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FOREST CARBON PARTNERSHIP FACILITY (FCPF)

PROJECT PAPER

ON A

PROPOSED ADDITIONAL GRANT

IN THE AMOUNT OF US\$ 5.2 MILLION

TO THE

REPUBLIC OF CONGO

FOR

REDD+ READINESS PREPARATION SUPPORT

October 19, 2015

Environment and National Resources Global Practice
Africa Region

Vice President:	Makhtar Diop
Country Director:	Ahmadou Moustapha Ndiaye
Country Manager:	Djibrilla Issa
Senior Global Practice Director:	Paula Caballero
Practice Manager:	Benoit Bosquet
Task Team Leader:	Julian Lee

ABBREVIATIONS AND ACRONYMS

AF	Additional funding
CACO-REDD	Consultation Framework for Congolese Civil Society and Indigenous Peoples
CAFI	Central Africa Forest Initiative
CN-REDD	National REDD+ Coordination
CONA-REDD	National REDD+ Committee
COPEPA-REDD	Departmental REDD+ Committee
ESMF	Environmental and Social Management Framework
FCPF	Forest Carbon Partnership Facility
FEDP	Forest and Economic Diversification Project
FGRM	Feedback and grievance redress mechanisms
FIP	Forest Investment Program
FM	Financial management
GEF	Global Environment Facility
GRS	Grievance Redress Service
IDA	International Development Association
IPMP	Integrated pest management plan
MEFDD	Ministry of Forest Economy and Sustainable Development
MRV	Monitoring, reporting, verification
OP	Operational policy
PCI-REDD+	Principles, criteria, and indicators for REDD+
PCRMF	Physical and cultural resources management framework
PIU	Project implementation unit
REDD+	Reducing emissions from deforestation and forest degradation
RENAPAC	National Network of Indigenous Populations of Congo
R-PP	Readiness Preparation Proposal
SESA	Strategic environmental and social assessment
SIS	Safeguards Information System
SIFODD	Information System for Forest Management and Sustainable Development
UNFCCC	United Nations Framework Convention on Climate Change
WB	World Bank

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REPUBLIC OF CONGO
ADDITIONAL REDD+ PREPARATION SUPPORT
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REPUBLIC OF CONGO

ADDITIONAL REDD+ PREPARATION SUPPORT

ADDITIONAL FUNDING DATA SHEET

Basic Information - Additional Funding (AF)					
Country Director: Ahmadou Moustapha Ndiaye	Sectors: Environment				
Practice Manager/ Senior GP Director: Benoit Bosquet / Paula Caballero	Themes: Forests, Climate Change				
Team Leader: Julian Lee	Environmental category: B				
Project ID: P124292	Expected Closing Date: December 31, 2017				
Expected Effectiveness Date: January 1, 2016	Joint IFC: N/A				
Lending Instrument: Carbon Offset	Joint Level: N/A				
Basic Information - Original Project					
Project ID: P124292	Environmental category: B				
Project Name: REDD+ Readiness Support	Expected Closing Date: 31 December 2015				
Joint Level: N/A	Joint IFC: N/A				
Lending Instrument: Carbon Offset	Fragility or Capacity Constraints [N/A]				
	Financial Intermediary [N/A]				
	Series of Projects [N/A]				
AF Project Financing Data					
<input type="checkbox"/> Loan <input type="checkbox"/> Credit <input checked="" type="checkbox"/> Grant <input type="checkbox"/> Guarantee <input type="checkbox"/> Other:					
AF Financing Plan (US\$m)					
Source	Total Amount (US \$m)				
Total Project Cost:	5.2				
Co-financing:	N/A				
Borrower:	N/A				
Total Bank Financing:	5.2				
IBRD					
IDA					
Client Information					
Recipient: Republic of Congo Responsible Agency: Ministry of Forest Economy and Sustainable Development Contact Person: Mr. Georges Boudzanga Telephone No.: +242 066 667321 Email: bouzgege@yahoo.fr					
AF Estimated Disbursements (Bank FY/US\$m)					
FY	16	17			
Annual	2.38	2.82			
Cumulative	2.38	5.20			
Project Development Objective and Description					

Original project development objective: To reinforce the Republic of Congo’s capacities to design a socially and environmentally sound national strategy to reduce emissions from deforestation and forest degradation (REDD+) and to inform the development of a national reference emissions level for REDD+.

Revised project development objective: unchanged

Project description: The project will support the coordination of the national REDD+ process and promote participation, consultation and outreach among all relevant stakeholders (Component 1). Furthermore, it will contribute to developing the National REDD+ Strategy, promoting cross-sectorial policy dialogue and operationalizing all necessary REDD+ tools (Component 2), as well as improving the reference level, Monitoring, Reporting and Verification, and the Safeguards Information System (Component 3). Component 4 will cover project management.

