

PROJECT INFORMATION DOCUMENT (PID) CONCEPT STAGE

Report No.: PIDC18631

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Project Name	NIGERIA FCPF REDD READINESS (P153732)
Region	AFRICA
Country	Nigeria
Sector(s)	Forestry (100%)
Theme(s)	Climate change (100%)
Project ID	P153732
Borrower(s)	Federal Ministry of Finance
Implementing Agency	Federal Ministry of Environment
Environmental Category	B-Partial Assessment
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I. Introduction and Context

Country Context

Nigeria is the most populous nation in Africa, with a population of around 170 million people, holding an enormous cultural and linguistic diversity, engaging in a rich social and political life, and sustaining a dynamic economy. The country has a surface area of approximately 923,768 km² with a wide range of ecological habitats, from tropical rainforests to drylands, as it extends from the coast of the Gulf of Guinea (with high rainfall) to the Sahel region (with low, declining rainfall).

Nigeria is a diverse country with major opportunities and complex challenges. Consisting of thirty-six states and the Federal Capital Territory, the Federation is divided into six geo-political zones. With more than 400 ethnolinguistic groups, it also features significant contrasts in terms of economic and social outcomes: robust economic growth and yet modest poverty reduction; dynamic urban growth centers and isolated rural areas; and widening social and income disparities in the context of abundant natural and human resources. States in Nigeria operate with a high degree of autonomy. States and local governments in Nigeria control more than half of the nation's revenue and are responsible for the provision of services that directly influence growth and poverty, such as primary and secondary education, health care, water and sanitation, rural infrastructure, and community services. The high degree of autonomy provides states, particularly those with dynamic and progressive leadership, an opportunity to move ahead on their own.

Economic Growth and Poverty. Nigeria's economy has been growing at 6 to 8 per cent annually

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over the past decade, achieving Gross Domestic Product (GDP) per capita level of approximately US\$3,000 . Nigeria is Africa's largest economy. Nigeria is also Africa's largest oil producer; it holds the second highest proven reserves in the continent after Libya. Despite the robust growth over the last decade, rapid population growth combined with increasing inequality hampered faster poverty reduction. The percentage of Nigerians living in extreme poverty (US\$1.25 per capita per day, purchasing power parity adjusted) was 33 percent based on the 2012/13 panel General Household Survey. Poverty is aggravated by high unemployment, a high rate of school dropouts, and compromised conditions for agriculture due to natural resource degradation.

Nigeria's Development Vision. Nigeria aims to become one of the 20 largest economies in the world by 2020. Its development agenda, laid out in the Vision 20:2020 document , focuses on two transformational objectives: (a) optimizing the country's human and natural resource potential to achieve rapid economic growth; and (b) translating that growth into equitable social development for all citizens. The Government's medium-term strategy for achieving these goals is articulated in the 2011 Transformation Agenda (TA), which aims at laying the foundation for a robust and inclusive growth of the Nigerian economy.

Climate Change Vulnerability. Nigeria's economy is dependent on climate-sensitive and climate-impactful industries, such as agriculture, forestry, and extraction. Recent World Bank analysis indicates that, if not addressed in time, climate change is expected to exacerbate Nigeria's vulnerability to weather variations, potentially resulting in reduced crop yields, declining productivity of livestock, and variability in water availability. Climate related challenges will be compounded by increasing population pressure on land and water resources and rapid urbanization.

Sectoral and Institutional Context

Contribution of the Natural Resources to Economy. Nigeria's rich natural endowment supports the economic and socio-cultural base of millions of people, providing shelter, food, clothing, medicine, spiritual value, and raw materials for industry. The cost of ongoing environmental degradation (notably renewable natural resources) and impacts is estimated at 10 per cent of the GDP and is likely to increase under a business-as-usual scenario. Nigeria is well endowed with forest resources, accounting for about 2.5 percent of the GDP. These resources provide employment for over 2 million people through supply of fuel wood and poles and more than 80 000 people working in the log processing industries, especially in the forest zones of the south .

Status of Forest Resources . The forests occupy about 9 million hectares representing close to 10 per cent of the total land area hectares. Nigeria's principal vegetation types range from dense mangrove forests of the Niger Delta and rain forests of the south, to dry grassland of the north, and montane grasslands on the Jos and Mambila Plateaux. More than 50 per cent of what is left as Tropical High Forest is found in Cross River State (CRS) . A forest reserve system (of approximately 445 gazetted reserves) was created in 1937 covering 9.7 million hectares (10 per cent of the land area). In addition, more than 5 per cent of the total land area is devoted to wildlife conservation areas distributed across the major ecological zones.

