

World Bank - Grant Reporting and Monitoring (GRM) Report

Report to Donor

Ref. TFOA2855
Printed On: 04/27/2022

Reporting Period: 04/20/2017 to 09/30/2021
Report Type: Completion Report
Status:

Assignment: TFOA2855

CAR REDD+ READINESS PREPARATION SUPPORT FCPFR - Forest Carbon Partnership Facility

Task Team Leader:- George Henry Stirrett/Nyaneba Nkrumah

Approving Manager: 00000251917 - Sanjay Srivastava

| Summary Information | |
|-----------------------------|----------------------------|
| TF Status | ACTV |
| Recipient Country | Central Afr.Rep |
| Executed By | Recipient |
| Managing Unit | 9835 - SAFE3 |
| Grant Start Date / End Date | 04/20/2017 to 09/30/2021 |
| Original Grant Amount | 3,800,000.00 |
| Grant Amount | 3,800,000.00 |
| Outstanding Commitments | 0.00 |
| Cumulative Disbursements | 3,034,402.16 |
| Donor | TF602001 - MULTIPLE DONORS |

This GRM report includes the following sections: Overview, Components, Outcome, Execution, Program(FCPFR), Completion, Disbursements, Procurement Plan, Procurement Actuals.

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OVERVIEW

Overall Assessments

Grant Objectives:

The objective of the Readiness Preparation Activities is to design a socially and environmentally sound national REDD+ strategy to reduce emissions from deforestation and forest degradation and to inform the development of a national reference emission level and a monitoring system for REDD+ including strong safeguards tools. In the end of the Readiness Preparation Activities, step 1 of REDD+ process will be achieved. Therefore, CAR will be able to start REDD+ pilot projects (step 2 of REDD+) and then prepare REDD+ performance-based payments (step 3 of REDD+).

Overall progress from 04/20/2017 to 09/30/2021 with regard to Achieving Grant Objectives:

Comment:

The FCPF grant has disbursed US\$3,034,402.16 to the client since inception, primarily to equip and run the project implementation unit (National REDD+ Coordination), conduct consultations and stakeholder engagement activities on REDD+ and develop terms of reference and related preparatory technical work for project implementation. Implementation was slow overall leading to several extensions, including three-month extension till March 31, 2021. This extension did allow the project to complete vital tasks such as the National REDD+ strategy and allowed for the review and validation of the other work products. However, the SESA, along with other environment and social frameworks and the final version of the REDD+ National Strategy, was not completed during this time. This caused the need for another extension, the fourth to be recently approved till September 30, 2021. Another reason for the extension is that without the last deliverables of the REDD+ grant (SESA, social and environmental frameworks and REDD+ National Strategy), the readiness package (R-Package) would not be complete, and the country has no available source of additional funding to finish this work. If the R-Package was not finalized, the CAR Government will not be able to continue his efforts towards a low carbon development and therefore could not benefit from REDD+ or other donors grants. All this work has now been completed prior to closing and the R-Package deliverables are available, signaling the end of the REDD+ preparation process.

Overall progress from 04/20/2017 to 09/30/2021 with regard to Implementation of Grant Financed Activities:

Comment:

The National REDD+ Strategy and documents are complete, and the Bank has reviewed it and there have been several rounds of comments. The consultant finished the last-minute adjustments on the REDD+ National Strategy in July 2021, to be aligned with the CAFI National Investment Framework (NIF). The Strategic Environmental and Social Assessment (SESA) contract was signed in May 2019 between REDD+ coordination and AGRECO (consultant). The inception report was delivered in September 2019 after a first field mission, but work was stopped due to Covid. This has since resumed with the help of a local partner to do some of the consultations. From 04/30/2021, AGRECO finalized the Strategic Environmental and Social study, the functional framework and the pest and pesticide management plan.