Safeguard and Exception to Policies

Safeguard policies triggered:	
Environmental Assessment (OP/BP 4.01)	[x]Yes [] No
Natural Habitats (OP/BP 4.04)	[x]Yes [] No
Forests (OP/BP 4.36)	[x]Yes [] No
Pest Management (OP 4.09)	[x]Yes [] No
Physical Cultural Resources (OP/BP 4.11)	[x]Yes [] No
Indigenous Peoples (OP/BP 4.10)	[x]Yes [] No
Involuntary Resettlement (OP/BP 4.12)	[x]Yes [] No
Safety of Dams (OP/BP 4.37)	[]Yes [x] No
Projects on International Waterways (OP/BP 7.50)	[]Yes [x] No
Projects in Disputed Areas (OP/BP 7.60)	[]Yes [x] No
Is approval of any policy waiver sought from the Board (or MD if RETF operation is RVP approved)?	[]Yes [x] No
Has this been endorsed by Bank Management? (<i>Only applies to Board approved operations</i>)	[]Yes [] No
Does the project require any exception to Bank policy?	[]Yes [x] No
Has this been approved by Bank Management?	[]Yes [] No

Conditions and Legal Covenants:

Financing Agreement Reference	Description of Condition/Covenant	Date Due

I. Introduction

This Project Paper seeks management approval to provide an Additional Funding (AF) grant in the amount of US\$5,200,000 from the Forest Carbon Partnership Facility (FCPF) to the Republic of Congo in support of its ongoing REDD+ readiness process. The AF grant complements the US\$3,400,000 Readiness Preparation Grant Agreement (signed on January 11, 2012) and related Readiness Preparation Proposal Assessment Note (October 2011). The closing date was extended until December 31, 2015 upon request by the Government of Republic of Congo (Annex 2). The achievements under the original grant have been satisfactory to date. As of August 31, 2015 US\$2,342,909 have been disbursed (69%), and 98.2% of funds had been committed.

The Republic of Congo's request for additional funding in the amount of US\$5,000,000 was approved by the FCPF Participants Committee, the governing body of the FCPF, on May 19, 2015 (Resolution PC/19/2015/3). Additionally, the Republic of Congo is eligible to receive US\$200,000 from the FCPF to develop its national feedback and grievance redress mechanism (Resolution PC/Electronic/2012/1). The total amount of the AF is US\$5.2 million.

The Republic of Congo conducted a self-assessment of progress on REDD+ readiness and identified remaining gaps vis-à-vis its roadmap (the Readiness Preparation Proposal, R-PP) and respective financial needs. Detailed information on progress achieved under the original grant and the rationale for additional funding can be found in the Republic of Congo's Mid Term Progress Report (MTR) and request for AF (see Annex 1 Key Reference Documents). The proposed AF grant aims at completing the REDD+ readiness process in the country in a two-year period with a closing date of December 31, 2017.

The proposed AF grant has the same Project Development Objective (PDO) and key results as the original REDD+ Readiness Preparation Grant. The AF activities will fall under three results: (i) National REDD+ Strategy (including its implementation framework) is prepared and validated by national stakeholders; (ii) The prospective elements to build a National Reference Emission Level for REDD+ are available; (iii) An Environmental and Social Management Framework (ESMF) is prepared and validated by national stakeholders.

The institutional arrangements for the implementation of the AF grant remain the same and will be managed by the National REDD+ Coordination hosted by the Ministry of Forest Economy and Sustainable Development (MEFDD). Two safeguard policies marked "to be determined" under the original grant are now triggered: OP4.09 on Pest Management and OP4.11 on Physical Cultural Resources. While an Integrated Pest Management Plan (IPMP) is already being prepared as part of the Strategic environmental and social assessment (SESA) process, a Physical Cultural Resources Management Framework (PCRMF) will be prepared during the additional funding period, in addition to the first set which is already under preparation. However, the triggering of these new policies has no impact on the project's Environmental Assessment (EA) Category, which remains "B" – partial assessment.

It should be noted that the activities to be financed by the FCPF in support of the REDD+ readiness process in the Republic of Congo do not include the implementation of REDD+ activities on the ground. The FCPF support is limited to analytical studies, capacity building, and consultation processes at the national and sub-national levels. As part of the readiness process, the Republic of Congo will identify priority investment needs to implement its REDD+ strategy.

These investment needs are expected to be financed by public and private sources and the Government itself, and not by the FCPF Readiness Fund.

II. Background and Rationale for Additional Funding

Key achievements under the original grant. The achievements under the original grant are satisfactory. Main results include the draft National REDD+ Strategy, multi-stakeholder participation and consultations, national consensus on the drivers of deforestations and forest degradation, an analysis of and recommendations for the legal and implementation framework, the Strategic Environmental and Social Assessment (SESA) process and draft Environmental and Social Management Framework (ESMF). The deliverables as per the original Grant Agreement are being produced by December 2015.

Rationale for Additional Funding: The Republic of Congo carried out a self-assessment of its progress against its Readiness Preparation Proposal (R-PP) in its Mid-Term Review, and identified a financing gap of US\$ 5.2 million to complete its REDD+ readiness process. The proposed AF aims to fill this financing gap to allow the REDD+ readiness process in the country to be completed.

The proposed activities under the AF aim at generating the Readiness Package (R-Package) by April 2016 and to ensure continued readiness improvements thereafter. The endorsement of the R-Package by the FCPF Participants Committee is a prerequisite for the country to be eligible for performance-based payments in the FCPF Carbon Fund, an ongoing parallel process. The AF grant is important for the Republic of Congo to advance the national REDD+ institutional infrastructure (readiness) in order to facilitate access to much larger sources of climate finance that promote investments and development benefits. The AF for readiness activities is thus a critical component in a much larger programmatic approach and is structured against the R-Package (sub-) components.

In the absence of AF, the Republic of Congo would not be in a position fully attain the project's development objectives: The country's national REDD+ strategy is still in need of development, and in its current state the set of tools developed does not yet provide the infrastructure necessary for a functioning REDD+ program. Similarly, the national reference emissions level has been partially developed, but parallel funding from UN-REDD is running out and the methodology still needs to be refined, with corresponding required changes to the monitoring, reporting, and verification (MRV) system. The Republic of Congo would therefore not be in a position to benefit from future REDD+ payments without the AF.