High Rate of Deforestation. Nigeria has the world's highest deforestation rate of primary forests according to revised deforestation figures from the Food and Agriculture Organization of the United Nations (FAO) . Between 2000 and 2005 the country lost 55.7 per cent of its primary forests. Overall average annual deforestation rate between 2005 and 2010 stood at 4 per cent, with approximately 410,000 hectares of forest lost annually. Since 1990, the country has lost an

estimated 6.1 million hectares or 35.7 per cent of its total forest cover. Carbon emissions from land use change deforestation are claimed in its First National Communications for the UNFCCC to contribute 13.4 per cent of the country's total CO₂ emissions to global warming in the 20-year Horizon .

Over time, deforestation, large scale land clearing and floodplain encroachment, mainly for agricultural production, have resulted in loss of habitat and biodiversity, severe erosion, leading to the loss of valuable top soil and significant siltation of water bodies and flooding. Sustainable forest management is critical for the economy and livelihood of the people.

Ongoing Forestry Programs. At the national level, many forestry initiatives and programs have been developed to support sustainable forest management. These include the Nigerian Forestry Action Programme, the Forest Outlook Study for Africa, the Inter-Ministerial Committee on Desertification and Deforestation Programme, and the Programme of the National Council on Shelterbelt, Afforestation, Erosion and Coastal Zone Management. Most recently, an ambitious nationwide reforestation program with indigenous species and local involvement has been launched to simultaneously regain forest cover and improve community livelihoods across the country [Presidential National Afforestation Program]. However, in spite of these impressive lists of activities, it is recognized by several studies that the forest management sector in Nigeria suffers from severe and chronic underinvestment.

Institutional Set Up at the Federal Level. The National Forestry Development Committee is the highest advisory body to Government on all forestry issues, responsible for formulating national forest policy and technical guidelines on forest management. The key forestry sector institution at the federal level is the Ministry of Environment. The Ministry is responsible for the environmental protection and natural resources conservation and management for sustainable development. It is also the coordinating agency for UNFCCC in Nigeria including REDD+. The Federal Department of Forestry (FDF) is one of the Departments in the Ministry of Environment. The National Parks Services manages the seven national parks in Nigeria. The main function of the Forestry Research Institute of Nigeria (FRIN) is to carryout research and development and training in forestry sector in Nigeria. National Environmental Standards and Regulations Enforcement Agency (NESREA), the main environmental law enforcement agency of the federal government, is responsible for the protection and development of Nigeria's natural resources in general and environmental technology. The Nigerian Federal Ministry of Agriculture and Rural Development regulates agricultural research, agriculture and national resources, forestry and veterinary research throughout Nigeria.

Civil Society. Besides the Government, there are several national level and international Non-Governmental Organizations (NGOs) involved in natural resource management and climate change issues including the Ecological Society of Nigeria, Pro-Natura International, Fauna and Flora International, the Wildlife Conservation Society, Friends of the Earth Nigeria / Environmental Rights Action, and the International Centre for Energy, Environment and Development.

Institutional Set Up at the State Level. Relevant state-level institutions include state ministries of environment, state departments of forestry, and state ministries of agriculture.

Relationship to CAS

The objectives and activities to be funded under the FCPF grant are consistent with the Country Partnership Strategy 2014-2017 . The Readiness Preparation Activities will contribute to

achievement of the CPS objectives under the First Strategic Cluster: federally led structural reforms for growth and jobs, contributing to fostering diversified growth and job creation. They also contribute to achievement of the World Bank Group's Twin Goals – to end extreme poverty and to promote shared prosperity with environmental, social, and fiscal sustainability, by addressing the problems of costs of natural resource degradation and the developmental threat of climate change.

In addition, under the Bank's Africa Development Strategy, Africa's Future and the World Bank's Support to It, the Readiness Preparation Activities contribute to Pillar 2 (vulnerability and resilience) while also strengthening governance and public sector capacity by addressing capacity constraints among relevant sector actors.

The Readiness Preparation Activities will also contribute to the Government of Nigeria Vision 20:2020 objective on preserving the environment for sustainable socio-economic development.

The Readiness Preparation Activities are consistent with the Bank's investment and analytical support to enhanced environmental management and climate change resilience. They build upon the two flagship climate change studies for Nigeria - Toward Climate-Resilient Development in Nigeria and Low-Carbon Development Opportunities for Nigeria. They complement the sustainable forest management activities supported under the ongoing Nigeria Erosion and Watershed Management Project (NEWMAP).

II. Proposed Development Objective(s)

Proposed Development Objective(s)

Project Development Objective for the Readiness Preparedness Support is to support Nigeria design a socially and environmentally sound strategy to reduce emissions from deforestation and forest degradation.