Grant follow-up and structure

Description and context of Grant:

Sustainably managing the Central African Republic's forests will contribute to the country's crisis response and early recovery. Managing and addressing the principal drivers of deforestation and forest degradation, which are currently predominantly linked to anthropogenic activities, are important to developing a successful REDD+ program. Also critically important is supporting sustainable forest management practices that contribute to successful recovery of the state as well as a contribution to supporting basic livelihoods of the population. In this spirit the REDD+ readiness activities will seek to align with the Country Engagement Note that outlines a priority focus on reestablishing basic fiscal management and supporting economic recovery through targeted support to key sectors of growth. The readiness grant will support capacity building for institutions and civil society, seek to improve governance and investment climate and support the design of a grievance redress mechanism, and identify and design investments that will contribute to environmentally and socially sound forest resource management.

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All key deliverables and report were finally completed by the end of the 3rd extension

The REDD+ readiness activities have been implemented closely with CAFI funding to develop CAR's REDD+ National Investment Framework (NIF) which has been delivered in its final version in December 2019. The NIF has inspired the REDD+ National Strategy which has been validated in July 2021. CAFI NIF and REDD+ National Strategy will be the basis for supporting CAR's engagement with donors and development agencies on financing REDD+ future actions, especially to have access to significant CAFI grants. The World Bank is also working with CAR in developing a programmatic approach for REDD+ investments in South-West CAR. The IDA-financed 10M\$ Natural Resources Governance Project (effective since 2018) will be complemented by additional financing from GEF (7.61M\$) in the context of CAR's participation in GEF's new Cong Basin Sustainable Landscapes Impact Program. The kick-off meeting of the GEF project will be organized before the end of April or May 2022, then activities will be developed in the field.

End Date of Last Site Visit: 2019 due to Covid

Restructuring of Grant: The first extension was for twelve months, from June 30, 2019 to June 30, 2020, the second extension was for six months from June 30, 2020 to December 31, 2020 and the third extension was for three months from December 31, 2020 to March 31, 2021 and last extension was to September 30, 2021.

OUTCOME

Comments on outcome achieved from 04/20/2017 to 09/30/2021

Comments on outcome achieved from 04/20/2017 to 09/30/2021

Efforts focused on key readiness activities progress such as finalization of social and environmental frameworks and the REDD+ National Strategy, though Covid-19 pandemic has caused serious delays.

Grant Outcome Indicators

No Outcome indicators are defined or used for this grant.

COMPONENTS

Output and Implementation by Component

- A) **Sub-Component 1.1** Support for governance structures for national (600,000) for governance structures for national REDD+ strategy development. This activity provided resources for holding regular sessions of the National REDD+ Committee chaired by the Ministry of Planning, Economy and International Cooperation, (MEPCI) Inter Prefectural Committees at the sub-national level, and strengthening financial and technical functions of the REDD+ Technical Coordination agency. This activity supported the recruitment of technical consultants, fiduciary management consultants and the procurement of goods and materials to enable proper functioning of the CT REDD+. The activity also supported audits and monitoring and evaluation of the grant.
- B) **Sub-component 1.2** Support for consultation and participation Processes (500,000)-this funding was used for support for coordination and implementation of the REDD+ readiness process, including the operationalization and functioning of the REDD+ technical coordination agency, hiring of staff, operating costs, etc as well as costs related to holding regular sessions of the National REDD+ Committee chaired by the Ministry of Planning, Economy and International.

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- C) **Sub-Component 1.3** Support for the development of a Feedback and Grievance Redress Mechanism (200,000). The consultative part of the Strategic Environmental and Social Assessment (SESA) was developed late due to Covid and was not as extensive as it would have been otherwise. Nevertheless some stakeholder meetings were initiated and a grievance mechanism was put in place, although very late in the process. It is hoped that this will address grievances that may arise, and build the base for future forest investments.
- D) **Sub-component 2.1:** Analysis of strategic options to address drivers of deforestation and forest degradation (1.3M)- This study was complete- an assessment was made of the drivers of degradation and deforestation in CAR and the study outlined the different options. The study is to inform the national REDD+ strategy and improve the dynamics of developing agricultural and livestock activities and understand pressures such as mining and fuelwood that threaten forests.
- E) **Sub-component 2.2:** Development of an Environmental and Social Management Framework adapted to REDD+ (0.7M). This study was also delayed and was not delivered till the end of the third extension due partially to Covid and also to the contracting process with the firm that did this work. The consultations were done in person but with the consulting firm participating online. Again, consultations were not as extensive as initially thought but efforts were made to include a broad cross-section of stakeholders.
- F) **Sub-component 2.3:** Support for the development of a national Reference Emission Level (REL) (0.5M). This study was successfully completed.

