

AFRICAN DEVELOPMENT BANK



MAMBASA GEOGRAPHICALLY-INTEGRATED REDD PILOT PROJECT

COUNTRY: DEMOCRATIC REPUBLIC OF CONGO

PROJECT APPRAISAL REPORT

December 2010

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Currency Equivalents*December 2010*

Unit of Account (UA) 1= Congolese Franc (CDF) 1428.161873

Unit of Account (UA) 1 = EUR 1.20 520

Unit of Account (UA) 1 = USD 1.52578

Fiscal Year

1 January - 31 December

Weights and Measures

1 metric ton	=	2204 pounds
1 kilogramme (kg)	=	2.20 pounds
1 metre (m)	=	3.28 feet
1 millimetre (mm)	=	0.03937 inch
1 kilometre (km)	=	0.62 mile
1 hectare (ha)	=	2.471 acres

LIST OF ACRONYMS AND ABBREVIATIONS

ADB	:	African Development Bank
CARPE	:	<i>Central African Program for Environment</i>
CBFF	:	Congo Basin Forest Fund
CDM	:	Clean Development Mechanism
CDPE	:	Council for the Defence of Community Rights and Environmental Protection
CN-REDD	:	REDD National Coordination Unit
COMIFAC	:	Central African Forest Commission
DRC	:	Democratic Republic of Congo
GIS	:	Geographic Information System
ICCN	:	Congolese Nature Conservation Institute
MECNT	:	Ministry of Environment, Nature Conservation and Tourism
MRV	:	Monitoring-Reporting-Verification
OSAPY	:	Pygmy Sedentarization and Support Organization
PNFOCO	:	National Forest Sector and Nature Conservation Project
REAFOR	:	Agricultural and Forestry Revival Project
REDD+	:	Reducing Emissions from Deforestation and Forest Degradation
UCPFCN	:	Forest and Nature Conservation Project Coordination Unit
UNIKIS	:	University of Kisangani
WCS	:	<i>Wildlife Conservation Society</i>

Project Information Sheet

Client Information

DONEE DRC Government

EXECUTING AGENCY: REDD National Coordination Unit

Financing Plan

Source of Financing	Amount (EUR)	Instrument
CBFF	2.96 million	Grant
Other Donors	-	-
TOTAL COST	2 956 091	

ADB Key Financing Information

Grant Amount (rounded off)	EUR 2.96 million
Commitment Charge*	NA
Service Charge	NA
Tenor	NA
Grace Period	NA
IRR NPV	NA
ERR	NA

Duration – Main Milestones (expected)

Duration:	two and a half years
Concept Note Approval	7 March 2010
Project Approval	January 2011
Effectiveness	April 2011
Last Disbursement	September 2013
Completion	December 2014
Last Repayment	NA

EXECUTIVE SUMMARY

1. Project Overview

1.1 On instruction from CBFF Governing Council (GC) issued on 5 December 2009, a CBFF mission went to all Congo Basin countries to identify government projects to be submitted to the Congo Basin Forest Fund (CBFF) for financing. To this end, each Congo Basin country, including DRC, prepared project concept notes that were submitted to the CBFF for consideration and approval. At its Seventh Ordinary Meeting held in Tunis on 7 March 2010, the CBFF Governing Council approved the concept notes and instructed the CBFF Secretariat to assist countries in preparing detailed project proposals and to immediately appraise them. In early April 2010, following transmission by countries of detailed proposals, the Secretariat fielded a project appraisal mission in the countries concerned, which led to the preparation of this report. At its Ninth Meeting held on 15 and 16 November 2010 in Libreville (Gabon), the CBFF Governing Council approved the funding of this project for EUR 2.96 million.

1.2 The aim of the “Mambasa Geographically-Integrated REDD Pilot Project” is to help reduce deforestation and poverty in the Congo Basin. Its specific objectives are to: (i) increase forest cover and improve the living conditions of forest-area populations; and (ii) create basic conditions that would win DRC eligibility for carbon market benefits and payment for ecosystem services. Mambasa Territory is one of the most threatened by deforestation and degradation. The project duration will be two and a half years and its total cost is estimated at EUR 2 956 091, all of which will be covered by an EUR 2.96 million CBFF grant. By approving the project concept note, the CBFF Governing Council also approved the related provisional financing plan which did not include any contribution from the government. Therefore, the Council’s decision is a derogation of Provision 5.2 of CBFF Operational Procedures on Cost Sharing.

1.3 The project was identified and prepared under the aegis of the Ministry of Environment, Nature Conservation and Tourism (MECNT), with the assistance of the Wildlife Conservation Society (WCS) - an international NGO that will be the project executing agency. MECNT signed a protocol of agreement with WCS entrusting project management to it. The CBFF grant resources will be used to pay the forest-area dwellers for undertaking reforestation activities (reduction of deforestation from 0.19% to 0.10%), build the capacity of beneficiaries, develop income-generating activities in agriculture and agroforestry (increasing household budgets by 20%) and prepare land-use management plans. The project will contribute to organizing, planning and quantifying needs, with a view to implementing a strategy for Reducing Emissions from Deforestation and Forest Degradation (REDD+). It will also help to design the technical tools needed to implement REDD through pilot activities which will be tested in Mambasa Territory. The project aims to participate in the national Monitoring, Reporting and Verification (MRV) system through local data analysis and building capacity at the University of Kisangani (UNIKIS). Using the participatory approach, it will help to prepare a management and agricultural development plan in its various operation areas which include: the Okapi Wildlife Reserve, the Community Natural Resources Management Area (ZGCRN), the Permanent Production Forest and the Unassigned Protected Forest.

2. Project Beneficiaries and Project Impacts on Beneficiaries

2.1 The project *direct beneficiaries* are the local communities and indigenous people of Mambasa Territory living in the project area. Specifically, they include: (i) 2000 households that will receive direct support (supply of seedlings, training, technical supervision) for shading cocoa trees and planting agroforestry trees; (ii) local farmers who will receive organizational support (census, needs assessment, formation of groups, training, etc.) to enable them to subsequently organize into cooperatives; (iii) loggers who will receive training and advice for sustainable forest resource management, in conjunction with the population with whom they share the resources; (iv) local, administrative and traditional authorities whose land dispute management capacity will be built; and (v) national authorities who will be given information on national REDD+ strategy development. The direct beneficiaries will also include all persons who will find temporary jobs during project implementation, especially during the opening and maintenance of plantations.

2.2 Project impact for people directly involved in its implementation will include additional income due to increased production, wages generated by jobs that will be created and State employee capacity building. By extension, the project will also contribute to efforts to rehabilitate forest administration capacity.

3. Needs Assessment and Project Justification

3.1 Large-scale logging due to very high demand for lumber by border-countries (Rwanda, Uganda, Burundi and Kenya) has led to the recrudescence of large-scale illegal bush logging. Similarly, slash and burn cultivation is aggravated by high demand for fuel-wood resulting from natural population growth and the massive influx of immigrants from the East. These two factors combined constitute a very serious threat to the forest. Therefore, they must be urgently mitigated or even completely eliminated in order to preserve the forest resources of Mambasa Territory.