Key Results

The following are the key results of the Readiness Preparation Activities:

1. REDD+ Readiness arrangements fully functional (disaggregated by national and sub-national level);
2. A National REDD+ Strategy prepared and validated through a consultative process;
3. A National Environmental and Social Management Framework developed and validated through a national Strategic Environmental and Social Assessment process;
4. A National Reference Emissions Level established;
5. Direct project beneficiaries (number), of which female (percentage).

III. Preliminary Description

Concept Description

Funding from the FCPF will provide support to National level REDD+ Readiness and state-level REDD+ Readiness in the two new pilot states and to completing REDD+ Readiness in the Cross River State (originally supported by the UN-REDD Programme).

The FCPF support is limited to technical assistance for REDD+ Readiness pillars, analytical studies, capacity building, consultations, meetings, and operating costs; the FCPF support does not include the implementation of the site-specific REDD+ programs (pilots / demonstration sites).

The grant support will be organized along four components that correspond with the components and sub-components of Nigeria's Readiness Preparation Proposal (R-PP).

Component 1. Strengthen National and State Level Readiness Management Arrangements (US \$884,000, all from FCPF)

The objective of this component is to support national and state-level coordination and monitoring of the REDD+ process, including the project management costs. The component has three sub-components: Sub-Component 1.1: National Readiness Management Arrangements; Sub-Component 1.2: State Level Management Arrangements; and Sub-Component 1.3: Monitoring and Reporting for REDD+ Readiness process.

Component 2: Develop REDD+ Strategies and Conduct SESA (US\$1,200,000, all from FCPF)

The objective of this component is to carry out analytical work feeding into formulation of a National REDD+ Strategy and State REDD+ Strategies (including on benefit sharing) in two new pilot states and CRS, develop the strategies themselves, to undertake the SESA that will assess the potential environmental and social risks and impacts, both positive and negative, of the proposed REDD+ strategy and produce national level safeguards instruments (ESMF, RPF, and PF), and a state level ESMF for CRS. The Component has two Sub-Components: Sub-Component 2.1: Improve Analytical Work and Develop REDD+ Strategy at National and State Levels, and Sub-Component 2.2: SESA and Safeguards Instruments.

Component 3: Develop Reference Emissions Level (US\$900,000, all from FCPF)

The objective of this component is to develop Nigeria's national REL taking into account the national circumstances and UNFCCC guidance

Component 4. Enhance Stakeholder Engagement, Communication, Consultation and Feedback for REDD+ Readiness Process (US\$650,000, all from FCPF)

The objective of this component is to ensure broad stakeholder engagement in REDD+ process, establish and maintain participatory stakeholder structures at the state-level in two new states, support communication on REDD+, conduct consultations on specific issues related to REDD+ Readiness process, and design and establish a feedback and grievance redress mechanism. The component has four sub-components: Sub-Component 4.1: Participatory structures and stakeholder engagement; Sub-Component 4.2: Communication on REDD+; Sub-Component 4.3. Consultations on REDD+; and Sub-Component 4.4: Feedback and grievance redress mechanism.

IV. Safeguard Policies that might apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01	x		
Natural Habitats OP/BP 4.04	x		
Forests OP/BP 4.36	x		
Pest Management OP 4.09			x
Physical Cultural Resources OP/BP 4.11	x		
Indigenous Peoples OP/BP 4.10		x	

Involuntary Resettlement OP/BP 4.12	x		
Safety of Dams OP/BP 4.37		x	
Projects on International Waterways OP/BP 7.50		x	
Projects in Disputed Areas OP/BP 7.60		x	

V. Financing (in USD Million)

Total Project Cost:	3.80	Total Bank Financing:	0.00
Financing Gap:	0.00		
Financing Source			Amount
Borrower			0.00
Readiness Fund of the Forest Carbon Partnership Facility			3.80
Total			3.80

VI. Contact point

World Bank

Contact: Amos Abu
 Title: Senior Environmental Specialist
 Tel: 5359+242 / 2
 Email: aabu@worldbank.org

Borrower/Client/Recipient

Name: Federal Ministry of Finance
 Contact: Mrs. Aisha Omar
 Title: Deputy Director
 Tel: --
 Email: --

Implementing Agencies

Name: Federal Ministry of Environment
 Contact: Mr. Salisu Tahiru
 Title: Director, Forest Conservation, Forestry Department
 Tel: --
 Email: --

VII. For more information contact:

The InfoShop
 The World Bank
 1818 H Street, NW
 Washington, D.C. 20433
 Telephone: (202) 458-4500
 Fax: (202) 522-1500
 Web: <http://www.worldbank.org/infoshop>