This Project Paper assesses AF related to two funding allocations amounting to US\$5,200,000, as requested by the Government of the Republic of Congo:

A. Additional Funding: US\$ 5,000,000

The Republic of Congo presented a request for additional funding for assessment by the FCPF Participants Committee (PC) at its 19th meeting held on May 17-19, 2015 in Washington, DC. At this meeting, the PC adopted Resolution PC/19/2015/3 and allocated funding to the Republic of Congo up to an additional US\$ 5,000,000 to continue its readiness preparation process.

B. Feedback and Grievance Redress Mechanisms: US\$ 200,000

The PC adopted electronic resolution PC/Electronic/2012/1 allocating additional funds up to US\$ 200,000 to strengthen national feedback and grievance redress mechanisms for REDD+ Country Participants.

III. Proposed Changes

A. Project Development Objective, Key Results, Project Beneficiaries

The Project Development Objective (PDO), key results, and project beneficiaries remain unchanged. The PDO is to reinforce the Republic of Congo's capacities to design a socially and environmentally sound national strategy to reduce emissions from deforestation and forest degradation and to inform the development of a national reference emissions level for REDD+.

The key results are: 1. A National REDD+ Strategy (including its implementation framework) is prepared and validated by national stakeholders; 2. The prospective elements to build a National Reference Emission Level for REDD+ are available; 3. An Environmental and Social Management Framework (ESMF) is prepared and validated by national stakeholders.

As this is a preparatory grant, the primary beneficiaries for the time being are the government institutions charged with REDD+ preparation, in particular the MEFDD and the CN-REDD.

B. Additional Funding Activities

1. Description

The Republic of Congo has defined the following priority areas for the financing of additional activities: (i) Ensuring the effective operationalization of institutional arrangements, in particular high-level multi-sectorial coordination and decentralized entities; (ii) Ensuring coordination of the national REDD+ process by the National REDD+ Coordination (CN-REDD, the operational implementing agency for REDD+); (iii) Communicating with all stakeholders and building their capacities; and (iv) Finalizing and strengthening all REDD+ tools, such as the National REDD+ Strategy, a benefit sharing mechanism, and the REDD+ registry, including testing in and learning from the sub-national Northern Congo Emission Reductions Program.

A financial summary of the Republic of Congo's readiness process as calculated in the R-PP and updated in the context of the MTR including the main funding sources (FCPF, UN-REDD and Government of the Republic of Congo) can be found in Annex 3. It identifies the remaining needs, namely a financial gap of US\$5,200,000 to be covered by the AF grant.

The Government of the Republic of Congo will continue to provide its own contribution of FCFA 100,000,000 (US\$163,000) over the two year period.

The AF activities are organized into four components as follows:

Components	Original (US\$)	AF (US\$)	Total (US\$)
Component 1: Support to the coordination of the REDD+ Readiness Process and multi-stakeholder consultations	2,100,000	2,990,000	5,090,000
Sub-component 1.1: Coordination of the national REDD+ Readiness Process	1,600,000	2,204,000	3,804,000
Sub-component 1.2: Promoting participation, consultation and outreach	500,000	786,000	1,286,000
Component 2: Contribution to the design of a national REDD+ strategy	1,100,000	1,062,000	2,162,000
Sub-component 2.1: Preparation of the National REDD+ Strategy	500,000	326,000	826,000
Sub-component 2.2: Preparation of the REDD+ implementation framework	300,000	526,000	826,000
Sub-component 2.3: Strategic Environmental and Social Assessment	300,000	210,000	510,000
Component 3: Informing the national reference emissions level for REDD+	200,000	628,000	828,000
Sub-component 3.1: Reference level	200,000	236,000	436,000
Sub-component 3.2: Measuring, Reporting and Verification	0	392,000	392,000
Component 4: Project management (10%)	0	520,000	520,000
Total AF grant	3,400,000	5,200,000	8,600,000

2. Project Components

Component 1: Support to the coordination of the REDD+ Readiness Process and multi-stakeholder consultations (US\$2,990,000)

Sub-component 1.1: Coordination of the National REDD+ Readiness Process (US\$2,204,000)

National REDD+ Coordination (US\$1,587,000)

The CN-REDD will continue to work with a team of experts with clear roles and responsibilities and manage the day-to-day activities of the national REDD+ process including stakeholder consultations. The AF grant will ensure that the CN-REDD continues to be adequately equipped, including with human resources, training, communication, office equipment and missions.

Specifically, the AF under this component will finance the coordinator of the CN-REDD, support staff (two secretaries, one logistics staff, one assistant for documentation, two drivers and two gardeners) as well as operational missions of the CN-REDD team and communication-related expenses. It will also finance the gradual establishment of decentralized CN-REDD teams in the 12 departments of the country (offices, equipment, local teams each composed of project leader, assistant and secretary).

The sub-component will also support the finalization of the Congo's REDD+ Readiness Package, including by funding a national multi-stakeholder self-assessment process.

Completion of the national REDD+ institutional arrangements (US\$417,000)

The release of the presidential decree in February 2015 on the REDD+ management arrangements is a concrete expression of the importance the Government of the Republic of Congo attributes to REDD+. However, some of the foreseen institutions have not been established yet or do not yet function properly. The AF will therefore finance the operationalization and activities of the National REDD+ Committee (CONA-REDD) and the 12 REDD+ Departmental Committees (CODEPA-REDD). The National REDD+ Committee, which is composed of representatives from all REDD+ relevant ministries as well of all stakeholder groups, will serve as the high-level body for political oversight and guidance. Specifically, the AF includes support of functional offices for the CONA-REDD and the 12 CODEPA-REDD as well as annual meetings and technical working sessions.