3.2 The project sector objective is to contribute to reducing climate warming and poverty through improved natural resource management. In fact, the project will help to reduce deforestation from 0.19% to 0.10%. It will also increase the income of households concerned by 20% by 2017. Hence the project is in line with the Bank's Results-Based Country Strategy Paper (RBCSP) for the 2008-2012 period. The project also plugs into Pillars (iii) and (v) of the country's Growth and Poverty Reduction Strategy Paper (GPRSP) for the 2007-2011 period (improving access to social services and reducing vulnerability; and promoting community dynamism, respectively).

3.3 Moreover, the project covers three Congo Basin Forest Fund (CBFF) thematic areas, namely (i) forest management and sustainable practice; (ii) ecological and socio-economic monitoring and baseline data; and (iii) livelihood and economic development. The project is in keeping with the Central African Forest Commission (COMIFAC) Convergence Plan, particularly Thrusts 3, 4, 5, 6, 7, 9 and 10 concerning forest ecosystems design and reforestation, sustainable forest resources development, biodiversity conservation, development of alternative activities and poverty reduction.

4. Value Added for the Bank

4.1. The project has innovative aspects in the sense that it aims at reducing the effects of climate change, in general, and climate warming, in particular - a very topical subject challenging all decision-makers and donors. By contributing to preserving the Congo Basin tropical rainforest, the Bank will help to preserve the second green lung of the world (after Amazonia). It will also help to preserve biodiversity and protect the very vulnerable Pygmy population who account for 30% of the population of Mambasa Territory. All these operations are in line with Bank policies on poverty reduction and environmental and biodiversity conservation. They will give the Bank greater visibility at the regional and international level, and significantly enhance its impact in the region.

5 Knowledge Management

5.1 Locally, the population, administrative and traditional authorities will benefit from awareness-raising campaigns and training sessions on REDD approach and challenges. They will also be trained on the organization and management of common economic interest cooperatives and associations as well as modern agricultural and agroforestry production techniques. The inclusion of REDD projects in the Bank's portfolio will enable its technical staff to enhance their knowledge in new areas such as community forestry and REDD in moist dense forest. This experience will complement the Bank funded *Programme d'Appui à la Conservation des Ecosystèmes du Bassin du Congo (PACEBCo)* and the Forest Investment Program. The Bank is supporting DRC, Burkina Faso and Ghana in the preparation of their FIP strategy. The objective of the FIP is to promote the sustainable management of forests and to increase the investments in order to help the countries reducing emissions of greenhouse gases due to deforestation and forest degradation (REDD). All information collected by this project and similar ones will be used to enrich the skills of stakeholders in the REDD approach and good practices regarding forest management and assistance to vulnerable persons.

DEMOCRATIC REPUBLIC OF CONGO - MAMBASA GEOGRAPHICALLY-INTEGRATED REDD PILOT PROJECT

PROJECT MATRIX (Results-based)

HIERARCHY OF OBJECTIVES	EXPECTED OUTPUTS	SCOPE/ BENEFICIARIES	PERFORMANCE INDICATORS AND VERIFICATION SOURCES	SCHEDULE FOR ACHIEVEMENT OF OBJECTIVES	ASSUMPTIONS, RISKS AND MITIGATIVE MEASURES
Overall Objective	Impact/Long-Term Outputs	Beneficiaries	Impact Indicators	Expected Long-Term Progress	Assumptions, Risks and Mitigative Measures
Contribute to reducing deforestation and poverty in Mambasa area in Orientale Province	<ul style="list-style-type: none"> - The average forest deforestation and degradation rate is reduced annually - The community income level is increased 	The local population and indigenous peoples of the project area and neighbouring towns	<p>Increase in reforested areas and income of project area communities</p> <p><u>Sources:</u> Progress Reports; Monitoring and Evaluation Reports; Mid-Term Review Reports; Project Completion Report</p>	<p>The average deforestation rate is reduced from 0.19% to 0.10% by 2017. Doubling of forest lands owned and managed by the community by 2017</p> <p>The forestry sector's contribution to GDP in value added increases by at least 15% by 2017. The population's income level increases by at least 20% in 2017</p> <p>20% increase in employment in the forestry sector by 2017</p>	<p>Assumptions:</p> <ul style="list-style-type: none"> - Stability in the country in general and particularly in the project area - Involvement of all stakeholders in project implementation <p>Risk Indicators :</p> <ul style="list-style-type: none"> - Failure to involve administrative, political and traditional authorities, local communities and indigenous peoples in project implementation - Recrudescence of insecurity in the project area - Innovative aspect of the project <p>Mitigative Strategy :</p> <ul style="list-style-type: none"> - Raising awareness for integrated project management - Current political dialogue under the aegis of the international community - Selection of an NGO (WSC) as project executing agency
Specific Project Objectives	Medium-Term Outputs	Beneficiaries	Output Indicators	Expected Medium-Term Progress	Assumptions, Risks and Mitigative Measures
1. Build local government and other stakeholder capacity for management and planning, land-use management, land securement, harmonization and law enforcement	- 50 local government employees and local authorities (30% of them women in villages, groups, sectors and territories) trained	Local and traditional administrative authorities, local players and population of the entire project area	<p>1.1. Instruments and their implementing measures respected</p> <p><u>Source:</u> Terms of Reference, Progress Reports, Expertise Contract Report, Report on the nomination and installation of mixed structures</p>	Land-use and target villages management plan validated at the end of the project, number of operational patrols in the project area, local IEC plan validated in 2011	<p>Assumptions:</p> <ul style="list-style-type: none"> - Involvement of all stakeholders - Collaboration of administrative and traditional authorities - Peaceful conflict prevention and resolution

<p>2. Build the local population's human, technical, financial and organizational capacity for productive management and sustainable development of their environment</p> <p>3. Improve the local population's economic and social conditions</p>	<p>1000 households in local communities and indigenous peoples in the project area are equipped with human, technical, financial and organizational capacity for productive management and sustainable development of their environment</p> <p>3. The standard of living of households in the project area is improved</p>	<p>Population in the project area</p> <p>Population in the project area</p>	<p>1.2. Existence of community management structures in 25% of project villages; existence of MRV plots; existence of cocoa and other fruit tree nurseries</p> <p><u>Source:</u> Progress Report; Minutes of Meetings of structures</p> <p>1.3 Number of households reporting an improvement in their living conditions; number of farmers' cooperatives formed and supported</p> <p><u>Sources:</u> Survey reports, training, training module, etc.</p>	<p>At least 25% of villages are equipped with a community management structure; 6 local researchers and 15 local technicians are trained in MRV data collection; 200 MRV plots are tallied and mapped for all types of land use; shading of 750 ha of cocoa trees; 750 000 seedlings and 75 000 other trees are planted in 2013.</p> <p>90% of households in the project area supervised report an improvement in their living standard by 2012</p> <p>At least one experimental field and one demonstration farm per target village in 2013</p> <p>At least one cooperative per branch of activity is operational in 2013</p>	<p>Risk:</p> <ul style="list-style-type: none"> - Difficult access to some project sites - Land disputes between stakeholders <p>Mitigative Strategies</p> <ul style="list-style-type: none"> - Sensitization of and collaboration with the authorities, and involvement of all stakeholders in the various project stages - Establishment of conflict identification, resolution and prevention structures
Activities	Short-Term Outcomes/Outputs	Beneficiaries	Output Indicators	Expected Short-Term Progress	Assumptions and Risks
Component A: Forest Management and Sustainable Practice					
<p>A.1. Land-use management and participatory micro-zoning (OSAPY participatory mapping unit)</p>	<p>A.1.1. Forests in the territory and Mambasa forest concessions are managed</p> <p>A.1.2. Community-use zones in the ten target villages are developed</p> <p>A.1.3. The forest land of communities is secured</p> <p>A.1.4. Village forest lands are developed and supported to acquire land and forest titles</p>	<ul style="list-style-type: none"> - ENRA concession, - Communities in the area - Local government -Local communities and indigenous peoples in the project area - The population of villages in the project area 	<p>A.1. 1. Existence of land-use management and ENRA concession plans</p> <p>A.1.2. Existence of a target village land-use management plan</p> <p>A.1.3 Effective community management of forests in the project area</p> <p>A.1.4. Existence of land/forest titles for forests managed by local communities in the five villages</p> <p><u>Source:</u> Progress Report</p> <p>A.2.1 Number of information and</p>	<p>Land-use management and ENRA concession plans prepared, validated and applied by all stakeholders in 2013.</p> <p>The participatory village land-use management plan validated and endorsed by the authorities in 2013</p> <p>A community forest management unit is operational in each village in 2013</p> <p>At least two titles in 2012 and the other three titles in 2013</p>	<p>Assumptions: The authorities, local communities and indigenous peoples adhere to the REDD process and the sustainable community structures established</p> <p>Risk Indicators: lack of support of beneficiaries and stakeholders</p> <p>Mitigative Strategies: Sensitization; dialogue with beneficiaries and stakeholders</p> <ul style="list-style-type: none"> - Enactment of a law on community forestry

