings and intensive awareness raising to increase the potential of having positive impacts at the community level, thereby reducing illegal gold panning in the TNP buffer zones.

47. The project will also finance the rehabilitation of degraded lowlands by illegal gold panning through assisted natural regeneration with the provision of seedlings and an incentive-based memorandum of understanding with local communities for surveillance and monitoring of lowlands to help prevent encroachment from gold panners. Payment/rewards will be triggered based on the level of regeneration of the lowlands. The project will work with OIPR to ensure involvement of women in leadership roles in lowlands surveillance committees.

Component 3: Project management and Monitoring and Evaluation (US$1,060,000 grant)

48. This component supports the overall daily administration of the project to ensure that regular M&E is carried out and that results are fed back into decision making on project implementation. The component is implemented through the two sub-components below.

Subcomponent 3.1 Project management (US$810,000)

49. the sub-component will finance the overall daily administration of the project to: (i) ensure coordination among the different entities involved with project implementation in compliance with the WB fiduciary requirements and; (ii) ensure that regular M&E is carried out and that results are fed back into decision making on project implementation. Salaries of project staff will be pro-rated between the three projects under the IPMU, i.e. PROGEP-CI, the FCPF-Readiness and FIP. The share of the FIP is estimated at US$810,000 covering 1/3 of the salaries of the IPMU General Project Coordinator, an International Technical Assistant, Financial Management, Procurement, Environment and Social Safeguards, Communication staff as well as support staff. The component will also finance supervision costs associated with project implementation, and meetings such as stakeholder engagement workshops, FIP pilot country meetings, technical trainings, project launching, MTR and completion workshops.

Subcomponent 3.2 Independent monitoring (US$250,000)

50. In order to ensure an independent evaluation of the project's results, a civil society team will be mandated by the project to carry out independent monitoring on the implementation of several aspects of the project including traceability, monitoring and contracting between SODEFOR and farmers. The civil society report will make it possible to verify that the activities implemented have respected the commitments made and that the results presented are consistent

with the reality on the ground. The civil society team will: (i) develop a clear methodology for independent oversight focused on a set of issues to be selected; (ii) receive all information necessary for oversight; (iii) carry out field missions to collect data; and (iv) produce an observation report. Monitoring will be conducted annually to ensure lessons learned can be incorporated during project implementation. Local NGOs are being trained in the independent observation of forest management and the traceability of cocoa by the Wild Chimpanzee Foundation in the South-West project area.

ANNEX 2: IMPLEMENTATION ARRANGEMENTS

COUNTRY: Côte d'Ivoire
Forest Investment Program

A. Project Institutional and Implementation Arrangements

51. The following arrangements for project implementation will be described in detail in the project implementation manual:

52. **National Steering Committee/National REDD+ Committee (CN-REDD+):** The CN-REDD+ will be the FIP Steering Committee and responsible for: (i) approving policy guidelines and providing overall supervision for project implementation; (ii) approving the annual work plans and budget; (iii) approving the annual procurement plan; and (iv) reviewing the annual implementation performance report to be prepared by the Project Management Unit, and overseeing the implementation of corrective actions, when necessary. The CN-REDD+ will meet once a year (ordinary meeting) to review and validate the FIP annual plan and may also call for extraordinary meetings to discuss and resolve punctual issues that might hinder project implementation. The CN-REDD is chaired by the Prime Minister's office and has high level representation from the key sectoral ministries involved with REDD+ (Agriculture and Rural Development (MINADER), Water and Forestry Resources (MINEF), Industry and Mines (MIM), and the Environment (MINEDD).

53. **National REDD+ Technical Committee:** The National REDD+ composed of seasoned technical staff from sectoral ministries is responsible for providing technical advice to the CN-REDD+ FIP annual workplans, technical reports, terms of references prior to submission to the CN-REDD for review and validation. The Technical Committee will meet once a year on ordinary meeting before the CN-REDD+ meets and if necessary will call for extraordinary meetings for punctual review of key technical documents prior to their submission to the Steering Committee approval.

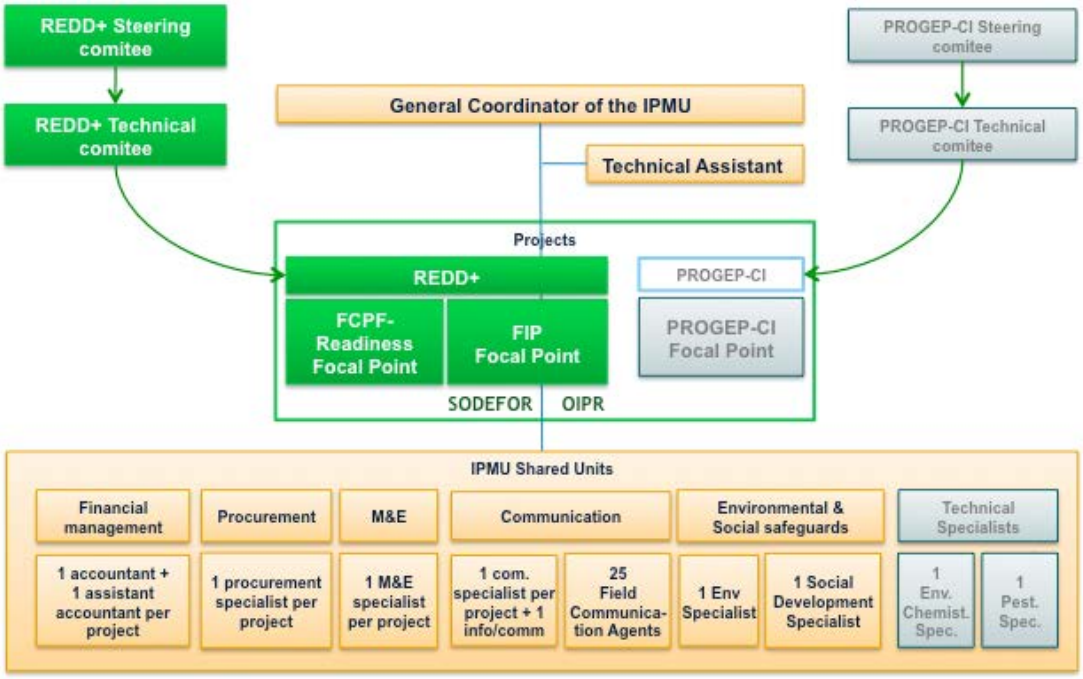
54. **Project Coordination:** An Integrated Project Management Unit (IPMU) responsible for the implementation of all environmental, forestry and NRM projects under the responsibility of the Ministry of Environment and Sustainable Development was established a year ago and currently manages two World Bank financed projects: (i) the FCPF-Readiness grant managed by a REDD+ focal point who is also the Permanent Secretary of the REDD+ (SEP-REDD+); and (ii) the Obsolete Pesticides Management Project under a dedicated project manager. The projects are supported by the following shared units: Financial Management, Procurement, Monitoring & Evaluation, Communication, Safeguards and technical. The IPMU is currently being strengthened with a General Coordinator responsible for overall coordination of all projects under the IPMU. The GC will be supported in his daily tasks by a seasoned International Technical Assistant to enhance technical soundness of all project outputs as well as financial oversight of projects spending.