Feedback and grievance redress mechanism (US\$200,000)

Based on the FCPF guidelines, the CN-REDD on behalf of the MEFDD will set up and maintain an operational Feedback and Grievance Redress Mechanism (FGRM). A three-step process is envisioned: (i) identify potential grievances and conflicts that may arise as a result of REDD+ (this activity will benefit from the outcomes of the SESA process); (ii) assess the Republic of Congo's existing capacity to respond to and resolve those conflicts; and (iii) put in place an action plan to strengthen existing grievance capacity.

The AF grant will finance the participatory development of the FGRM, including workshops, its operationalization including IT support as needed, and its application in the Northern Congo Emission Reductions Program.

Major Activities	2016	2017	Total
Coordination of the REDD+ process by the CN-REDD	245,100	245,100	490,200
Operationalization and activities of the 12 decentralized units of the CN-REDD	345,600	701,200	1,046,800
R-Package preparation	50,000	0	50,000
Sub-total	640,700	946,300	1,587,000
Operationalization and activities of CONA-REDD	55,000	50,000	105,000
Operationalization and activities of the 12 CODEPA-REDD	141,000	171,000	312,000
Sub-total	196,000	221,000	417,000
Development of a feedback and grievance redress mechanism	200,000	0	200,000
Sub-total	200,000	0	200,000
Total sub-component 1.1	1,036,700	1,167,300	2,204,000

Sub-component 1.2: Promoting participation, consultation and outreach (US\$786,000)

Strengthening the civil society platform CACO-REDD, including RENAPAC (US\$60,000)

Participation of all relevant stakeholders in the REDD+ process is an important feature of the Republic of Congo's R-PP. The multi-stakeholder process is led by the CN-REDD in cooperation with the national civil society REDD+ platform (CACO-REDD), including the Indigenous Peoples' network (RENAPAC). Specifically, the AF will support the proper functioning of the CACO-REDD platform through:

- Capacity building to strengthen the platform: e.g. technical assistance, support to General Assembly, working sessions, strategy development;
- Legal advice to professionalize the platform (e.g. statutes, mandates) and ensure that civil society is represented and participating in the REDD+ process in an effective manner.

Information, education and communication (US\$726,000)

The activities related to information, education and communication are composed of three areas: (i) the implementation of the communication plan, (ii) the organization of REDD+ summer schools, and (iii) the creation and management of a website.

The REDD+ communication plan was validated in a national workshop by all stakeholders in July 2013. However, a lack of financing has prevented its effective implementation. The AF will therefore support the implementation of the communication plan in order to facilitate the awareness, understanding, validation and dissemination of the major REDD+ tools emerging from the REDD+ readiness phase (e.g. national strategy, safeguards, reference level). The implementation of the communication plan involves the following activities: translation of documents, training for outreach activities, awareness-raising, production of communication materials (e.g. brochures, newsletters, banners, stickers, t-shirts, CD-ROM, calendars, roll ups, radio and TV sessions, press releases and print media articles), and the organization of side events and other information sessions.

The website will be established in conjunction with the Ministry of Environment's communication project, but managed by CN-REDD. Dissemination of information about the REDD+ process in the Republic of Congo is a critical component of communication, both nationally and internationally.

The organization of REDD+ summer schools will contribute to ensuring effective multi-stakeholder participation and coordination across sectors. They will also pay attention to the involvement of young people for them to better understand the REDD+ process and get motivated to become future experts in this area. The AF will finance national and decentralized REDD+ summer schools, possibly in the northern region of the country (Ouessou, Impfondo, or Pokola).

Major activities	2016 (US\$)	2017 (US\$D)	Total (US\$)
Strengthening of the organization and functioning of the CACO-REDD	30,000	30,000	60,000

Sub-total	30,000	30,000	60,000
Coordination of activities at the CN-REDD (1 IEC Unit Head, 1 Assistant)	48,000	48,000	96,000
Implementation of the communication plan	260,000	260,000	520,000
Creation and management of the website	50,000	20,000	70,000
Organization of REDD+ summer schools	20,000	20,000	40,000
Sub-total	378,000	348,000	726,000
Total sub-component 1.2	408,000	378,000	786,000

Component 2: Contribution to the design of a national REDD+ strategy (US\$1,062,000)

Sub-component 2.1: Preparation of the National REDD+ Strategy (US\$436,000)

A framework law for territorial planning has been in place in the Republic of Congo since October 2014. This facilitates the development and implementation of the National Land Use Plan in a cooperative manner among all relevant ministries. Under its policy for sustainable forest resource management, the Republic of Congo is undertaking a national forest inventory, whose results will feed into the further development of the National Land Use Plan and the updated mapping process. The AF will ensure the integration of REDD considerations into the national land use planning process, including by contributing to reference mapping, studies, and workshops.

The Republic of Congo has developed a draft National REDD+ Strategy based on the strategic options identified in the R-PP. The draft needs to be further developed to more effectively integrate current trends such as the development of large-scale agribusinesses and the emergence of mining activities. The AF will support the process of revising and finalizing the National REDD+ Strategy as well as multi-sectorial coordination (e.g. through high-level dialogue) to ensure commitment at the highest level. This activity has been financed by UN-REDD so far and will now be continued with FCPF funding.