<p>A.2. Sensitization of local authorities and communities on conflict management, monitoring and mixed patrol techniques and management of farmers' organizations in partnership with the CDPE in order to start up the REDD process</p>	<p>A.2.1. Stakeholders are informed, sensitized and their REDD communication and sustainable forest management capacity strengthened</p> <p>A.2.2. Farmers' organizations are formed and established by AGR branch</p>	<p>Population, local organizations, administrative and traditional authorities, radios and TV in the project area and towns near Mambasa</p>	<p>sensitization sessions; attendance lists, training module, folders, spots, CD, DVD and other media</p> <p>A.2.2 Number of local development committees (LDC) formed; reports</p> <p><u>Source</u>: Progress Reports</p>	<p>One local IEC plan prepared and validated ; 4 radios stations (1 in Mambasa, 1 in Béni, 1 in Bunia, 1 in Kisangani) and 2 TV stations in Kisangani supported; 1 mixed structure instituted and trained in patrol and monitoring technique in 2013</p> <p>Four local development committees structured by 2012</p>	
Component B: Livelihood and Economic Development					
<p>B.1. Improvement of agricultural practices in the project area (WCS)</p> <p>B.2. Development of agroforestry and forestry-pasture systems in community forest management areas (WCS)</p>	<p>B.1. Improved and sustainable agricultural activities established in the target villages</p> <p>B.2.1. Establishment of community demonstration farms, and development of some alternative activities</p> <p>B.2.2. Households in four additional sites are guided to implement alternative activities</p> <p>B.2.3. Sustainable community structures are established in at least 25% of villages and their capacity built</p> <p>B.2.4. Tree nurseries are established</p> <p>B.2.5. A farmers' cooperative support mechanism is established</p>	<p>Population of Bapongomo and Bakwanza Groups in Mambasa Territory</p> <p>Population of the project area</p> <p>Same as above</p>	<p>B.1. Production and yield per hectare; number of households supervised; number of hectares of cocoa shaded</p> <p>B.2. 1. Existence of community demonstration farms</p> <p>Number of heads of cattle produced in target villages in the project area</p> <p>B.2.3 Number of households guided. Number of alternative activity branches initiated</p> <p>B.2.3. Number of structures established; training modules; number of training meetings and workshops; minutes and reports on the installation of structures</p> <p>B.2.4. Number of nurseries established. Area organized into agroforestry parcels</p>	<p>2000 farming households supervised and provided with tree seedlings; 750 ha of cocoa established in ENRA concession; 500 ha of cocoa in ZGCRN; 50% increase in agricultural production and productivity by 2012</p> <p>B.2.1. About 20% increase annually in the average income of direct beneficiaries at end of project. About 20 000 ha of forest in 4 sub-concessions developed from 2011 to 2012</p> <p>- 4 farmers' organizations are formed and established for the production, processing and marketing of PFNL and agricultural produce. At least 25% of villages have a community structure in 2013</p> <p>At least one nursery per target village; 10 forest tree species and 10 fruit tree species are used in 2013</p>	<p>Assumption : good ownership and mastery of new technologies proposed</p> <p>Risk Indicator : beneficiaries adhere to technical advice slowly and with difficulty</p> <p>Mitigative Strategy: intense and sustained sensitization of beneficiaries; capacity building</p>

	A.2.6. A socio-economic study on branches developed in the project area is conducted by a consultant		B.2.5. Number of cooperatives supported; expertise contract; number of training sessions and workshops; training modules and reports B.2.6. Existence of an economic module produced after consultations	At least one cooperative per branch of activity established in 2013 One economic development module, with challenges and opportunities, in 2011	
Component C: Ecological and Socio-economic Monitoring and Baseline Data (MRV)					
C.1. Building of the capacity of local researchers and technicians (UNIKIS)	C.1.1. Researchers of the Faculty of Science are retrained in GIS and remote sensing, and in forest carbon estimate to enable them train MRV technicians in the project area C.1.2. Local technicians are upgraded for forest carbon pool estimate	Researchers of UNIKIS and partner institutions Members of communities in the project area	C.1.1 Basic MRV modules on remote sensing, GIS, biomass estimate and establishment of a monitoring system produced and taught; training reports; number of researchers trained C.1.2 Training modules and report; number of training sessions; number of technicians trained	Six researchers are retrained to enable them train MRV technicians in the project area (3 in GIS and remote sensing, 3 in forest carbon estimate) in 2012 15 local technicians trained in the collection of data on forest carbon pool estimate in 2012	Assumption: training programmes, MRV plots and study teams are established within the prescribed period Active participation of stakeholders Risk Indicators: Various slippages; failure to involve stakeholders Mitigative Strategies: participatory selection of training programmes; sensitization of potential targets
C.2. Establishment of carbon pool monitoring mechanisms (UNIKIS)	C.2.1. The various types of land use are known (remote sensing) during the first 12 months C.2.2. Carbon estimate parcel mechanisms are established	Project area Project area	C.2.1 Expertise contract; number of missions; prospecting reports; database C.2.2 Number of parcels per site; database	Land allocation maps available in 2013	
C.3. Development of reference scenarios (UNIKIS)	C.3.1. Basic data on land use are collected by remote sensing (area of each land use type, deforestation rate over the last 10 years)	Project area	C.3.1 Number of databases; reports available	C.2.2 At least 200 parcels (50m x 50m) tallied and mapped for all types of land use in 2012 C.3.1 A land occupancy map and area of each land use type available in 2013	