55. The FIP will have a dedicated FIP focal point within the IPMU under the umbrella of the SEP-REDD+ supported by the same shared units. Furthermore, National entities with mandates for managing Gazetted Forests (SODEFOR), National Parks (OIPR) and the Rural Domain

(MINEF) will also be involved with implementation of FIP activities through Memoranda of Understanding with the project. A monitoring group made of civil society members, such as NGOs will also provide independent oversight of project activities.

56. The FIP focal point under the SEP-REDD will be the Secretariat of both the Steering Committee (CN-REDD+) and the Technical Committee and will prepare documentation to be reviewed and approved by those committees. The focal point will also be in charge of taking the minutes of the CN-REDD+ meetings and sharing them with the World Bank.

57. The chart below illustrates the project institutional arrangements



B. Financial Management and disbursements (FM)

58. The Integrated Project Management Unit (IPMU) under the oversight of the Ministry of Environment and Sustainable Development and currently managing two World Bank financed projects: (i) the FCPF-Readiness grant (P149801-REDD+); and (ii) the Obsolete Pesticides Management Project (P131778- PROGEP-CI) will have the overall fiduciary responsibility of the Forest Investment Project. The financial management arrangements for this project will be based on the existing arrangements in place under the REDD+ (P149801); and PROGEP-CI (P131778) with some additional measures. The overall FM performance of PROGEP-CI following the last supervision mission conducted in July 2017 was rated Moderately Satisfactory (MS). Furthermore, the in-depth review of REDD+ conducted in January 2017 revealed some irregularities including some ineligible expenditures; the overall FM performance was rated Unsatisfactory. Since then, in addition to the reimbursement of the ineligible expenditure by the Government, some measures have been put in place including: (i) the strengthening the FM team of REDD+; (ii) the Bank prior review of all budgets related to workshops, seminars ; (iii) the clarifications on the policies related to perdiem, accommodation/hotel costs etc for missions and workshops leading to some revisions

of the FM manual of REDD+; and (iv) extension of the scope and size of sample of transactions reviewed during supervision missions. The assessment of the status of the implementation of the action plan deriving from the in-depth review of REDD+ concluded to significant improvements.

59. Overall, staffing has remained adequate and proper books of accounts and supporting documents have been kept in respect of all expenditures. The IPMU is familiar with the Bank FM requirements. In line with the use of country system as stipulated in the new decree n° 475 governing the modalities of donors-financed project implementation in Cote d'Ivoire, a Financial Controller from the Ministry of Budget and a Public Accountant from the Ministry of Finances have been assigned to each project under the IPMU and their overall performance is adequate. The audit reports for the year ended December 31, 2016 for the REDD+ and PROGEP-CI were submitted on time, and the external auditor expressed qualified opinion. Most of the recommendations related to the internal control weaknesses have been implemented or are being implemented. Furthermore, the main recommendations of PROGEP-CI have been implemented. The interim un-audited financial reports for the on-going projects are also submitted on time and generally deemed acceptable to the Bank.

60. The overall risk for the Forest Investment Project is rated Substantial. It is considered that the financial management satisfies the Bank's minimum requirements under Bank Policy and Directive- IPF, and therefore is adequate to provide, with reasonable assurance, accurate and timely financial management information on the status of the project required by the Bank. However, in order to maintain the continuous timely and reliability of information produced by the IPMU and an adequate segregation of duties, the following staff with qualifications and experiences satisfactory to the Bank will be appointed: (i) a Senior Accountant to assigned to the project in addition to overseeing the accounting works performed by the accountants assigned to other project managed by the IPMU and (ii) one Accountant Assistant fully dedicated to the accounting and disbursements tasks of the Forest Investment Project ; and (ii). The Senior Accountant will report to the FM Officer (RAF) of the IPMU. The Implementation Manual including fiduciary procedures will also be updated to include specific arrangements related to the management of this new project. The accounting software will be updated to include the new project. Finally, an external auditor will be recruited. These mitigation measures are dated covenants and should be implemented within three (3) to five (5) months following the effectiveness of the project. However, the selection of the Senior Accountant and the revision of the FM manual should be completed by project effectiveness.

61. An FM assessment of the Integrated Project Management Unit (IPMU) managing the REDD+ and PROGEP-CI, identified to manage the project, was carried out in August 2017. The objective of the assessment was to determine whether the IPMU has acceptable FM arrangements in place to ensure that the project funds will be used only for intended purposes, with due attention to considerations of economy and efficiency. The assessment complied with the Financial Management Manual for World Bank investment projects financing operations, effective December 11, 2014.

62. Arrangements are acceptable if they are capable of accurately recording all transactions and balances, supporting the preparation of regular and reliable financial statements, safeguarding the project's assets, and are subject to auditing arrangements acceptable to the World Bank. These arrangements should be in place when the new project implementation starts and be maintained as

such during project implementation. The assessment concluded that the FM of the IPMU satisfies the World Bank's minimum requirements under Bank Policy and Directive- IPF and therefore is adequate to provide, with reasonable assurance, accurate and timely FM information on the status of the project required by the World Bank.

63. The overall FM risk rating is assessed as Substantial and mitigation measures proposed (see Table 3.1) will strengthen the internal control environment and maintain the continuous timely and reliability of information produced by the IPMU and an adequate segregation of duties.

Table 3.1. FM Action Plan

Action	Responsible Party	Deadline and Conditionality
7. Design a mechanism for sharing the operating costs of the IPMU among the different projects managed by the IPMU; this will allow to reflect the contribution of each project to the overall operating cost of the IPMU.	IPMU	Three months after effectiveness
8. Update the PIM, including fiduciary procedures to reflect specific arrangements related to the new project and the improvements required following the in-depth review of REDD+.	**IPMU**	**By effectiveness**
9. Update the configuration of the accounting software	IPMU	Three months after the effectiveness
10. Recruit one Accountant (assistant) assigned to the new project and with qualifications and experience satisfactory for the World Bank.	IPMU	Three months after effectiveness
11. Recruit one Principal Accountant with qualifications and experiences acceptable for the World Bank assigned to the new project and to oversee and coordinate the accounting works performed by the accountants assigned to other projects managed by the IPMU	IPMU	By effectiveness
12. Recruit the external auditor	IPMU	Four months after effectiveness

Note: MEF = Ministry of Economy and Finance.

64. **Internal control system.** An FM Procedures Manual is available to define control activities and an internal audit function to carry out ex post reviews and to evaluate the performance of the overall internal control system. Due to the increase in the activities of the IPMU. In addition, in line with the new Decree No. 475 governing the modalities of donors-financed project implementation in Côte d'Ivoire, the IGF will oversee the internal audit function of the projects managed by the IPMU. To address the weaknesses identified during the implementation of REDD+ (Phase 1) and the PROGEP-CI, the composition, the mandate, and frequency of meetings of the Steering Committee will be strengthened to ensure adequate oversight of the project. Furthermore, additional measures were put in place including the following: (i) the strengthening the FM team of IPMU+; (ii) the Bank prior review of all budgets related to workshops, seminars in all projects implemented under the IPMU ; (iii) the clarifications on the policies related to perdiem, accommodation/hotel costs etc for missions and workshops leading to revision of the FM manuals; and (iv) extension of the scope and size of sample of transactions reviewed during supervision missions.