Major Activities	2016 (US\$)	2017 (US\$)	Total (US\$)
Coordination of the activities at the CN-REDD (1 Unit Head, 1 Assistant)	48,000	48,000	96,000
Contribution to National Land Use Planning	40,000	10,000	50,000
Updating of the National REDD+ Strategy	40,000	0	40,000
High-level commitment and multi-sectorial coordination	70,000	70,000	140,000
Total sub-component 2.1	198,000	128,000	326,000

Sub-component 2.2: Preparation of the REDD+ implementation framework (US\$526,000)

Benefit-sharing mechanism (US\$130,000)

A benefit sharing mechanism is being developed based on the findings of the study on the implementation framework under the original grant. It will cover the following types of benefits: 1) Carbon benefits, in keeping with Criterion 30 of the Methodological Framework. The mechanism will focus on this element, but will also include, where appropriate 2) non-carbon benefits (environmental (e.g. protection of soil and water quality, climate stabilization, biodiversity conservation), social (e.g. wood products, non-timber forest products), and forest services (e.g. local employment, pasture, protection, recreation and tourism, windbreaks, shade)). In addition, a study financed by the European Forest Institute is available that reviews existing benefit sharing arrangements related to the REDD+ process. The AF will support the finalization of the ongoing work on a benefit sharing mechanism, including consultations among all stakeholders to ensure transparency and full and effective participation. Furthermore, the AF will support the development of a specific benefit sharing plan for the Northern Congo Emission Reductions Program, which will nurture the work at national level.

National REDD+ registry and other REDD+ tools (US\$396,000)

The national REDD+ registry is under development with technical support from the Republic of Congo's Information System for Forest Management and Sustainable Development (SIFODD) project and UNDP. The AF grant will support operationalization and updating of the registry as other REDD+ tools become available to ensure their compatibility. Furthermore, the AF will provide (i) support for the operationalization of other REDD+ tools, e.g. the preparation of manuals of procedures for practical application, (ii) legal support for the establishment of a national REDD+ financing mechanism taking into consideration the recommendations of the study on the implementation framework financed under the original grant, and (iii) technical support and advisory services for the development of REDD+ projects.

Major Activities	2016 (US\$)	2017 (US\$)	Total (US\$)
Coordination of the activities at the CN-REDD (1 Unit Chief, 1 Assistant)	48,000	48,000	96,000
Finalization of the benefit-sharing mechanism	100,000	30,000	130,000
Operationalization of all REDD+ tools	80,000	80,000	160,000
Legal support for the REDD+ financial mechanism	50,000	50,000	100,000
Technical support and advisory services for the development of REDD+ pilot projects	10,000	10,000	20,000
Updating of the registry	10,000	10,000	20,000
Total sub-component 2.2	298,000	228,000	526,000

Sub-component 2.3: Strategic Environmental and Social Assessment (US\$160,000)

The SESA process has been supported by the original grant and will result in a SESA report and draft ESMF and associated frameworks such as the Resettlement Policy Framework (RPF) and the Process Framework (PF). In addition, the Republic of Congo has developed national

environmental and social standards (PCI-REDD+). The AF grant will support (i) the finalization and refinement of these documents (e.g. introduction of verifiers), (ii) the preparation of a new safeguard instrument, the PCRMF, (iii) a national land and resource tenure assessment (in accordance with Criterion 28 of the FCPF Methodological Framework), with an emphasis on the Northern Congo Emission Reductions Program Area, (iv) the operationalization and testing of the national standards in specific sites (pilot sites in the Northern Congo Emission Reductions Program, in the south and center of the country), (v) capacity building to strengthen experts and national institutions to conduct social and environmental assessments and application of the ESMF and the other safeguard instruments, and (vi) development of any safeguards instruments necessary for the ER-PD.

Major Activities	2016 (US\$)	2017 (US\$)	Total (US\$)
Testing of the application of national standards	50,000	50,000	100,000
Refinement of ESMF and national standards and the preparation of the PCRMF	20,000	0	20,000
Land and resource tenure assessment	20,000	0	20,000
Capacity building in strategic environmental and social assessment	10,000	10,000	20,000
Development of ER-PD safeguards documents	50,000	0	50,000
Total sub-component 2.3	150,000	60,000	210,000

Component 3: Informing the national reference emissions level for REDD+ (US\$628,000)

Sub-component 3.1.: Reference level (US\$236,000)

The development of a reference level has been supported by UN-REDD and resulted in a draft reference level by 2015. The AF will support the improvement of the reference level, e.g. refinements based on the use of new methodologies and data, training of experts on reference scenarios as well as exchange about the reference level development with other tropical countries (e.g., Brazil, French Guyana, Democratic Republic of Congo).

Major Activities	2016 (US\$)	2017 (US\$)	Total (US\$)
Coordination of the activities at the CN-REDD (1 REL Unit Head, 1 Assistant)	48,000	48,000	96,000
Improvement of reference level	30,000	10,000	40,000
Missions to exchange experiences with other tropical countries	40,000	0	40,000
Expanded training on reference scenarios	30,000	30,000	60,000
Total subcomponent 3.1	148,000	88,000	236,000

Sub-component 3.2: Measuring, Reporting and Verification (MRV) (US\$392,000)

MRV and forest carbon (US\$176,000)

In conjunction with the reference level, the MRV system is currently being developed. It only covers deforestation and forest degradation. Revisions to the reference level require improvements and expansion of the MRV system. The AF will therefore support the improved classification of forests, acquisition of satellite images, and modeling of leakage of emissions in the Northern Congo Emission Reductions Program.

Non-carbon benefits and information system on safeguards (US\$216,000)

The Republic of Congo has only started to develop a safeguards information system and the monitoring of non-carbon benefits resulting from the implementation of REDD+. The AF will support the operationalization of an information system for safeguards, in particular as it relates to the Environmental and Social Management Framework, as well as a monitoring and reporting system on the multiple benefits of REDD+. The AF will support the operationalization of such a system.