C.4. Anthropological studies of indigenous peoples in partnership with UNIKIS	C.4.1. Consultations on socio-economic and environmental impacts carried out by an MRV Consultant C.4.2. The lifestyle of indigenous Pygmy peoples is known	C.4.1 Population of the project area Pygmies in the project area	C.4.1. Existence of a project socio-economic and environmental impact indicator monitoring plan C.4.2. Number of camps visited and number of households surveyed	Socio-economic and environmental impact indicator monitoring plan prepared and validated by 2012 A monograph on the lifestyle of Pygmies is produced and validated in 2012.	
Component D: Project Management					
<p>D.1. Equipment and materials for the functioning of the project management team</p> <p>D.2. Procurement of goods, services and works needed for project implementation</p> <p>D.3. Project administrative and financial management</p>	<p>D1.1 The project team is provided with the equipment, materials and financial resources that they need to operate</p> <p>D.2.1 The procurement/contract award plan is implemented in accordance with the procurement methods indicated in the grant agreement</p> <p>D.3. 1 A project administrative and financial management system is effectively implemented and monitored</p> <p>D.3.2. Financial management tools (including software) are put in place</p>	<p>Key project staff (WCS)</p> <p>Consultants and suppliers</p> <p>UCPFCN, WCS, CBFF</p> <p>UCPFCN</p>	<p>D.1. Type and lists of equipment and materials established</p> <p>D.2. Procurement/contracts executed as planned</p> <p>D.3.1 Existence of an efficient financial management system</p> <p>D.3.2 Existence of functional financial management tools including an accounting software</p>	<p>D.1. The project team is equipped and functional upon project start-up in 2011</p> <p>D.2. Planned procurements/contracts are executed according to the set standards and timeframes from 2011 to 2012</p> <p>D.3.1 A computerized accounting and financial management system is established and functional in 2011</p> <p>D.3.2 A system for managing project funds with appropriate software is operational in 2011.</p>	<p>Assumptions: mobilization of human and financial resources according to schedule; adherence to the provisional implementation schedule; compliance with procurement/contract award procedures</p> <p>Risk Indicators: delays in procurement; delay in the disbursement of funds</p> <p>Mitigative Strategies: permanent assistance of the CBFF Secretariat team; support of the CBFF branch and the ADB Regional Office in Kinshasa.</p>

PROJECT IMPLEMENTATION SCHEDULE

Components/ Activities	2011				2012				2013			
	1	2	3	4	1	2	3	4	1	2	3	4
Grant approval												
Grant negotiations												
Project launching workshop												
First disbursement												
Last disbursement												
Forest Management and Sustainable Practice												
A.1. Land-use management and participatory micro-zoning (OSAPY)												
A.2. Sensitization of stakeholders for start-up of REDD process, conflict management and monitoring techniques (CDPE)												
Livelihood and Economic Development												
B.1. Improvement of agricultural practices in the project area (WCS)												
B.2. Development of agroforestry and forestry-pasture systems in ZGCRN (WCS)												
Ecological and Socio-economic Monitoring and Baseline Data												
C.1. Building of the capacity of researchers and technicians (UNIKIS)												
C.2. Establishment of carbon pool monitoring mechanisms (UNIKIS)												
C.3. Development of reference scenarios (UNIKIS)												
C.4. Anthropological studies of indigenous peoples (UNIKIS)												
C.5 Monitoring/evaluation of DRC national REDD strategy development project												
Project Management												
D.1. Procurement of equipment and materials for project management												
D.2. Procurement of project goods, services and works												
D3. Project administrative and financial management												
D.4 Auditing												
D.5 Mid-term review												
D.6 Final evaluation												

REPORT AND RECOMMENDATION OF BANK GROUP MANAGEMENT TO THE BOARD OF DIRECTORS CONCERNING THE MAMBASA GEOGRAPHICALLY-INTEGRATED REDD PILOT PROJECT

Management hereby submits this report and recommendation concerning a proposal for the award of an EUR 2.96 million CBFF grant to the DRC Government to finance the Mambasa Geographically-Integrated REDD Pilot Project.

I. STRATEGIC THRUST AND RATIONALE

1.1 Project Linkages with Country Strategy and Objectives

1.1.1 This project is in line with DRC's Growth and Poverty Reduction Strategy Paper as it will contribute to implementing the following actions: reduce poverty, facilitate access by the population to basic services (education and health) and promote community dynamism. Furthermore, DRC has embarked on a REDD+ preparation process to develop a national strategy and an operational action plan by the end of 2012. Currently, however, the country's available data and experience to develop its strategy are incomplete and insufficient. Therefore, it is necessary to experiment different REDD+ strategy options on the ground in order to test the numerous (legal, organizational, financial, human, etc.) conditions for their implementation. The project is one of the additional pilot sites chosen by MECNT to cover the experimental field needed to develop a comprehensive national REDD strategy.

1.1.2 With the support of its partners, DRC has embarked on the development of a national forest policy focused on: (i) sustainable management and improved development of its forest resources; (ii) conservation of forest ecosystems and the biodiversity they shelter; and (iii) improvement of the living conditions of the local population. The discussions already held seek to prepare DRC to participate in the future REDD+ mechanism being negotiated under the United Nations Framework Convention on Climate Change. The objective of the National Forest Sector and Nature Conservation Project (PNFOCO) under consideration is to help concretize on the ground DRC's new policies for sustainable and equitable forest management. It is essentially a programme to strengthen the Ministry of Environment, Nature Conservation and Tourism (MECNT), the Congolese Nature Conservation Institute (ICNN), civil society organizations and local communities to help implement government policies on the ground. Therefore, this project will operate in complete synergy with the PNFOCO for greater efficiency.

1.2 Rationale for Bank's Involvement

1.2.1 The project is in line with the Bank's RBCSP for DRC which aims, among other things, to strengthen rural infrastructure as the project will help to manage village lands. The project also plugs into the Bank's general poverty reduction and environmental protection policy because it will ultimately contribute to increasing the average income of its direct beneficiaries by 20% and reduce deforestation from 0.19% to 0.10%, representing a decrease of nearly 40%. In addition, the project squares with the CBFF broad objectives to slow down deforestation and alleviate poverty among Congo Basin communities by involving them closely and actively in its activities.

1.3 Aid Coordination

1.3.1 In the country's new post-electoral context, donors have adopted a Country Assistance Framework (CAF) which was the subject of consultations with the Government, the private sector and civil society in 2007. The new framework, which is based on GPRSP pillar outputs, served as a foreign aid reference and coordination framework during the 2007-2009 period.

1.3.2 The High Level Forum on Aid Effectiveness held in Kinshasa in June 2009 gave rise to the "Kinshasa Agenda" which takes stock of aid, identifies constraints and makes relevant recommendations to improve aid coordination and effectiveness. It includes guidelines and concrete measures enabling TFPs and the Government to work effectively and in a coordinated manner for the country's development. The Ministry of Planning coordinates foreign aid through "Thematic Groups". The Bank chairs the Thematic Group on Economic Statistics. The ADB Group is the second leading donor in DRC, after the World Bank. Following the resumption of cooperation, its position is being strengthened with the approval of a total UA 249.75 million for the on-going public sector portfolio. It should be noted that the opening of the Bank's Regional Office in Kinshasa (CDFO) in 2007 has helped to increase and facilitate the Bank's participation in coordination efforts with other technical and financial partners (TFPs), in accordance with the Kinshasa Agenda which advocates a more rational division of labour between TFPs and the use of harmonized mechanisms for implementing operations.

1.3.3 The main donors in the forestry sector in DRC are the World Bank, the European Union, Germany, the United Kingdom and Norway. However, Japan, France, Belgium, etc. have also provided significant support amounting to more than USD 347 million (October 2010). It is worth noting that major projects include the World Bank's Forest and Nature Conservation Project and the Forest Biodiversity Project funded by Germany through GTZ. Currently, the Bank is funding only one multinational project in the forestry sector (the Congo Basin Ecosystems Conservation Support Project - PACEBCo), most of whose operations are located in DRC.