65. **Planning and budgeting.** The IPMU will prepare a detailed consolidated annual work plan and budget (AWPB) for implementing the Forest Investment Project activities. The AWPB will be submitted to the project Steering Committee for approval and thereafter to IDA for no-objection, not later than November 30 of the year preceding the year the work plan should be implemented.

66. **Accounting.** The prevailing accounting policies and procedures in line with the West African Francophone countries accounting standards—SYSCOHADA—in use in Côte d'Ivoire for ongoing World Bank-financed operations will apply. The accounting systems and policies and financial procedures used by the new project will be documented in the project's administrative, accounting, and financial manual. The IPMU will customize the existing accounting software to meet the new project requirements.

67. **Interim financial reporting.** The unaudited IFRs will be prepared every quarter and submitted to the World Bank regularly (for example, 45 days after the end of each quarter) and on time. The frequency of IFR preparation as well as its format and content will remain unchanged. The consolidated quarterly IFR for the project includes the following financial statements: (a) Statement of Sources of Funds and Project Revenues and Uses of funds; (b) Statement of Expenditures (SOE) classified by project components and/or disbursement category (with additional information on expenditure types and implementing agencies as appropriate), showing comparisons with budgets for the reporting quarter, the year, and cumulatively for the project life; (c) cash forecast; (d) explanatory notes; and (e) Designated Account (DA) activity statements.

68. **Annual financial reporting.** In compliance with International Accounting Standards and IDA requirements, the IPMU will produce annual financial statements. These include (a) a Balance Sheet that shows assets and liabilities; (bi) a Statement of Sources and Uses of Funds showing all the sources of project funds and expenditures analyzed by project component and/or category; (c) a DA Activity Statement; (d) a Summary of Withdrawals using SOEs, listing individual Withdrawal Applications by reference number, date, and amount; and (e) notes related to significant accounting policies and accounting standards adopted by management and underlying the preparation of financial statements.

69. **Auditing.** The IPMU will submit audited project financial statements satisfactory to the World Bank every year within six months after closure of the fiscal year. The audit will be conducted by an independent auditor with qualifications and experience acceptable to the World Bank. A single opinion on the audited project financial statements in compliance with the International Federation of Accountants will be required. In addition, a Management Letter will be required. The Management Letter will contain auditor observations and comments and recommendations for improvements in accounting records, systems, controls, and compliance with financial covenants in the Financial Agreement. The report will also include specific controls such as compliance with procurement procedures and financial reporting requirements and consistency between financial statements and management reports as well as findings of field visits (for example, physical controls). The audit report will thus refer to any incidence of noncompliance and ineligible expenditures and misprocurement identified during the audit mission (see Table 3.2). The project will comply with the World Bank disclosure policy of audit reports and place the information provided on the official website within two months of the report being accepted as final by the team and the World Bank.

Table 3.2. Due Dates of the Audit Report

Audit Report	Due Date	Responsible Party
Audited financial statements including audit report and Management Letter	(a) Not later than June 30 (2000 + N) if effectiveness has occurred before June 30 (2000 + N-1). (b) Not later than June 30 (2,000 + N+1) if effectiveness has occurred after June 30, (2000 + N-1)	IPMU

70. Upon credit effectiveness, transaction-based disbursements will be used. The project will finance 100 percent of eligible expenditures inclusive of taxes. A designated accounts (DA) will be opened at the Central Bank (BCEAO) and a Project Account (PA) in a commercial bank under terms and conditions acceptable to IDA. The ceiling of the DA will be established at FCFA 250 million which represents 6 months of forecasted project expenditures expected to be paid from the DA during Year 1. An initial advance up to the ceiling of the DA will be made and subsequent disbursements will be made against submission of SOE reporting on the use of the initial/previous advance. The option to disburse against submission of quarterly unaudited IFRs (also known as report-based disbursements) could be considered, as soon as the project meets the criteria. Other methods of disbursing the funds (reimbursement, direct payment, and special commitment) will also be available to the project. The minimum value of applications for these methods is 20 percent of the DA ceiling. The project will sign and submit Withdrawal Applications electronically using the eSignatures module accessible from the World Bank's Client Connection website.

71. Local taxes. Funds will be disbursed in accordance with project categories of expenditures and components, as shown in the Financing Agreement. Financing of each category of expenditure/component will be authorized as indicated in the Financing Agreement and will be inclusive of taxes according to the current country financing parameters approved for Côte d'Ivoire.

72. Support to the implementation plan. FM supervisions will be conducted over the project's lifetime. The project will be supervised on a risk-based approach. Based on the outcome of the FM risk assessment, the following implementation support plan is proposed. The objective of the implementation support plan is to ensure the project maintains a satisfactory FM system throughout its life.

Table 3.3. FM Implementation Support Plan

FM Activity	Frequency
Desk reviews	
IFRs' review	Quarterly
Audit report review of the program	Annually
Review of other relevant information such as interim internal control systems reports	Continuous, as they become available
On-site visits	
Review of overall operation of the FM system (Implementation Support Mission)	Every six months for Substantial risk

Monitoring of actions taken on issues highlighted in audit reports, auditors' Management Letters, internal audits, and other reports	As needed
Transaction reviews	As needed
Capacity-building support	
FM training sessions	Before project effectiveness and during implementation as needed

Table 3.4. Update of the FM Risk Rating of the IPMU- PROGEP-CI

Type of Risk	Residual Risk Rating		Brief Explanation of Changes and any New Mitigation Measures
	Previous	FMAR	
Inherent Risk			
Country level	H	H	
Entity level	S	M	The IPMU is more familiar with the Bank FM and Operations procedures and requirement
Program level	S	S	Project activities prone to irregularities (workshop, several actors including NGO and communities in remote areas…) – All budget related to these activities subject to Bank prior review.
Overall Inherent Risk	**S**	**S**	
Control Risk			
Budgeting	S	S	
Accounting	S	M	Strengthening of the FM team with selection of 3 new staff including a Principal Accountant to oversee and coordinate the work of performed by the accountant of each project;
Internal controls	S	S	The signing of the protocol between the IGF and IPMU will allow the IGF to include this project in its scope of work. The implication of IGF will be assessed during project – Revision of the FM manual to clarify policies applicable to workshop, perdiem. Prior review by the Bank of all budget related to workshop, missions and seminar; increasing of the size of sample of expenditures reviewed during supervision missions.
Funds Flow	M	M	Prior reviews of documents by the Financial Controller and the Public Accountant (Agent Comptable) assigned to the project by the Ministry of Budget and the Ministry of Finance.
Financial Reporting	M	M	Computerized accounting system put in place
Auditing	S	M	Selection of the external auditor within 5 months of the project effectiveness date.
Overall control risk	**S**	**S**	
Overall FM risk	**S**	**S**	**Once the remaining key actions considered at the time of the assessment as dated covenants are implemented, the project FM risk rating could be downgraded to Moderate.**

Note: M = Moderate; S = Satisfactory; H = High.