Output and Implementation by Component

Component 1 Institutional arrangements for REDD+ readiness

Status: Finished

Planned Output: Operational CN-REDD, National REDD+ Committee, consultation and participation process, FGRM

Actual Output: Operational CN-REDD, National REDD+ Committee, consultation and participation process

Component 2: Support for preparation of the National REDD+ Strategy

Status: Finished

Planned Output: Developed National REDD+ Strategy defining strategic options, Strategic Environmental and Social Assessment with safeguards instruments, National Reference Emissions Level and MRV framework

Actual Output: All is finished

Comment on planned and actual Output

There is an alignment between planned and actual output meaning that for the dates under review, all planned output has been completed and delivered.

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Comment on component implementation progress

Component 1: Institutional arrangements for REDD+ readiness - Key institutional arrangements for REDD+ implementation have been established

CN-REDD was established and operationalized. The government launched in 2017 the operationalization of three Inter-Prefectural Committees (CIP by its local acronym), multi-sector and multi-stakeholder, that has served as consultative platforms for the REDD+ process in key zones. Since then, 3 workshops were organized in the prefectures of Ombella Mpoko, Kemo et Ouaka (50 attendees each). Two additional workshops were completed one in Mbaiki and one specifically addressing indigenous populations. A National REDD+ Committee was established in 2018 by Order of the Prime Minister and includes several working groups. In the meantime, effective mechanisms and capacity to address grievances that may arise are implemented through actual investment projects (i.e., the World Bank's Natural Resources Governance Project which will deploy a grievance and redress mechanism in the main forest prefectures of Southwest CAR. Mechanisms to address broader level grievances on REDD+ have been defined as part of the SESA process).

Component 2: Support for preparation of the National REDD+ Strategy - This work is complete

The final and validated version of the REDD+ National Strategy was finalized during the reporting period and the document has been accepted by all stakeholders. There was considerable delay regarding the development of the National REDD+ Strategy, Strategic Environmental and Social Assessment and its safeguards instruments due to Covid after the launch in March/April 2019 along with the National Investment Framework under CAFI financing. This led to a project extension (FCPF) till September 2021 in order to complete the SESA and ensure maximum stakeholder involvement. The SESA has now been completed.

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EXECUTION

Bank project related to the grant

Project ID / Name: P156721 - Central African Republic REDD+ Readiness
Project Status: Lending
Global Focal Area: Climate change
Product Line: CN - Carbon Offset

Implementing agency and contact details

Agency: REDD+ Technical Coordination Unit (CN-REDD, within Min. of Env. & Sust. Dev.)
Contact: Igor Tola Kogadou
Address: Ministry of Environment, Sustainable Development, Water, Forests, Hunting and Fi
Phone: + 236 75 55 82 22
Email: tolakogadou@hotmail.com

PROGRAM

Program Specific Questions

1. Describe progress in how the Grant activities are being coordinated with other REDD+ related initiatives, including those funded by other donors.

The FCPF activities are coordinated with CAFI - also managed by the Bank until the feasibility study for Letter of Intent and first 3 pre-feasibility studies on the ground which have recently started and are managed by the French Development Agency - which supports the development of the REDD+ National Investment Framework launched in April 2019. The National REDD+ Investment Framework, closed to the REDD+ National Strategy, will be the basis for supporting CAR's engagement and coordination with donors and development agencies and across key Ministries on financing REDD+ action going forward. The World Bank is also working with CAR in developing a programmatic approach for REDD+ investments in South-West CAR. The IDA-financed 10M\$ Natural Resources Governance Project (effective since 2018) will be complemented by additional financing for the GEF (7.61M\$) which is going to start in April, 2022 in the context of CAR's participation in GEF's new Congo Basin Sustainable Landscapes Impact Program.