II PROJET DESCRIPTION

2.1 Project Objectives

2.1.1 **The project's sector** objective is to contribute to reducing deforestation and poverty in Mambasa Territory in Orientale Province. Its *specific objectives* are to: (i) build the capacity of local governments and other stakeholders in the areas of management and planning, land-use management, land securement, harmonization and law enforcement; and (ii) build the local population's human, technical, financial and organizational capacity for productive management and sustainable development of their environment.

2.2 Project Components

2.2.1 Project activities are grouped into four components, briefly described in the table below.

Table 2.1
Project Components

No.	Component Name	Estimated Cost (EUR)	Component Description
1	Forest Management and Sustainable Practice	845 597	<ul style="list-style-type: none"> ▪ A.1. Land-use management and participatory micro-zoning (OSAPY) ▪ A.2. Sensitization of stakeholders for the start-up of the REDD process, conflict management and monitoring technique (CDPE)
2	Livelihood and Economic Development	823 370	<ul style="list-style-type: none"> ▪ B.1. Improvement of agricultural practices in the project area (WCS) ▪ B.2. Development of agroforestry and forestry-pasture systems in ZGCRN (WCS)
3	Ecological and Socio-economic Monitoring and Baseline Data	541 729	<ul style="list-style-type: none"> ▪ C.2. Establishment of carbon pool monitoring mechanisms (UNIKIS) ▪ C.3. Development of reference scenarios (UNIKIS) ▪ C.4. Anthropological studies of indigenous peoples (UNIKIS) ▪ C.5. Monitoring/evaluation of DRC's national REDD strategy development project
4	Project Management	436 405	D.1. Procurement of equipment and materials for project management
			D.2. Procurement of project goods, services and works
			D3. Project administrative and financial management
			D.4 Auditing

2.3 Technical Solutions Adopted and Alternative Explored

Table 2.2
Comparison of Technical Solutions

Component	Solution Adopted	Alternative Explored	Reasons for Rejection
A. Forest Management and Sustainable Practice	Participatory and community management with some tasks entrusted to specialized NGOs	Administrative management	Impersonal and diluted management of public property Weak administration
B. Livelihood and Economic Development	Supervision of activities entrusted to an international NGO (WCS)	Implementation by the administration	Weak Congolese post-conflict administration; specialized subjects requiring proven expertise
C. Ecological and Socio-economic Monitoring and Baseline Data	Collaboration with the University of Kisangani	Implementation by the administration	Administration's lack of experience and skills in the area of research and training
D. Project Management	Technical management by a team within WCS and financial management within UCPFCN with the support of specialized institutions (UNIKIS, OSAPY)	Full administrative management by MECNT	Weak managerial capacity of the administration; lack of flexibility; the administration lacks certain specialized skills

2.4 Project Type

2.4.1 This operation is a pilot project. In fact, DRC intends to draw on a series of pilot initiatives, including this project, to develop its REDD strategy. The project is not only consistent with the REDD process but also with PNFOCO and the national Pygmy Development Strategy. Therefore, it is a pilot operation owing to its relatively small size but above all because it is designed to test assumptions, designed in the form of activities, that could help in designing a REDD approach in a forest zone threatened with degradation. It will be financed with a Congo Basin Forest Fund (CBFF) grant. This financing method is consistent with current Bank Group policy for DRC which limits its operations in the country exclusively to grants. The CBFF grant will be used to finance the procurement of goods, services and works required for project implementation.

2.5 Project Cost

2.5.1 The overall project cost is estimated at **EUR 2 956 091**, net of taxes and customs duties, or **EUR 465 252** in foreign exchange (FE) and **EUR 2 490 840** in local currency (LC). All costs both in local currency and foreign exchange are expressed in Euro, in accordance with CBFF rules requiring that its grants be denominated in Euro. Customs duties and taxes will be borne by the State. The share in foreign exchange represents 16% of the overall project cost, net of taxes, and 84% in local currency. The share in local currency is larger because the project consists mainly of works that will be executed by local labour (creation of nurseries, tree planting, measures to increase CO₂ concentration, etc.). These costs include an estimated 7% composite provision for price escalation based on the August 2010 inflation rate. The project cost summary is shown in Tables 2.3 and 2.4 below.

*Table 2.3
Estimated Project Cost by Component (in EUR)*

COMPONENT	Local Currency	Foreign Exchange	Total	% Foreign Exchange
Forest Management and Sustainable Practice	724 660	120 937	845 597	14
Livelihood and Economic Development	713 600	109 770	823 370	13
Ecological and Socio-economic Monitoring and Baseline Data	414 879	126 850	541 729	23
Project Management	364 405	72 000	436 405	16
Base cost	2 217 544	429 557	2 647 101	16
Provision for physical contingencies	0	0	0	0
Provision for price escalation	273 296	35 695	308 990	12
Total cost estimate	2 490 840	465 252	2 956 091	16

Table 2.4
Project Cost by Expenditure Category (in EUR)

EXPENDITURE CATEGORY	Local Currency	Foreign Exchange	Total	% Foreign Exchange
Works	290 800	31 200	322 000	10
Goods	154 200	262 357	416 557	63
Services	255 500	64 000	319 500	20
Staff	678 630	72 000	750 630	0
Operating costs	838 414	0	838 414	0
Base cost	2 217 544	429 557	2 647 101	16
Provision for physical contingencies	0	0	0	0
Provision for price escalation	273 296	35 695	308 990	12
Total cost	2 490 40	465 252	2 956 091	16

2.5.2 The project will be funded exclusively by the Congo Basin Forest Fund (CBFF) as indicated in Table 2.5 below. During its 7 March 2010 meeting, the CBFF Governing Council (GC) approved the project concept note with the provisional financing plan which did not include any contribution by the Donee. In so doing, the CBFF Governing Council granted the project derogation from Provision 5.2 of the CBFF Operational Procedures on Cost Sharing. Spending will be carried out according to the schedule shown in Table 2.6 below. However, it is worth noting that six environmental sector projects are underway in Mambasa Territory (Ituri forest and Okapi Wildlife Reserve) under the aegis of WCS, for financing amounting to nearly USD 10 million. The financing supplements CBFF funding.

Table 2.5
Sources of Financing (in EUR)

Sources of Financing	Local Currency	Foreign Exchange	Total	% Total
CBFF	2 490 840	465 252	2 956 091	100
Total cost estimate	2 490 840	465 252	2 956 091	100

Table 2.6
Expenditure Schedule by Component (in EUR)

COMPONENT	2011	2012	2013	Total	% Base Cost
Forest Management and Sustainable Practice	413 537	311 500	120 560	845 597	32
Livelihood and Economic Development	461 820	295 550	66 000	823 370	31
Ecological and Socio-economic Monitoring and Baseline Data	345 143	106 993	89 593	541 729	20
Project Management	171 310	171 010	94 085	436 405	16
Base cost	1 391 810	885 053	370 238	2 647 101	100
Provision for physical contingencies	0	0	0	0	
Provision for price escalation	97 427	128 244	83 319	308 990	
Total cost estimate	1 489 237	1 013 297	453 557	2 956 091	

2.5.3 Project management costs (project staff allowances and operating costs) are relatively high (16% of the overall cost) because of the expertise required for this type of project and the costs of the fiduciary assistance to be provided by the UCPFCN.