C. Procurement

73. An assessment of the IPMU procurement capacity and its recent experience in managing Bank-financed projects (FCPP-readiness+ and PROGEP-CI) was carried out and was deemed adequate for execution of procurement aspects of the FIP-CI. The assessment evaluated the following: (a) experience in procurement, (b) staff capacity, (c) capacity of filing of procurement documents, and (d) the existence of an implementation manual on procurement. The assessment concluded that the IPMU capacity was acceptable to the Bank based on its implementation of FCPF-REDD+ and PROGEP-CI and as such will be responsible for project implementation, assuming a number of mitigation measures are in place to overcome some capacity constraints identified.

74. **Guidelines.** Côte d'Ivoire's procurement code and regulations generally do not conflict with IDA guidelines. However, certain provisions in Côte d'Ivoire's code that diverge with IDA guidelines (related to the use of point systems and re-bidding when at least three bids have not been submitted) will not be permitted for national competitive bidding. The procurement for the proposed project will be carried out in accordance with the following World Bank guidelines summarized in the following sources: (a) *Guidelines: Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits and Grants* (July 1, 2016) and (b) *Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers* (July 1, 2016).

75. **Procurement documents.** Procurement would be carried out using the Bank's Standard Bidding Documents (SBD) for all International Competitive Bidding (ICB) for goods and works and for Standard Request for Proposal (RFP) for the selection of consultants through competitive procedures. The Recipient will develop standard documents based on the Bank's SBDs for National Competitive Bidding (NCB) for goods and works and the Bank's RFP for the selection of consultants through methods other than Quality and Cost Based Selection (QCBS), with modifications that will be submitted to the IDA for prior approval.

76. **Pending actions.** To enhance the IPMU's procurement capacity to implement the project, the following recommendations in advance of project launch will be implemented: (a) the recruitment of one procurement specialist familiar with Bank procurement policies and procedures and (b) the adoption of the project implementation manual specifying procurement procedures specific to the project. As such, the following areas will be specified: the various procurement methods or consultant selection methods, any activities requiring pre-qualification, estimated costs of activities, prior review requirements, and procurement calendar. The procurement plan will be updated at least annually or more frequently as required to reflect actual project implementation needs and capacity.

D. Environmental and Social (including safeguards)

77. The project is expected to have overall positive social impacts especially for the communities living near the GFs and the TNP. The project is not expected to require any land acquisition or involuntary resettlement of people. However, the development and implementation of local land use plans promoted may potentially reduce access to natural resources or potentially create some restriction of access for some households. Therefore, a Process Framework and a resettlement policy framework (RPF) will be prepared as due diligence to ensure the appropriate measures will be taken in elaborating and implementing those plans to ensure appropriate guidance

on how to address any potential loss of income or livelihood. These reports (PF and RPF) will be reviewed, consulted upon and disclosed both in Cote d'Ivoire and at the World bank website prior to the Decision Meeting. The social safeguards policy triggered is OP/BP 4.12.

78. From the environmental benefits perspective, the FIP will be associated with several positive impacts as it aims at protecting, rebuilding and preserving forests while ensuring that livelihood and food security are safeguarded. Specifically, the operation will help to restore soils and forest landscapes. Besides, it brings support to zero deforestation agriculture through small scale agroforestry development on farmlands and promotes the development of fuelwood plantations with the aim of fighting against deforestation. Moreover, the FIP will establish a performance-based incentive mechanism in villages adjacent to selected GFs contiguous to the Taï National Park to enhance livelihoods of the communities through support to agroforestry or afforestation sub-projects.

77. The RCI-FIP is rated as a category "B" "Partial Assessment" as no significant negative environmental and social impacts are expected. However, the project triggers 6 environmental and social safeguard policies. There are: OP4.01(Environmental Assessment); OP4.04(Natural Habitats); OP4.36(Forests); OP4.09(Pest management); OP4.11(Physical Cultural Resources) and OP4.12(Involuntary Resettlement). As the exact locations of future investments are not known yet, an ESMF has been developed in line with the triggering of OP4.01. That document has been disclosed in Cote d'Ivoire on November XXXX, 2017 and thereafter at the World Bank's website on November XXXXX, 2017

"OP4.04 Natural Habitats: The project aims to enhance the quality of the management of forest and woodlands. But, some activities will take place in GFs and those activities may affect natural habitats. Consequently, the policy is triggered with the aim of paying close attention to these particular ecosystems and, a specific chapter focusing on sound natural habitats management was included in the ESMF in compliance with OP4.04. Furthermore, the conception of the subprojects should take into account this issue.

OP4.36 "Forests": None of activities of the project is expected to promote unsustainable wood exploitation or to finance activities which will contribute to destroying the forest. OP4.36 is triggered to pay attention to the forest resources during the project preparation and its implementation. Forest policy and management are a primary focus of this project. While the project will explore integrated forest management as part of a strategy of increasing carbon sequestration potential, the expected results are of improved forest management. The ESMF includes a sound guidance on managing forestry issues.

OP4.09 "Pest Management": Agricultural intensification such as the agriculture zero deforestation of cocoa production and reforestation activities, for instance, could require pest management in the course of project implementation. The ESMF prepared in compliance with OP4.01 will address critical issues related to pest management through the development of a specific chapter focused on a strong guidance measures to minimize accidents related to potential use of pesticides while promoting the use of organic fertilizers and biological technics.

OP4.11 "Physical Cultural Resources": Some of the project activities could take place in areas containing sites deemed physical or cultural resources by local communities (holy/secret sites such as sacred groves, sacred forests etc.). It is not anticipated that the project will have negative impacts

on any such sites. During implementation, particular attention will be paid to ensure that project activities do not affect such sites. Moreover, the ESMF has developed a section on “chance find” procedure to guide a good handling of physical cultural resources in the case some civils works would induce cultural properties discoveries.

81. The ESMF lays out procedures for screening and mitigating impacts from activities associated with potential adverse impacts, and includes the following: (a) checklists of potential environmental and social impacts and their sources; (b) procedures for participatory screening of proposed sites and activities and the environmental and social considerations; (c) procedures for assessing potential environmental and social impacts of the planned project activities; (d) institutional arrangements for mitigating, preventing, and managing the identified impacts; (e) typical environmental management planning process for addressing negative externalities in the course of project implementation; (f) a system for monitoring the implementation of mitigation measures; and (g) recommended capacity building measures for environmental planning and monitoring of project activities.

82. Responsibility and oversight of the Project’s overall compliance with national and Bank safeguard policies will rest with the environmental and social specialists in the PIU, as the main persons in charge of project implementation and monitoring of safeguard aspects. They will be working in close collaboration with the national entity responsible for ensuring the compliance of the project’s activities with the national legislation namely ANDE. That government’s body will conduct periodic monitoring of project’s compliance with proposed mitigation. It will also receive guidance and technical support from bank’s environmental and social safeguard specialist during implementation support missions or through specific sessions of training.