Major Activities	2016 (US\$)	2017 (US\$)	Total (US\$)
Coordination of the activities at the CN-REDD (1 MRV Unit Head, 1 Assistant)	48,000	48,000	96,000
Modeling of emissions leakage for the ER program	20,000	0	20,000
Acquisition of satellite images	20,000	20,000	40,000
Improvement of the classification of forests	20,000	0	20,000
Sub-total	108,000	68,000	176,000
Coordination of activities at the CN-REDD (1 SESA Unit Head, 1 Assistant)	48,000	48,000	96,000
Operationalization of monitoring of multiple REDD+ benefits	50,000	10,000	60,000
Operationalization of the safeguards information system	50,000	10,000	60,000
Sub-total	148,000	68,000	216,000
Total sub-component 3.2	256,000	136,000	392,000

Component 4: Project Management (US\$520,000)

Financial management and procurement, including external audits (US\$520,000)

This section covers the mandatory costs related to the financial management of the grant over a two year period, including payment for services provided by the fiduciary agency, audits, and financial costs (bank fees). This component also covers the office rental, purchase of vehicle and maintenance, insurance and fuel (mobility). The project management costs represent 10% of the total grant, and take into account the high costs of operating in Republic of Congo.

Major Activities	2016 (US\$)	2017 (US\$)	Total (US\$)
Fiduciary agency (1 procurement specialist, 1 accountant, 1 assistant, software, training)	114,000	84,000	198,000

External audit	50,000	50,000	100,000
Office rental	48,000	48,000	96,000
Mobility CN-REDD (vehicle, maintenance, fuel, insurance)	116,000	10,000	126,000
Total component 4	328,000	192,000	520,000

C. Implementation Arrangements

The AF will be implemented over a period of two years by existing implementation structures, with no change to the implementing arrangements. The National REDD+ Coordination at the MEFDD will have overall responsibility for managing the AF grant.

D. Key Risks and Risk Management

The overall risk assessment has not fundamentally changed since the original grant's appraisal. Nevertheless, a few key risks have been updated below. The overall risk rating for the project is Moderate.

Macroeconomic: The decline of the oil price has led to significant government budget shortfalls. This has changed spending and planning priorities, and may favor investments that negatively affect REDD+ prospects.

Although the World Bank is considering budget support to address a portion of the resulting shortfall, the overall impacts of the situation are beyond the control of the project.

Stakeholder Expectations Management. While consultations and awareness raising on REDD+ are an integral part of the REDD+ process, their messaging needs to be carefully balanced against the risk of raising unrealistic expectations of stakeholders.

Mitigation measures include: Emphasis will continue to be placed on a robust process of information sharing and stakeholder consultations during the development of the National REDD+ Strategy and development of REDD+ tools (guided by the communications expert in the CN-REDD). Synchronized stakeholder involvement and consistent messaging under the FCPF, FIP, and the Northern Congo Emissions Reductions Program will be particularly important. In particular, stakeholder expectations for receiving large near-term payments from REDD+ are high and may not be realistic. The participatory and consultative approach will thus need to be maintained throughout the REDD+ readiness process, notably on benefit sharing, the FGRM and safeguards.

Effective Stakeholder Participation. To ensure full participation in the readiness process, national NGOs have created CACO-REDD. The CN-REDD coordinates closely with CACO-REDD, which has been very active throughout the R-PP implementation. However, CACO-REDD continues to struggle to organize itself effectively and truly represent civil society instead of individual interests.

Mitigation measures include: The AF foresees legal support for CACO-REDD to help civil society to organize itself effectively and establish governance and management structures that help CACO-REDD to mature and position civil society views in the REDD+ process.

Governance. The institutional arrangements for REDD+ are not fully in place yet. In particular, the National REDD+ Committee is not yet functional, jeopardizing high-level commitment and coordination across sectors. Poor governance also poses a risk to the success of REDD+, e.g. where national rules for carbon transactions are insufficiently transparent, revenue sharing schemes are not known to stakeholders or not respected, and funds are inadequately managed.

Mitigation measures include: The AF includes support to complete the set up and functioning of national institutional arrangements. It will also support analytical work and capacity building regarding the establishment of a fair benefit sharing mechanism, legal framework and transparent processes (e.g. consultations, communication).

Systematic Operations Risk-Rating Tool (SORT)	
Risk Category	Rating
1. Political and Governance	Moderate
2. Macroeconomic	Substantial
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	Moderate
8. Stakeholders	Moderate
9. Other	
OVERALL	Moderate

IV. Appraisal Summary

A. Technical

The activities to be financed by the FCPF have been selected after technical discussions with the National REDD+ Coordination of the MEFDD, taking into consideration the technical and financial needs of the Republic of Congo's REDD+ readiness process, the World Bank's comparative advantage as well as support provided by other partners (mainly UN-REDD). Many technical activities to be supported by the AF grant will directly inform and be coordinated with other institutions. The project team clearly identifies critical interfaces between components and proposes activities that are complementary and mutually enhancing. Still, careful coordination and timing of multiple donor activities during the grant implementation phase will be crucial.

B. Fiduciary Aspects

The fiduciary aspects will not change from those currently in effect.

Since the original grant took effect, the original grant's fiduciary agency (Transparency & Governance Repeat Project, P122990) closed on June 30, 2015. Fiduciary functions were at that point transferred to the Project Implementation Unit (PIU) of the Forest and Economic Diversification Project (FEDP, P124085), a WB-financed project managed by the MEFDD. The FEDP PIU has been overseeing their activities and the entire fiduciary management of the AF grant, including management of the funds and the designated account, and will primarily be responsible for (i) financial and administrative management; (ii) disbursement; (ii) procurement; and (iii) auditing.