2.6 Project Area and Beneficiaries

2.6.1 The project will be implemented in Mambasa Territory in Province Orientale (Eastern Province). Mambasa Territory is located on the border between the densely populated Eastern DRC and the dense rainforest, and has an estimated population of 135 032, of which 66 304 men and 68 728 women; the average density is 3.6 inhabitants per square kilometre. The Pygmy population accounts for 30% of the overall population of the territory. The territory has 7 communities and 27 groups. Therefore, the territory's intensely exploited forest is clearly one of the key areas of action for implementing an operational REDD strategy. The project area covers: (i) the Okapi Wildlife Reserve where the project plans to equip and strengthen mixed forest brigades (rangers/villagers) to root out poaching and illegal logging; (ii) the Community Natural Resource Management Area (ZGCRN) where the project will seek to continue the programme to improve farming methods initiated with the Wildlife Conservation Society (WCS); (iii) the Permanent Production Forest where the project will, in collaboration with ENRA (Enzymes Refiners Association), conduct an analysis of the conditions for success of an industrial logging company; and (iv) the Unassigned Protected Forest where the project plans to map the land tenure situation, and identify and monitor cases of conflict to facilitate their resolution.

2.6.2 **The project beneficiaries** are: 2 000 households that will receive seedlings to provide shading for their plantations and open agroforestry plantations; local communities in Mambasa Territory, including the indigenous peoples (Pygmies) who will benefit from agricultural intensification techniques. Loggers will receive technical guidance and advice, while regional,

provincial and national authorities in charge of land-use management and natural resource management will benefit from capacity building and REDD-related information.

2.7 Participatory Approach for Project Identification, Design and Implementation

2.7.1 A participatory approach was followed for project identification and design. Indeed, following discussions in Kinshasa with NGOs active in Mambasa Territory, a delegation of WCS and MECNT executives visited Mambasa Territory in January 2010 to meet various stakeholders and identify the origins of current problems relating to deforestation and land degradation in the Territory. Many of the partners involved (MECNT, WCS, OSAPY and UNIKIS) then conducted field trips to meet with local village communities targeted by the project. A series of planning meetings bringing together field partners and representatives of the villages concerned were held in February and March, and more recently in September 2010.

2.7.2 For its part, CBFF sent two field missions, in April and September 2010, to discuss project issues with beneficiaries and stakeholders, to ensure that the project would not duplicate other operations in its area. The compilation and synthesis of ideas expressed and themes treated during these various meetings enabled the preparation of a report on which this project is based. The participatory approach will be maintained during project implementation by actively involving the population in the technical choices and decisions concerning agricultural production and agroforestry development, as these activities will help them increase their income and gradually emerge from poverty.

2.8 Bank Group Experience and Lessons Reflected in Project Design

2.8.1 The 2009 review report shows that DR Congo's portfolio performance is moderately satisfactory. On the whole, performance is satisfactory with regard to the fulfilment of conditions precedent and commitments. However, procurement of goods and services, financial management and implementation of activities are deemed unsatisfactory. The portfolio (with an active public sector project disbursement rate of 47.81% at end July 2010) is facing problems such as weaknesses in the preparation and design of the first projects approved after the conflict period, lack of knowledge of Bank rules, inadequate project implementation monitoring and difficulties in releasing the counterpart contribution to project financing.

2.8.2 The following lessons can be drawn from various Bank operations and that of other donors: (i) the need to have a competent project implementation unit for proper implementation; (ii) the definition of first disbursement conditions should take into account DR Congo's status as a fragile State; and (iii) the need to build capacity for project preparation and implementation.

2.8.3 This project took these lessons into consideration, particularly as regards its implementation since MECNT will work in collaboration with the Wildlife Conservation Society (WCS) and other partners (OSAPY, UNIKIS), all well experienced in forestry and assistance to vulnerable persons. In addition, no counterpart contribution is expected from the Government. The ADB Cameroon Field Office (CMFO) could also help to solve any procurement problems.

2.9 Key Performance Indicators

2.9.1 Key performance indicators are provided in the project logical framework. They include: the number of beneficiary families, the number and surface area of nurseries created, the deforestation reduction rate, the rate of increase in the income of beneficiaries, the number and surface area of agroforestry plantations opened, etc. A baseline case will be established at the beginning of the project by the University of Kisangani (UNIKIS), which will describe the basic socio-economic indicators in the "without project" situation. Comparison of this baseline case with the "with project" situation will allow regular monitoring of progress achieved by the project. An internal and external monitoring/evaluation mechanism will be established to measure project achievements against its objectives.

III. PROJECT FEASIBILITY

3.1 Economic and Financial Performance

3.1.1 Technical feasibility: project activities such as reforestation, establishment of nurseries, installation and management of agroforestry plots, supervision of the cocoa and food crop sectors, etc. are underpinned by simple technologies with which technicians who will work for the project are very familiar. For more sophisticated techniques such as carbon measurement, baseline case establishment and capacity building of researchers, the project will resort to UNIKIS, while for land-use management, participatory micro-zoning and studies on Pygmies, it will use OSAPY services. The choice of these partners is based on their proven experience and skills in keeping with the "make or buy" and "win-win" principles enabling all those who may be involved in project implementation to intervene in areas where their efficiency is optimal. With this organizational arrangement, there should be no particular difficulty in the technical implementation of the project.

3.1.2 Economic and financial profitability: the calculation of an economic rate of return would not reflect the true profitability of this project, given the many intangible benefits that it will generate and the fact that even tangible benefits such as those related to reforestation will become significantly measurable only in the long term. However, it is already possible to affirm that the production and planting of seedling trees, establishment of forest carbon monitoring plots, implementation of various scales of management plans, etc. will create many temporary jobs (about 20%) that will help to significantly increase household income.

3.1.3 Similarly, by creating income- or value added-generating activities, such as the improvement of cultivation, which – as alternative activities - will replace the very devastating slash and burn cultivation, the project will enable a 20% increase in farmers' income. Socially, the project will improve the situation of Pygmies by providing them with sustainable livelihoods in agriculture and/or craft. Other project benefits will include: capacity building for stakeholders (researchers, NGO staff and provincial government, etc.), consolidation of the sector and improved logging.

3.2 Environmental and Social Impact

Environment

3.2.1 The project is classified under the Bank's Environmental Category 3, which is justified by the fact that it will not have any negative environmental impact. Instead, it will contribute to improving the local environment. Supervision of the sector, agroforestry development and improved agricultural practices will lead to increased revenue, resulting in decreased pressure on protected and unprotected natural forests, which could then develop and flourish normally, thus contributing to biodiversity conservation.

3.2.2 Supervision of the sector will mainly consist in opening plantations in natural forest to shade the seedlings since they are sensitive to excessive sunlight. Indeed, because cocoa is an undergrowth plant, it requires shade at a young age to fully flourish later.

3.2.3 Agroforestry will be developed through the establishment of family micro-plantations in or around existing concessions. Therefore, this activity will not entail additional clearing and, in addition, the micro-plantations will be cultivated according to an improved traditional method without chemical inputs, but with studied organic manure applied based on a seasonal time sequence of crops adapted to local agro-ecological conditions. These micro-plantations will be mixed, with tree species for timber and fruit species for the production of marketable fruits.