E. Monitoring and Evaluation

79. **Use of M&E data and information.** M&E is undertaken to ensure accountability for the use of funds and progress towards effective restoration and protection of forest cover and resources in Côte d’Ivoire and contribution to the overall goal of the FIP which is to support developing countries’ REDD+ efforts. M&E is also undertaken for project management purposes and provision of timely data and information to allow for timely self-evaluation and to take corrective measures if needed. Furthermore, M&E is vital to learning and transparency and provides a platform of evidence to inform policy.

80. **Annual validation of the progress towards objectives.** Main users will be project managers and decision makers in SODEFOR and SEP-REDD as well as stakeholders outside of the Government sector in GF and Park Tai management as well as the international community.

81. **Construction of results frameworks.** The results framework includes the indicators, their unit of measurement, baselines, annual targets, data sources and methodology for calculation of annual progress against the indicators as well as frequency of data collection. Responsibility for data collection and reporting is also laid out. Annual and end-of-program targets are set based on (1) the present situation, i.e. the baseline level, as well as the political aspirations and absorption capacity (2) evaluation of past performance of WB programs projects and those of other development partners (3) international comparisons and success and failures of these types of

projects in comparable settings (4) scope and funding of the project (5) institutional capacity for implementation of GF Park Tai management plans. All indicators will be measured and reported annually. This is also the case for indicators that have achieved their targets as well as for indicators for which the target only has to be achieved at mid-term or at the end of the program. Indicators are interlinked and continued measurement contributes to ensuring that first year's indicators indeed contribute to achieve end-of-program indicators. Furthermore, end-of-program indicators need to be measured from year one to ensure both the validity of the data source(s) and methodology, and as a test of attribution.

82. **Selection of indicators.** To measure progress towards the PDO and to follow a certain direction in the project activities, the project is made up of five PDO indicators including the core indicator on direct project beneficiaries. The PDO indicator on satisfaction is part of the citizen engagement strategy and will capture the satisfaction of target beneficiaries with project interventions; i.e., the results of GF co-management with adjacent GF communities and the process of laying out interventions – demand social accountability. It has been disaggregated by sex and supports data-wise the gender strategy of the project. Data source is a semi-structured questionnaire administered on a sample of target beneficiaries and locations. The questionnaire will consist of 20-25 questions that will capture various aspects of the results and the process. Given the number of questions, the survey will yield a wide set of information and data and much more than needed for calculating percentage of target beneficiaries satisfied. Based on a weighting and scoring of responses, the percentage of target beneficiaries satisfied will be calculated. Results of the survey using the semi-structured interviews will be presented and discussed in focus group interviews in a select number of villages and locations - both those where the questionnaire survey was undertaken and in locations that were not included. The focus groups interviews will provide a platform for better understanding the results from the survey and to plan corrective measures and a feedback and engagement mechanism to those communities that are targeted for interventions. They will include target beneficiaries and the Local GF Co-Management Committees that the project will help established. In the Results framework, each of the PDO indicators is described especially in relation to the overall goal of the FIP of emissions reductions due to deforestation and forest degradation. In addition, sets of intermediate indicators for each component have been selected. PDO and intermediate indicators were selected to balance the number of results areas that are considered critical to keep the overall FIP program on track and to maintain a streamlined design of the project, i.e. practicality and manageability.

83. **Data sources.** The project will to the extent possible, use existing data sources at SODEFOR and tools developed by the SEP-REDD to monitor forest cover in Côte d'Ivoire. Field surveys will be conducted to capture the perception of satisfaction with project interventions. Project and activity records will be used to estimate direct project beneficiaries.

84. **Roles and responsibilities in M&E.** Practical aspects of measuring, monitoring, and verifying results have been considered and with clear arrangements for monitoring as laid out in the results framework. The Project will not use a dedicated/stand-alone M&E system. The M&E function will be assumed by SEP-REDD which has the overall responsibility and coordinating role in M&E for the project. SEP-REDD will ensure monitoring and facilitate data collection, analysis and presentation of project results and communicate these to the task team. To this effect, a dedicated and qualified M&E officer is in place.

85. **Adequacy of the M&E arrangements**: capacity and use in relation were assessed along four dimensions:

a) Leadership in provision and use of relevant and valid quality data to inform policymaking, planning and budgeting in relation to the reform activities. Leadership is provided by SEP-REDD and supported by SODEFOR in terms of M&E and planning. It is assessed that this leadership is robust given that M&E tools, notably for monitoring, reporting and verification of GHG has been developed under the FCPF-Readiness.

b) Sustainability, i.e. in ensuring a robust system with sufficient financial, organizational and human capacity to sustained supply of quality data that meet the changing and increasing demands. Sustainability in M&E overall lies with SEP-REDD which already has experience and human resource to undertake M&E in place.

c) Data quality, i.e. timely production and dissemination of data that meet basic quality standards and user needs. The indicators are relatively straightforward and easy to measure with few quality issues and rely on existing data sources.

F. Role of Partners

86. The World Bank and the African Development Bank (ADB) are the two executing agencies supporting the country prepare and implement forest investment projects derived from the IP. The World Bank was selected by the country to be in the lead role. The two institutions have agreed on the following arrangements: (i) ADB will focus on interventions in the rural domain consistent with their agro-industrial development project in the RD; and (ii) the World Bank focuses on GF as well the Tai national park consistent with its Results-based Emission Reduction Program under preparation. The WB project budget is US$15 million of which US$9.44 is a concessional loan and US$5.56 is a grant; and the ADB project amounts to US$9 million of which US$6.36 is a concessional loan and a grant of US$2.54. The WB is also the implementing agency responsible for the DGM project, which will be prepared in parallel with the FIP, it is a grant in the amount of US$4.5 million.

ANNEX 3: IMPLEMENTATION SUPPORT PLAN

COUNTRY: Côte d'Ivoire
Forest Investment Program

A. Strategy and Approach for Implementation Support

87. The strategy for implementation support (IS) has been developed based on the nature of the project and its risk profile. It will aim at making implementation support to the client more flexible and efficient, and will focus on implementation of risk mitigation measures defined in the Systematic Operations Risk-Rating Tool (SORT).

88. Procurement. Implementation support will include: (i) reviewing procurement documents and providing timely feedback to the Integrated Projects Management Unit (IPMU) under which the SEP-REDD+ is incorporated with dedicated FIP Coordinator; (ii) providing detailed guidance on the World Bank's Procurement Guidelines to the IPMU; (iii) monitoring procurement progress against the detailed Procurement Plan; and (iv) providing procurement training as needed to the IPMU for continued procurement capacity strengthening.

89. Financial management (FM). Supervision will review the project's FM system at the IPMU, including but not limited to, accounting, reporting, and internal controls.

90. Environmental and social safeguards. The World Bank safeguard specialists are based in the country office in Abidjan and will provide technical support and guidance to the IPMU for the implementation of the FIP environmental and social safeguards instruments. They will work closely with the safeguard specialists hired by the project and participate in supervision missions as required.

91. Anti-Corruption. The World Bank team will supervise the implementation of the agreed Governance and Accountability Framework, and provide guidance in resolving any issues identified.