The financial management (FM) team of the FEDP is composed of (i) one international administrative and finance manager and accountant; and (ii) one local administrative and finance specialist and accountant, and (iii) an accountant. The FM staff of the FEDP has been selected on a competitive basis under ToRs accepted by the Bank. The implementation of the AF grant in addition to the ongoing operations has translated into an increased workload for the FEDP staff. CN-REDD will therefore provide an accountant seconded by the government who had already been providing FM services to the project as part of the PRCTG team. The Finance Manager has the overall oversight of the TF financial management system and will supervise the team of internal auditors and accountants.

The procurement team of the FEDP is composed of (i) one international procurement manager; and (ii) one local procurement specialist. CN-REDD will provide a procurement specialist seconded by the government who had already been providing procurement services to the project as part of the PRCTG team.

The FEDP is very familiar with Bank fiduciary procedures (e.g. procurement, financial reporting, auditing and disbursement) and the team has significant experience in implementing and managing WB-funded projects since 2012. No significant FM or procurement capacity weaknesses impeding the management of the AF grant by FEDP have been identified.

The MEFDD is seeking to build its fiduciary management capacity. Once dedicated FM and procurement specialists have been assigned within the MEFDD to the FCPF project, are fully

operational and have either adequate capacity or support (to be acknowledged through FM and Procurement Assessments conducted by World Bank specialists), the fiduciary agency will hand over the day-to-day management of the project to the MEFDD. By default, the interim arrangements will apply as long as the MEFDD fiduciary management capacity are insufficient. Once the MEFDD is fully operational, the FEDP PIU will prepare an activity report at the end of the interim period, along with a financial review both to be reviewed by the Bank. The report shall describe the status of activities undertaken during the interim period and the work plan for the remaining period of the fiscal year, as well as present the expenditures made during the interim period. The first audit to be launched by the project will thus cover both the interim period and the following period with the operational fiduciary team.

The overall FM risk for the project is substantial.

Disbursements. The proposed AF is for an amount of US\$5,200,000 to be disbursed over a two-year period. The grant will finance 100% of eligible expenditures inclusive of taxes. The grant proceeds can be withdrawn using three disbursement methods (Advance, Reimbursement and Direct Payment). The current designated account open in a commercial bank acceptable to the Bank will be maintained as is. Upon grant effectiveness, an initial advance up to a ceiling of US\$400,000 will be made to the designated account and subsequent advances will be made upon reporting on the use of the initial advance. Applications for withdrawal of project funds will continue to follow existing procedures.

C. Social and Environment (including Consultation, Participation, Disclosure and Safeguards)

The AF activities trigger two safeguard policies previously marked “to be determined”: OP4.09 on Pest Management and OP4.11 on Physical Cultural Resources. The initial SESA work already developed an IPMP, even though this was not yet formally required. With the formal triggering of OP4.09 and OP4.11 as part of the AF, additionally a Physical Cultural Resources Management Framework (PCRMF) will be prepared. Despite the triggering of these new policies, the environmental assessment category remains the same: B – partial assessment, and the safeguards context remains unaffected by the AF.

The AF activities are limited to analytical studies, capacity building, building of institutions and consultation processes at the national and sub-national levels. They do not include the implementation of site specific REDD+ activities on the ground.

The FCPF requires a SESA to integrate key environmental and social considerations into REDD+ readiness by combining analytical and participatory approaches. The SESA process will result in the ESMF. The SESA ensures (i) integration of social and environmental aspects into the REDD+ readiness process, in particular into the national REDD+ strategy; (ii) stakeholder participation in identifying and prioritizing key issues; (iii) assessment of policy, institutional and capacity gaps to manage these priorities and recommendations; and (iv) disclosure of findings in the country’s progress reports on readiness preparation. In addition, the ESMF and

related frameworks are developed to manage environmental and social risks and impacts related to future investments and carbon finance transactions.

The SESA in the Republic of Congo is already being conducted led by the National REDD+ Coordination under the original grant and a draft ESMF is available. It will be finalized under the AF. The SESA process has been facilitated by a consulting firm that was selected on a competitive basis. Furthermore, the AF grant will support the preparation of the PCRMF, the operationalization of a Safeguards Information System and build capacities for environmental and social assessments and the application of the ESMF.

In addition, the Republic of Congo is currently developing national environmental and social safeguards (PCI-REDD+) that are compatible with the country's long-term strategic goals. The PCI-REDD+ are being developed based on internationally recognized safeguard standards. The Decree No. 2009-415 of November 20, 2009 defines the scope, content, and processes of the environmental and social impact assessment and reinforces that environmental and social factors will be taken into account during the REDD+ implementation process.

National capacity for the implementation of the World Bank's OPs is weak. Capacity building for social and environmental assessments and the application of safeguard instruments such as the ESMF is therefore part of the AF activities.

Summary of safeguard policies triggered and instruments prepared:

Original Grant	Additional Funding
OP 4.01 Environmental Assessment	OP 4.11 Physical Cultural Resources
OP 4.04 Natural Habitats	
OP 4.36 Forests	
OP 4.09 Pest Management (not formally triggered, but safeguard instrument prepared)	
OP 4.12 Involuntary Resettlement	
OP 4.10 Indigenous Peoples	

V. 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 GRS, please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

VI. Proposed Team Composition

The team composition for the REDD+ Readiness Preparation Stage includes:

Name	Title	Unit
Aboulaye Gadiere	Sr Environmental Specialist	GENDR
Antoine Lema	Sr Social Development Specialist	GSURR
Aurelie Rossignol	Consultant	GENDR
Bella Diallo	Sr Financial Management Specialist	GGODR
Clément Tukeba	Sr Procurement Specialist	GGODR
Daniela Goehler	Sr Carbon Finance Specialist	CCSA
Faly Diallo	Financial Officer	WFALA
Julian Lee	Task Team Leader	GENDR
Karine Mouketo-Mikolo	Team Assistant	AFMCG
Kishor Uprety	Sr Counsel	LEGAM
Sachiko Morita	Sr Counsel	LEGEN

Annex 1: Key Reference Documents

REDD+ Readiness Preparation Proposal of the Republic of Congo, September 16, 2011.