3.2.4 Agriculture will be improved not only by providing farmers with hardy, thus undemanding, but more productive varieties than current local varieties, but also by disseminating a more suitable seasonal time sequence of crops (seeding or planting at a good date and recommended densities, enough maintenance at appropriate dates, improved conservation methods, etc.). Intensifying production will reduce or even completely eliminate the practice of shifting cultivation, whose corollary is a continuous and destructive clearing of the plant cover.

3.2.5 Micro-zoning and mapping for land development will be carried out in a participatory manner under the guidance of OSAPY which has broad experience, dating back many years, in participatory mapping work with indigenous Pygmy communities in Orientale (Eastern) Province. Land development will enable optimum use of natural resources, notably land, for the benefit of all communities that share these resources. All these are "soft practices", without the use of aggressive agro-chemical inputs, or destructive heavy equipment. Therefore, they have no negative impact on the environment.

Climate Change

3.2.6 By protecting natural forests in the Territory and promoting agroforestry, the project will help to increase the forest cover rate and reduce the deforestation rate. Protected trees and new woodlands created will eventually contribute to maintaining and increasing carbon pools and, consequently, reducing climate warming. The project value added in terms of climate change lies in the fact that it will provide a "safety net" against climate change because the additional income it will generate could be used by the population to surmount unexpected expenses resulting from the consequences of climate change such as floods, drought, famine, etc.

Genre Issues

3.2.7 Women constitute nearly 51% of the population (68 728 women out of a total population of 135 032). They will enjoy as much as men the project benefits, notably jobs to be created. In the distribution of household tasks, wood fetching is women's lot. With the opening of agroforestry micro-plantations, this task will become lighter because the wood will be produced by micro-plantations located near dwelling places. The time saved by women in fetching wood could be invested in income-generating activities such as handicraft, small retail trade, etc. Similarly, other plantation products such as fruits will be marketed by women who will generate quite substantial income from them.

Social issues

3.2.8 The supervision of the cocoa sector, agroforestry development and improved agricultural practices will help to increase the income level of beneficiary households. The micro-zoning and forest management works will allow better planning of resource utilization and strengthen consultation and local governance mechanisms.

3.2.9 Project implementation will help to strengthen social organization in villages around Local Development Committees (LDC) and the Rural Agricultural Management Committee (RAMC) in the Territory. This project fits into the "agricultural and community development" dynamism - an approach initiated by the Ministry of Agriculture with the support of its partners. The Agricultural Code to be adopted soon will help to establish this approach.

3.3 Involuntary Population Displacement

3.3.1 As indicated above, the project is rooted in village lands. Thus, agricultural improvement will involve activities carried out and agricultural crops traditionally grown by farmers in their present farms. Limited by manpower availability and lack of equipment, farmers use the slash and burn method of cultivation, in search of more fertile land, which always takes them a little further away from their places of residence. Intensive agriculture will enable farmers to settle down in their fields because the project will render such fields more fertile. Similarly, participatory and consensual land-use management will allow integrated management of shared natural resources (IMR). Streamlining natural resource management, particularly land resources, will save people the trouble of moving in search of new land to clear. As designed, the project will not cause any population displacement. On the contrary, it will strengthen farmer settlement and social cohesion in villages.

IV. PROJECT IMPLEMENTATION

4.1 Implementation Arrangements

4.1.1 Institutional arrangements: the project executing agency is the Ministry of the Environment, Nature Conservation and Tourism (MECNT), through its REDD National Coordination Unit which will oversee and coordinate the implementation, and ensure project monitoring and evaluation. The Grant Protocol will be signed between the Bank and the DRC

Government. The CBFF grant resources will be directly disbursed to the Government, which will use them to finance the activities of the project executing agency (the Wildlife Conservation Society - WCS). To this end, the Government will sign a memorandum of understanding with WCS, which must be approved by the CBFF. The project technical management team within WCS will be based in Mambasa, in a building to be erected, and will include the following full-time staff: (i) a project manager who will be a forest engineer or an environmentalist with at least 5 years' experience; (ii) an accounting manager; (iii) a logistician; (iv) an assistant logistician; (v) a communications officer; and (vi) an administrative secretary.

4.1.2 The project manager within WCS has already been identified, while the rest of the staff will be recruited locally through invitations for candidacy if they cannot be seconded by MECNT (the ministry currently does not have the required staff). However, during implementation, the project will strengthen the capacity of existing staff within MECNT so that they can eventually take over from the staff recruited and ensure project sustainability. A team of experts from the Forest and Nature Conservation Project Coordination Unit (UCPFCN) will oversee project financial management. The team will comprise a financial management expert (5%), one head of the accounting and finance unit (5%), an accountant (50%), a cashier (5%), an internal auditor (5%), a procurement expert (5%) and a procurement staff (5%) under the supervision of the UCPFCN Coordinator (5%). The REDD National Coordination Unit will monitor project technical implementation, and also ensure proper coordination between the technical team based in Mambasa and the fiduciary management team (UCPFCN) based in Kinshasa .

4.1.3 The Wildlife Conservation Society is an international NGO founded in 1895. Its headquarters is in New York and its mission is to save wildlife and wildlife habitats worldwide. Today, WCS protects many world emblematic creatures, including the gorillas of Congo. WCS currently manages some 500 nature conservation projects in over 60 countries. The MECNT selected WCS as its partner because it is a major non-State actor in the forestry sector in the entire Ituri District. Indeed, WCS is involved, among others, in the "Mont Hoyo" Project funded by the CBFF in North Kivu and is the partner of many DRC institutions, including the Congolese Nature Conservation Institute (ICCN).

4.1.4 WCS will ensure project local technical coordination with support from already identified partners who will be involved in implementing a number of highly specialized project activities. The partners include:

- The Pygmy Sedentarization and Support Organization (OSAPY): to ensure land-use management and participatory micro-zoning aspects. This partner was chosen because of its extensive experience in participatory mapping with indigenous Pygmy communities in Orientale (Eastern) Province.
- University of Kisangani (UNIKIS): to (i) build the capacity of local researchers and technicians and establish carbon pool monitoring systems; (ii) develop reference scenarios; and (iii) conduct anthropological studies of the Pygmy peoples. The choice of this partner was based on its central position as a public institution of higher education in the natural sciences in Orientale (Eastern)

Province, as well as its experience in training graduate students in forest carbon, particularly under the FAO-supported REAFOR project.

- The Council for the Defence of Community Rights and Environmental Protection (CDPE): to raise the awareness of local authorities and communities, and ensure conflict management, surveillance techniques and management of farmers' organizations. This partner was selected because it is one of the few local NGOs involved in environmental protection capable of inducing local and traditional authorities to formalize rural land rights in the long term.

4.1.5 The REDD National Committee already established will steer the project. The Committee will be responsible for setting strategic orientations and approving activity programmes, annual budgets, annual progress reports as well as annual project financial audit reports. It will also oversee the implementation of the recommendations of various missions, and ensure synergy with other projects and programmes of the different donors, in accordance with the Kinshasa Agenda.

Arrangements for the Procurement of Goods, Works and Services

4.1.6 All procurements of goods, works and services financed with CBFF resources will be undertaken in accordance with Bank Rules of Procedure for the Procurement of Goods and Works or Bank Rules of Procedure for the Use of Consultants as amended by CBFF Operational Procedures, using standard bidding documents. The UCPFCN has prepared a 12-month procurement plan and submitted to the Bank for approval prior to grant negotiations. The proposed procurement plan was approved and recorded. Table 4.3 below shows works, goods and services procurement arrangements. Details are contained in Annex 3.