92. Most of the World Bank team members are based in Abidjan to ensure timely, efficient, and effective implementation support to the client. Formal implementation support missions and field visits will be carried out semi-annually. Detailed inputs from the World Bank team and partners are outlined below:

93. Technical inputs. In terms of Forestry, the team Sr. Forestry Specialist will provide technical guidance to the team as needed.

94. Fiduciary requirements and inputs. Training will be provided by the World Bank's financial management specialist and procurement specialist as needed to project staff. Both the financial management and the procurement specialist are based in the country office of Abidjan to provide timely support. Formal supervision of FM and Procurement will be carried out semi-annually.

95. Based on the outcome of the FM risk assessment, the following implementation support plan is proposed in table 1. The objective of the implementation support plan is to ensure that the project maintains a satisfactory FM system throughout the project's life.

B. Implementation support Plan and resource Requirements

Table 1: Implementation support plan

FM Activity	Frequency
Desk reviews	
Interim financial reports review.	Quarterly
Audit report review of the project.	Annually
Review of other relevant information such as interim internal control systems reports.	Continuous as they become available
On site visits	
Review of overall operation of the financial management system.	Annual with field visits at the local level (Implementation Support Mission)
Monitoring of actions taken on issues highlighted in audit reports, auditors' management letters, and internal audit and other reports.	As needed
Transaction reviews (if needed),	As needed
Capacity building support	
Financial management training sessions	During implementation and as and when needed.

96. **Safeguards.** Inputs from an environment specialist and a social specialist are required, though the project's social and environmental impacts are limited and client capacity is generally adequate. Capacity building will be required on environment monitoring and reporting. On the social side, supervision will focus on the implementation of the Process Framework. Field visits are required on a semi-annual basis. The social and environmental specialists are based in the Abidjan.

97. **Operation.** The task team leader (TTL) will provide timely supervision of all operational aspects through regular videoconference and audio meetings, as well as coordinating with the client and World Bank team members. The TTL will lead two formal field supervisions a year and, as needed, conduct punctual missions to resolve operational issues.

98. The main focus areas for implementation support are summarized in Table 2 below.

Table 2: Implementation Support Focus Areas

Time	Focus	Resource Estimate		Partner Role
First 12 months	Financial management (FM) training and supervision	FM specialist	4 SWs	n.a.
	Procurement training and supervision	Procurement specialist	4 SWs	n.a.

	Social safeguards, training and supervision	Social specialist 2 SWs	n.a.
	Environmental training and supervision	Environmental specialist(s) 2 SWs	n.a.
	Project implementation support and coordination	Task Team Leader (TTL)/Natural Resource Management (NRM) Specialist 12 SWs	n.a.
	Forestry	Sr Forestry Specialist 2 SWs	n.a.
	Forest Governance	Sr. Forest Gov Specialist, 2 SWs	
	Agriculture	Sr. Agriculture Specialist 2 SWs	n.a.
	Gender	Sr. Gender Specialist (4 SWs)	n.a.
	Operations	Operations Analyst 2 SWs	
12–60 months	Forestry	Sr Forestry Specialist 16 SWs	n.a.
	Forest Governance	Sr. Forest Gov Specialist 8 SWs	n.a
	Agriculture	Sr. Agricultural Specialist 16 SWs	n.a.
	Gender	Sr. Gender Specialist 16 SWs	n.a.
	Environment and social monitoring and reporting	Environmental specialist(s) 16 SWs Social specialist 16 SWs	n.a.
	FM disbursement and reporting	FM specialist 16 SWs	n.a.
	Procurement supervision	Procurement specialist 16 SWs	n.a.
	Project implementation support and supervision coordination	TTL/Sr NRM specialist 16 SWs	n.a.
	Operations	Operations Analyst 16 SWs	n.a.

Note: SW = staff week.

Not applicable.

99. The staff skill mix required is summarized in Table 3 below.

Table 3: Staff Skill Matrix

`Skills Needed	Number of Staff Weeks	Number of Trips	Comments
Forestry Specialist	2 SWs annually	Two annually	Washington based
Forest Gov Specialist	2 SWs annually	Two annually	Washington-based
Agriculture Specialist	2 SWs annually	Two annually	Accra-based
Gender Specialist	4 SWs annually	Two annually	Washington based.
Procurement	4 SWs annually	Two annually	Country office based
Social specialist	4 SWs annually	Two annually	Country office based
Environment specialist	4 SWs annually	Two annually	Country office based

Financial management specialist	4 SWs annually	Two annually	Country office based
Task team leader (TTL)/Sr. NRM) Specialist	6 SWs annually	Two annually	Washington based
Operations Analyst	4 SWs annually	Two annually	Washington based

Name	Institution/Country	Role
Léandre Gbéli	African Development Bank	FIP-Co-TTL for overall support to project implementation

ANNEX 4: DETAILED ECONOMICAL ANALYSIS

COUNTRY: Côte d'Ivoire
Forest Investment Program

A. Introduction and Objectives

1. **Despite Cote d'Ivoire's forests being very biodiversity rich with many endemic species, which makes the forests globally very significant, deforestation and forest degradation play a large part in making Cote d'Ivoire one of the countries in Sub-Saharan Africa with the highest rate of deforestation.** Especially the growing demographic pressure and the generalized poverty of rural household that leads to the overexploitation of natural resources constitute for the main direct causes of deforestation and forest degradation in the country and is contributing to rising Carbon emissions. According to FAO data, 15.6% of GHG emissions in the country came from land-use change and forestry in 2011. This project aims to conserve and increase the forest stock and enhance the livelihoods of forest-dependent communities in the project target zones. By doing so it will also reduce GHG emissions from deforestation and forest degradation and enhance forest carbon stocks.

2. **The public goods character of forests and greenhouse gases and the related market failures make the public sector the appropriate vehicle for this project.** Greenhouse gases are arguably the most detrimental negative externality of our societies and the market is and will not be able to solve them by itself. The significance of the reduction of GHG emissions and the significance of ecosystems is seldom adequately recognized in economic markets, government policies, or land management practices. The tendency to underestimate the value of ecosystems is related, for the most part, to their "public good" quality. Ecosystems and the services they provide are owned by all and thus protected by none. They generate shared benefits and so encourage free riding. Being publicly provided, they are under-priced or un-priced and thus tend to be over-used and abused. Since the benefits are shared and ownership is collective, there is a tendency to free-ride on contributions for the provision of these goods. Collectively these features lead to pervasive degradation of ecosystems as a consequence of systemic market failures.[9]

3. **This section presents an analysis of the economic (welfare) benefits generated by the proposed investment.** By estimating the (partial) values of changes of carbon sequestration, climate benefits, watershed values and livelihoods, and comparing them against the cost of the proposed investment, the overall economic welfare generated by the project is assessed. Due to the complexity of the project, the anticipated economic benefits cut across many sectors and aspects. The enhanced delivery of carbon sequestration, environmental goods and services, and improved livelihoods and poverty alleviation are the three broad benefit categories. Given time and data constraints for this ex-ante EA, the consideration of benefits for the quantitative simulation will be limited to a few aspects and complemented by a qualitative discussion of other benefits. The section discusses anticipated economic benefits and the presentation of results of a numerical simulation, including a brief assessment of the economic feasibility of the project.