As said before, CAFI will also be the next main donor for REDD+ process, a CAFI project feasibility is beginning at the time this report is finalized.

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2. Describe any important changes in the technical design or approach related to the Grant activities.

Considering the significant delays in starting the implementation of activities and Covid-19 pandemic, and the low capacity overall, only those activities which are critical to achieving the grant's objectives and REDD+ readiness were implemented (i.e. National REDD+ Strategy, MRV&REL, National REDD+ Investment Framework, Strategic Environmental and Social Assessment).

3. Describe progress in addressing key capacity issues (implementation, technical, financial management, procurement) related to this Grant.

Main fiduciary issues which hampered progress in FY17 and FY18 were solved in FY19, allow an important progress on activities in FY20 and finalization in FY21. However, overall capacity was low and required continuous, hands-on involvement of the Bank to support delayed procurement, financial reporting etc. First payments to contractors were slow to process (some complained) but the international experts that were recruited by the Bank's Bangui office after FY20 helped ensure prompt payment thereby avoiding issues after grant closing.

4. Describe progress in addressing social and environmental issues (including safeguards) related to the Grant. Is the SESA conducted in accordance with the Common Approach?

The development of the Strategic Environmental and Social Assessment and its safeguards instruments (i.e., social and environmental frameworks) is finished despite the important delay due to Covid-19 pandemic. The SESA has been conducted in accordance with the Common Approach and WBG safeguard policies.

5. Is the ESMF prepared in accordance with the Common Approach?

The development of the Strategic Environmental and Social Assessment and its safeguards instruments including ESMF are finished. Experts hired to support the work have significant past experience working in the sub-region on SESA development and implementation (e.g. DRC) and have prepared safeguards instruments in accordance with the Common Approach and the WBG safeguards policies.

6. Describe progress in stakeholder consultation, participation, disclosure of information, and the FGRM related to this Grant.

The consultative part of the main activities finished in FY20 despite the Covid-19 pandemic and other delays as mentioned. The SESA especially helped identify issues and stakeholders and provide a forum for discussion on REDD+. In the meantime, effective mechanisms and capacity to address grievances that may arise will be implemented through actual investment projects such as the Bank's Natural Resources Governance Project. This project has a grievance and redress mechanism in the main forest prefectures of South West CAR.

COMPLETION

Overall Assessments and Lessons Learned

Main lessons learned:

Communities' expectations are high in terms of benefits from REDD+ implementation going forward, especially financial benefits, as the perception often is that preference for forest use for commercial logging is the most economically viable.

There is need for strengthening coordination and collaboration with the Ministry of Environment whose performance was rather weak. There seemed to be low capacity for managing all the moving parts of the consultancy.

While it is true that the current forest sector management framework has an existing benefit-sharing arrangement, this has been badly implemented and municipalities who were to receive forest revenues do not receive what they expect. There is a need to improve the benefit sharing system.

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REDD+ implementation in CAR

Overall outcome (and its Sustainability):

Comment:

The REDD+ Readiness support was important in getting the documents ready and allowing for the stakeholder process to debate on these issues. However institutionally there is a lot needed to be done- there were many delays in reviewing the various outputs, much of which had to be reviewed by external consultants to provide significant comments. Building capacity to be able to allow CAR to lead in the REDD+ engagement would be key to ensuring that the country owns the process. Once the documents were ready, the team, made up largely of consultants, was dissolved. Therefore developing the internal capacity and institutional strength will be key in any progression.

The grant financed activities largely achieved their objectives. The REDD+ dialog enhanced attention to the drivers of deforestation and forest degradation and increased cooperation between the forestry sector and other sectors that are at the root of deforestation and forest degradation (agriculture, energy).

Bank Performance:

Comment:

The overall Bank Performance is moderately satisfactory, based on quality at entry. However, project supervision had some lapses due to Covid and team illnesses resulting from the Covid situation. Prior to covid, regular supervision missions were organized and documented (Aide-Memoire), Non-Objections were provided to the client under reasonable timeframes, and regular reporting was done to the Bank and donors.