The Readiness Preparation Proposal Assessment Note: World Bank, 2011.

Mid Term Progress Report with Annexes containing request for additional funding to the FCPF Participants Committee (PC) at its 19th meeting held on May 17-19, 2015 in Washington, DC, USA.

Resolution PC/19/2015/3 adopted by the PC at the 19th meeting held on May 17-19, 2015 in Washington, DC, USA.

Resolution PC/Electronic/2012/1 allocating additional funds up to US\$200,000 to strengthen national feedback and grievance redress mechanisms for REDD Country Participants:

http://www.forestcarbonpartnership.org/sites/fcp/files/2013/PC_Resolution_Approved_02-20-12.pdf

Annex 2: Client's Request for Extension of Closing Date

MINISTRE DE L'ECONOMIE, DES FINANCES,
DU PLAN, DU PORTEFEUILLE PUBLIC
ET DE L'INTEGRATION

CABINET

N° 114 /MEFPPI/CAB-

REPUBLIQUE DU CONGO
Unité * Travail * Progrès

Brazzaville, le **13 MARS 2015**

Le *Ministre d'Etat*,

A

Monsieur le Directeur des Opérations
de la Banque Mondiale pour la République
du Congo

KINSHASA

Objet : Requête pour la prorogation de la date de clôture
de l'Accord de Don TF 010691.

Monsieur le Directeur,

Je voudrais solliciter votre compréhension en vue de la prorogation au 31 décembre 2015 de la date de clôture de l'accord de financement du Don n°TF010691 du Projet de Réduction des Emissions liées à la Déforestation et à la Dégradation des Forêts (PREDD+), initialement prévue le 31 mars 2015, conformément à l'accord intervenu le 11 janvier 2012 à Brazzaville entre la République du Congo et l'Association Internationale de Développement (IDA).

Ce délai supplémentaire devrait permettre d'exécuter toutes les activités relevant de l'Accord de Don et de finaliser la préparation d'un financement additionnel dudit Don.

Comptant sur votre compréhension habituelle, je vous prie de croire, Monsieur le Directeur, en l'assurance de ma parfaite considération.


Gilbert ONDONGO

PJ : - Copie de l'accord de Don n°TF010691

CC : - Monsieur le Représentant Résident de la Banque Mondiale en République du Congo
- Son Excellence Monsieur l'Ambassadeur de la République du Congo aux USA
- Monsieur Laurent VALIERGUE, Chargé du Projet REDD+
- S.E.M le Ministre de l'Economie Forestière et du Développement Durable

Annex 3: Analysis of Funding Gap from FCPF Mid-Term Review

Utilisation de Fonds (en milliers de USD)								
Composante R-PP	Besoin total dans R-PP (A)	Besoin total actualisé (B)	Fonds mobilisés (C)	Fonds utilisés		Fonds disponibles (C - D)	Déficit de financement (B - C)	Requête au FCPF
				Fonds engagés (D)	Fonds déboursés (E)			
Composante 1a : Dispositifs nationaux	2,490	5,188	2,467	2,023	1,004	444	2,721	2,721
ONU-REDD			867	646	236	221		
FCPF			1,600	1,377	768	223		
Gouvernement			600	600	500	0		
Composante 1b : Consultation	1,520	1,485	755	679	394	76	730	730
ONU-REDD			255	191	161	64		
FCPF			500	488	233	12		
Sous-total 1	4,010	6,673	3,222	2,702	1,398	520	3,451	3,451
Composante 2a. Utilisation des terres	400	1,341	1,185	947	907	238	156	156
ONU-REDD			685	514	514	171		
FCPF			500	433	393	67		
Composante 2b : Options stratégiques	8,590	734	434	1,281	380	-847	300	300
ONU-REDD			234	918	294	-684		
FCPF			200	363	86	-163		
Composante 2c : Cadre de mise en œuvre	300	816	350	603	181	-253	466	466
ONU-REDD			50	238	28	-188		
FCPF			300	365	153	-65		
Composante 2d : Impacts sociaux et environnementaux	425	750	590	372	219	218	160	160
ONU-REDD			290	167	167	123		
FCPF			300	205	52	95		
Sous-total 2	9,715	3,641	2,559	3,203	1,687	-644	1,082	1,082
Composante 3 : Niveau de référence	655	575	299	200	-	99	276	276
ONU-REDD			299	200	-	99		
FCPF			-	-	-	0		
Sous-total	655	575	299	200	-	99	276	276
Composante 4a. MNV	765	1,106	930	752	340	178	176	176
ONU-REDD			930	752	340	178		
FCPF			-	-	-	0	-	
Composante 4b. Avantages multiples, sauvegardes	355	606	390	371	160	19	216	216
ONU-REDD			390	371	160	19		
FCPF			-	-	-	0		
Sous-total 4	1,120	1,712	1,320	1,123	500	197	392	392
Total ONU-REDD			4,000	3,997	1,900	3		
Total FCPF			3,400	3,231	1,685	169		
Total Gouvernement			600	600	500	0		
TOTAL	15,500	12,601	7,400	7,228	3,585	172	5,201	5,201