[9] http://www.esa.org/education_diversity/pdfDocs/ecosystemservices.pdf

B. Economic Benefits generated by the Project

Qualitative description

4. **The proposed investment is generating a diverse portfolio of economic benefits ranging from direct, tangible benefits to indirect, intangible benefits**. A direct, tangible benefit is, for example the reduction of GHG emissions. On the other side of the scale, indirect and intangible economic benefits of the project are, for example the improvement of the public administration and associated delivery of public services triggered by the project's supported capacity building for land rights. Table 1 provides a limited overview of selected examples of the four categories of benefits that can be associated with the project.

Table 1 Selected economic benefits generated by the project

	Tangible	Intangible
Direct	• Reduction in GHG emissions • Increase income	• Reduction in soil erosion/ increase in soil conservation • Reduction in deforestation • Afforestation / reforestation • Increase of trees in the agricultural landscape • Biodiversity conservation • Poverty reduction
Indirect	• Reduced pressure on protected areas • Increased resilience to external shocks • Reduced malnutrition • Better access to credit • Reduction in inundations	• Enhancing institutional mechanisms in support of decentralization and delivery of public services • Strengthened self-governance capacity of communities and community groups • Lowering marketing costs • Improved schooling and education

Underlined benefits are included in quantitative economic analysis

5. **Given the lack of data and time and resource constraints for this ex-ante project economic analysis, only a few selected benefits will be used for the quantitative economic assessment of project feasibility.** These are a) emission reduction benefits, b) a few selected environmental benefits and c) livelihood benefits. Other economic benefits as listed in Table 2 are additional and need to be considered in the qualitative discussion, especially if quantitative simulation results indicate borderline economic feasibility of the project.

Stratification of Project Area for Benefit Estimation

6. **For assessing the benefits generated by the project, the different ecosystems targeted by the project need to be identified and differentiated benefits have to be assigned.** After the five-year implementation period, the project is expected to result in a total of 20,000 hectares of reforested land and agroforestry and 226,386 hectares of improved forest management and surface area of targeted Gazetted Forest managed through Public Private Partnership, which will be managed in a sustainable manner targeting the problem of uncontrolled harvesting of forest for firewood. For the area afforested and the new agroforestry areas, the economic value of the incremental benefit is assessed at 100% as the without project situation is "no forest". For the area under improved forest management, the incremental benefit is assessed at 25% of the total value, assuming that some protection was already provided prior to the intervention and only a partial increase in value is provided.

7. **For this economic assessment, only the direct improvements of forest area affected is included in the quantitative analysis.** Other, often secondary impacts, generated by the investment through broader improvement of governance and management of forests is not included as benefit attribution is challenging. Variations and benefits assignments for the impacted remaining areas, beyond the core area, are unclear and could lead to potential over- or underestimations of benefits. Thus, limiting the analysis to the core area, contributes to its robustness.

C. Main assumptions and cost factors

8. **Cost-Benefit-Analysis was applied to conduct the economic efficiency assessment for this project.** Sensitivity analysis is applied for the main simulation parameters notably discount rate. For the discount rate, alternative rates of 5%, 10%, and 20% are applied. To test the robustness of initial results the economic benefits are reduced by 50% and a lower Carbon Price is applied in subsequent analysis. All sensitivity analyses are run for all discount rates scenarios. The results of the quantitative results will be complemented with qualitative benefits to conclude overall project feasibility.

Time

9. **The distribution of costs and benefits over time follow the actual disbursement of the project as closely as possible.** This means benefits start only to arise after the first payment in 2018 as it seems unlikely that benefits are created without prior financial contributions. After 2022 it is assumed that no further improvements are achieved even though it is likely that the project will trigger further improvements in the future without substantial additional costs.

Carbon and Climate Benefits

10. **The quantification of climate and carbon benefits applied for this economic analysis follows an extremely conservative approach.** It only assumes sequestered carbon and storage from direct project interventions areas, not secondary effects through enhanced carbon stock achieved through forest management more generally. As explained, these incremental carbon benefits are modeled over a period of 15 years, although it can be expected that project impacts will last for a longer time period. Consequently, the absolute carbon benefits of this EA may differ from other carbon assessment undertaken for the project, which – most likely – will exceed those modeled here. However, as this would only increase project benefits and economic returns of the project, it complies with the "threshold" approach taken for this analysis (compare also section (4) Methodology below).

11. **The valuation of project carbon benefits requires the assignment of a dollar value per ton of carbon, which is a difficult exercise, given the recent collapse of global carbon markets.** In this context, the market price of carbon does not reflect the social value of carbon storage of forests. Instead the social cost of carbon is used, which attempts to capture the marginal (global) damage cost of an additional unit of emitted carbon. Using the official guidance for the social value of carbon as provided by the World Bank (2015) a baseline shadow value of Carbon starting at US$30 in 2015 and increasing to US$80 (US$33 in 2018 to US$38 in 2022) in real terms by 2050 is applied. The lower Carbon price path, ranging from US$15 in 2015 to US$50 in 2050 (US$18 in 2018 to US$23 in 2023), is used for the sensitivity analysis.

12. **Carbon sequestration and storage values of forest ecosystems are different from climate regulation benefits, encompassing broadly adaption and resilience services.** Climate regulation benefits are additional values provided by forest ecosystems. For a case study in Cameroon, TEEB (2009) states that associated values range between US$842 and US$2,265 per hectare per year (ha/year). Pearce et al. (2001) state values for the same service to range from US$360 to US$2,200 per ha/year. For this analysis, a rather conservative value of USD 50/ha/a is assumed.

Watershed Values

13. **Given the important role of tropical forests with respect to hydrological functions, watershed values are the third category of benefit values included in the quantitative economic assessment.** Another reason for including watershed values in this assessment is that they are clearly distinguishable from the other two value categories, which is important for avoiding double counting of benefits. For example, TEEB (2009) states the economic value of intact tropical forests as US$6,120 per ha/year, which is significantly higher than any of the values assumed in this assessment (however, it is not fully clear which values are considered in TEEB's assessment). Pearce (2001) values watershed benefits for tropical forests at a range between US$15 and US$850 per ha/year, with the higher-bound value applying to tropical forests. The World Bank10 estimates watershed values at USD129/ha for developed and USD27/ha/a for developing countries, respectively. Again, following a conservative approach, the baseline value assumed for this analysis is USD27/ha/a.

Bioprospecting

14. Natural habitats (especially tropical forests) can serve as a provider of new medicines that may bene-fit humanity. This creates economic values and justification for conservation. Rausser and Small (2000) estimated the value of medical bioprospecting for the Tai National Park with USD 25.61 per ha/a. This value is used in the economic analysis as an estimate.