Additional Assessment

Development / strengthening of institutions:

Comment:

The capacity of the Ministry of Environment to handle REDD+ needs strengthening. The grant support did provide some technical assistance, but this disappears once the grant is expended and sustainable alternatives are needed.

Mobilization of other resources:

Comment:

N/A

Knowledge exchange:

Comment:

N/A- limited due to Covid

Client's policy / program implementation:

Comment:

Efficiency :

Comment:

Outcomes planned at the onset have been largely achieved, however not in a timely manner and thus efficiency is rated moderately unsatisfactory.

Replicability:

Comment:

At the national level, initial REDD+ readiness support had the convening power for maintaining the dialog on deforestation and forest degradation and this was satisfactory.

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Main recommendations to stakeholders:

REDD+ has been communicated globally as a mechanism which seeks to incentivize activities targeted at reducing emissions from the land-use sector. This line of communication has somewhat created high and often unrealistic expectations amongst some sections of stakeholder groups of huge financial inflow for REDD+. In order to ensure the effective management of these exaggerated and unrealistic expectations, deliberate efforts need to be made to emphasize the various co-benefits which will arise from REDD+ implementation, and that any payments for implementation of REDD+ will be performance-based and will consequently require continual support and commitment from all stakeholders.

Based on the achievements and lessons learned from implementation of this project, the following are recommended to stakeholders:

- Specific targeted measures to strengthen institutional capacity (technical, and staffing) to manage aspects the REDD+ phases and aftermath. It is important to identify, early, key champions that are focused on REDD+ readiness and beyond. Training could be also given to the team in advance, to prepare them on how to procure and execute project implementation.
- That awareness and sensitization for communities and policy makers is continued so as to consolidate gains made in nationally owning and championing of REDD+ implementation
- Pre-strategize how to adapt to changing situations such as Covid-19, which significantly impacted this duration of the project.

Main recommendations to Bank Management:

The next phase could perhaps be complemented by a project that specifically builds capacity within the Environment Ministry to manage REDD+. Institutional strengthening is key, and this can only be achieved by additional grants/IDA to prepare the country to manage all the phases of REDD+ which is a highly technical and sensitive process which would require more time and funding on the countryside during REDD+ preparation (or more efficient use of available time and funding). The Bank needs to have co-TTLs, even on small projects like this, so when one TTL is indisposed, another can take over with minimal damage to the project time-line.

DISBURSEMENTS

Disbursements Summary in USD

| Date From | Date To | Planned Cumulative | Planned Period | Actual Cumulative | Actual Period |
|------------|------------|--------------------|----------------|-------------------|---------------|
| 01/01/2017 | 06/30/2017 | 0.00 | 0.00 | 0.00 | 0.00 |
| 07/01/2017 | 12/31/2017 | 0.00 | 0.00 | 524,475.52 | 524,475.52 |
| 01/01/2018 | 06/30/2018 | 0.00 | 0.00 | 851,069.21 | 326,593.69 |
| 07/01/2018 | 12/31/2018 | 0.00 | 0.00 | 1,065,588.17 | 214,518.96 |
| 01/01/2019 | 06/30/2019 | 0.00 | 0.00 | 1,110,080.74 | 44,492.57 |
| 07/01/2019 | 12/31/2019 | 0.00 | 0.00 | 1,145,886.72 | 35,805.98 |
| 01/01/2020 | 06/30/2020 | 0.00 | 0.00 | 2,035,830.71 | 889,943.99 |
| 07/01/2020 | 12/31/2020 | 0.00 | 0.00 | 2,490,426.49 | 454,595.78 |
| 01/01/2021 | 06/30/2021 | 0.00 | 0.00 | 2,850,074.90 | 359,648.41 |
| 07/01/2021 | 12/31/2021 | 0.00 | 0.00 | 3,028,237.62 | 178,162.72 |
| 01/01/2022 | 06/30/2022 | 0.00 | 0.00 | 3,034,402.16 | 6,164.54 |

PROCUREMENT PLAN

None

PROCUREMENT ACTUAL

None