Livelihood and poverty alleviation

15. The livelihood impact anticipated from the project is approximated using basic income data that is available for Cote d'Ivoire, adjusted and adapted to the project's situation by including several assumptions. The reported per capita income for Cote d'Ivoire is 1,520 (GNI, Atlas method, 2015) without taking account of the rural-urban income differentiation. To take account of this differential, the income is adjusted to a lower value of US$1,140 which is 75 percent of the average income. This is also taking 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 1 percent - or US$11 – received by people impacted by project activities, which is stated as 345,000. The target population is reached in a linear fashion over the lifetime of the project, i.e. 69,000 per year. For the purpose of this analysis and as a conservative assumption, it is also assumed that once the project is over, no further people will be positively affected. Altogether, a baseline benefit stream is anticipated as depicted in Table 2. By

[10] The Changing Wealth of Nations – Measuring Sustainable Development in the New Millennium (2011)

assuming that livelihood benefits will only amount to 1% of the average income a conservative approach is taken.

Table 2 Development of livelihood benefits generated by the project
Increment livelihood benefit calculated as 1 percent of average rural per capita GNI

Year	1	2	3	4	5	6	…	15
People	69,000	69,000	69,000	69,000	69,000	0	0	0
	69,000	138,000	207,000	276,000	345,000	345,000	345,000	345,000
Benefits	786,600	1,573,200	2,359,800	3,146,4000	3,933,000	3,933,000	3,933,000	3,933,000

Costs

16. Project costs are approximated using the investment costs of the proposed project totaling USD 15 million. A total project duration of 5 years was assumed, with a specific annual disbursement of project investments as anticipated by project developers. Average annual allocations are about USD 3 million per year ranging between USD 2.27 million and USD 3.6 million as the low and high disbursement. These allocations are used for the cost calculations in the analysis.

D. Methodology

17. **A net present value analysis is applied to compare project's net benefits and net costs at time of the baseline evaluation (2018).** In addition to applying conservative values for the quantitative assessment, sensitivity analysis is applied in various ways for the key simulation parameters, notably discount rate and assessment of benefit variation. Alternative discount rates of 5%, 10%, and 20% are chosen, with 20% significantly exceeding what has recently been recommended as average "default" discount rates for project analysis by the World Bank. Quantitative results will be contrasted with qualitative benefits to arrive at overall project feasibility.

18. **As required for economic analysis of projects, a "With" and "Without" project situation is used for estimating incremental benefits generated by the project.** Taking account of the current situation, and the fact that the environmental as well as livelihood situation in the project areas is likely to continue to decline, even a slowing but continuing existing negative trend represents a project benefit. For example, a slow-down but continuation of deforestation and forest degradation trend is a benefit that can be quantified by the amount of incremental carbon that is not emitted into the atmosphere compared to the without project situation. Likewise, if household incomes can remain stable under a project situation compared to a possible negative trend due to declining agricultural productivity, deforestation, climate change, and other possible impact factors, this also represents an incremental benefit achieved by the project. Net Present Value (NPV) and Benefit-Cost Ratio (B/C-Ratio) are used as criteria to assess the economic feasibility of the project.

19. **As a sensitivity test different discount rates are used to assess the economic feasibility of the project.** While direct project costs only occur during the first five years of the project, benefits are assumed to be generated beyond the lifetime of the project. To harmonize project benefits and costs through the calculation of a present value of costs and benefits, a discount rate

needs to be determined. In line with the World Banks guidance note on Discounting Costs and Benefits in Economic Analysis of World Bank Projects and given the often-significant impact of the choice of the discount rate on economic analysis outcomes, and the common difficulty in determining discount rates reflecting economic discounting behavior, a sensitivity analysis is applied considering discount rates of 5%, 10%, and 20%.

20. **In addition to testing the impact of different discount rates on simulation results, other sensitivity analyses are applied to account for possible variations in key input parameters and to test the robustness of simulation results.** Although all assumed benefit values are already lower-bound estimations, focus on three core benefit categories only, and their application to areas that explicitly benefitted from the project only (excluding spillover effects and positive externalities resulting from improved policy frameworks, research and monitoring), benefit reductions of minus 50% are tested. Further simulations were run to assess the economic feasibility of a partial assessment excluding individual project components. As the overall analysis is largely dominated by the monetary quantification of carbon benefits, these additional analyses allow more thorough conclusions to be drawn regarding the feasibility of the project. In addition, the partial analysis of singled-out project components also permits a more in-depth look at the economic feasibility of selected individual components. It has to be noted that in addition to using already conservative values, those are not adjusted from their publication year to current prices, which would result in an increase in values. This set of sensitivity assessments enables a comprehensive analysis of the economic robustness of the project vis-à-vis changing or differentiated value parameters.

E. Results

21. **Results show positive simulation outcomes for the Project, thus confirming economic feasibility.** Simulation results are summarized in table 3. The table shows the net present value (NPV) and the benefit-cost ratio (BC) for different discount rates and Carbon prices and benefit variations. Even for situations in which Carbon benefits are excluded, the analysis yields positive results for all discount rates. The benefits are much larger than the costs in all scenarios and create a net present value of US$ 3,334.7 million in the baseline scenario and a B/C-Ratio of 257.79. Given the relatively large carbon benefits expected from the project, the economic robustness was tested for a low carbon price and a low carbon price combined with a reduction of all benefits by 50%. Even with a low carbon price and a reduction of all benefits by 50%, the project yields positive results at all discount rates. Moreover, looking only at the environmental benefits created by the project also yield positive results.

Table 3 Summary of economic simulation results

	All Benefits with Baseline Carbon price			**All Benefits with Low Carbon price**			**Without Carbon Benefits**		
	5%	**10%**	**20%**	**5%**	**10%**	**20%**	**5%**	**10%**	**20%**
NPV [in US$ million]	3,334.7	2,256.8	1,179	2,126.9	1,425.5	731.3	84.9	56.6	28.4
B/C-Ratio	257.79	199.65	132.97	164.78	126.47	82.86	7.54	5.98	4.18

	Low Carbon Benefits and -50% Benefits			*Environmental Benefits only (without Carbon Benefits)*					
NPV [in US$ million]	1,057	707.1	361.2	51.2	33.2	15.6			
B/C-Ratio	82.39	63.24	41.43	4.94	3.92	2.74			

F. Discussion

22. **This ex-ante economic analysis conducted for the Forest Investment Program for Cote d'Ivoire supports the program through positive results across a variety of sensitivity analyses and data assumptions.** The analysis also tested the economic feasibility of individual project components, which all yielded positive results. The analysis was also robust as regards varying discount rates and also testing for changes in anticipated results.

23. **The quantitative analysis was also strictly limited to values that can be clearly attributed to the project.** Besides the benefits from the emission reductions - the carbon benefits, selected environmental benefits and livelihood benefits that were only accounted for in a very limited way- additional benefits can be associated with inter alia biodiversity conservation, economic benefits arising from the project investments, and better public service delivery land tenure security and land use planning and the promotion of partnerships between local communities and the private sector. Furthermore, it was assumed that no more benefits would arise beyond the project implementation period, even though it is likely that positive effects will continue to generate positive incremental changes compared to the without project situation. While this approach systematically undervalues project impacts, it provides a high degree of robustness. If additional and downstream project benefits had been considered the simulations would have yielded even stronger results.

24. **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 as regards natural resources management 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. 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: Map of project sites

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