Table 4.3
Arrangements for the Procurement of Goods, Works and Services (in EUR)

CATEGORIES	CBFF				TOTAL
	LCB	PS	SL	OTHER	
WORKS	52 000			270 000	322 000
Construction of a project building in Mambasa	52 000				52 000
Establishment of MRV plots				60 000	60 000
GOODS	133 500	283 057			416 557
Vehicles	95 000				95 000
Motorcycles	35 000				35 000
Bicycles	3 500				3 500
Computer hardware		19 475			19 475
Seeds		81 600			81 600
Other equipment		181 982			181 982
SERVICES			313 000	6 500	319 500
Short-term consultants			313 000		313 000
STAFF				750 630	750 630
OPERATING COSTS				838 414	838 414
BASE COST	133 500	321557	313 000	1 865 544	2 647 101
Unallocated					308 990
TOTAL COST					2 956 091

4.1.7 **Disbursement arrangements:** CBFF grant resources will be disbursed in accordance with ADB Rules of Procedure and CBFF Operational Procedures. The following two disbursement methods will be used: (i) the **direct payment** method for payment of contracts of significant amounts (more than EUR 20 000) relating to works, goods and services; (ii) the **special account** method or revolving fund for works, goods and services contracts of small amounts (less than EUR 20 000), project staff allowances, operating costs and sundry management expenses. The Donee will open a special account in the name of the project in a commercial bank acceptable to the Bank into which the grant resources will be deposited. Disbursements will be made in accordance with provisions set forth in the Bank's Disbursement Manual and as an advance, based on an annual work programme and budget approved beforehand by the CBFF Secretariat. Every request for disbursement or advance will be submitted to the CBFF Secretariat for approval and will cover a maximum period of six months of operations. The special account will be replenished on the basis of requests by the implementation unit, backed by supporting documents for the use of at least 50% of the advance previously received. The first disbursement will be made following grant effectiveness and fulfilment of conditions precedent to first disbursement mentioned in the grant agreement. The practical arrangements will be detailed in the Disbursement Letter to be appended to the Grant Protocol of Agreement.

4.1.8 Financial and audit reports: accounting software has been provided to ensure effective project accounting and budget monitoring. The project financial statements and special account will be audited annually under the responsibility of the CBFF Secretariat. Accordingly, the CBFF Secretariat will recruit and retain an independent external auditor (by country or group of countries in which CBFF is funding projects), based on Terms of Reference consistent with the Bank standard model. The auditor will be responsible for *a posteriori* evaluation or examination of supporting documents as well as auditing of any CBFF-funded project(s).

4.2 Project Monitoring and Evaluation

4.2.1 Monitoring and evaluation is an important function intended to improve project management, since it helps to ensure that the project is implemented in accordance with its operation plan and that any slippages are corrected. To this end, upon grant approval, the CBFF Secretariat will organize a project launching workshop to familiarize persons involved in its management with procurement and disbursement procedures, etc. MECNT will be responsible for project external monitoring/evaluation, although, initially, this task will be performed by the REDD National Coordination Unit which is attached to the MECNT Sustainable Development Department. Senior officers from MECNT departments involved, who will be responsible for project monitoring/evaluation, will receive adequate training, at the end of which MECNT will establish its own monitoring/evaluation arrangement to conduct half-yearly missions.

4.2.2 The REDD National Coordination Unit will prepare, in collaboration with WCS, quarterly and annual progress reports that will indicate the status of physical implementation of the project, procurements made, the level of expenditure execution, difficulties faced in project implementation and recommended corrective measures to improve project management. Likewise, the REDD National Coordination Unit will, in collaboration with WCS, prepare an annual work plan and budget each year, for submission to MECNT monitoring/evaluation services and the CBFF Secretariat for consideration and approval.

4.2.3 The CBFF Secretariat will periodically supervise the project to check outcomes on the ground, assess the level of achievement of objectives, provide guidance and make recommendations for better project implementation. The CBFF operations officer based in Kinshasa will monitor the project more closely.

4.2.4 The REDD National Coordination Unit will, in collaboration with WCS, prepare and submit a completion report to MECNT and the CBFF Secretariat. The latter will conduct a final evaluation mission to review project achievements and performance, draw lessons and establish best practices. The Government will then use the project outcomes and those of similar projects to design and develop its REDD+ strategy.

4.3 Governance

4.3.1 For several years now, the World Bank *Doing Business* report has ranked DRC among countries with the lowest score on the ease of doing business. This situation impedes investment and private project financing in the country, which slows down growth and does not reflect the level of development that the country ought to attain in view of its immense potential. To help

create a favourable business environment, the Government enacted a law to authorize the ratification of the Organization for the Harmonization of Business Law in Africa (OHADA) Treaty. Progress has also been made towards greater transparency in public finance management because a public expenditure review has been conducted and a public finance reform strategic plan should be adopted in 2011.

4.3.2 DRC has also benefited from debt relief totalling USD 12.3 billion, of which USD 11.1 billion under the HIPC Initiative and USD 1.2 billion under the Multilateral Debt Relief Initiative. This decision crowns the country's efforts to improve its macro-economic policies and offers it greater investment capacity in the priority area of basic infrastructure. The on-going decentralization process has helped in setting up provincial governments. These governments contribute to improving local governance as they play a central role in regional planning. Furthermore, the effective implementation of the new Public Procurement Code will contribute to enhancing transparency and fairness in procurement procedures.

4.3.3 Bank procurement rules will be applied to this project. Furthermore, the active involvement of Bank experts at the Bank's Field Office in Kinshasa and at Headquarters in cross-checking dossiers and contracts will significantly reduce slippages.

4.4 Sustainability

4.4.1 Project sustainability will depend on the following: (i) its ownership by the beneficiaries themselves through the participatory integrated approach that prevailed in its design and will be maintained during its implementation; (ii) its compliance with DRC Government national policies and strategies; (iii) its close integration into the institutional framework of the Province, which helps to sustain income-generating activities; and (iv) integration into MECNT of the local project coordination unit, which will comprise MECNT officers in Mambasa Territory, will enable the latter to continue running normally on the MECNT budget after CBFF funding ends. Moreover, through their active involvement in project implementation, the Provincial Government, the Agricultural Rural Management Committee (CARG) and Local Development Committees will be strengthened and, thus, could continue supporting activities initiated by the project without MECNT and WCS assistance. Eventually, the carbon revenue which will be used to establish a REDD National Fund could also be used to cover project operating costs.

4.5 Risk Management

4.5.1 Known project risks and their mitigative measures are indicated in the project logical framework. However, it would be proper to dwell a little more here on the overall risk associated with the rather innovative aspect of the project, as well as with the difficulties of travelling within the country. To mitigate this risk, MECNT has forged a partnership with a specialized agency, the Wildlife Conservation Society (WCS), based on the "make or buy approach." WCS will work on the ground, in the project area, while the REDD National Coordination Unit will ensure day-to-day project management and overall supervision under the authority of MECNT in Kinshasa. This geographic distribution of tasks and responsibilities will help to minimize the risks associated with communication difficulties, and the socio-economic instability which are a real limiting factor in DRC.

4.6 Knowledge Building

4.6.1 The project will contribute to strengthening the capacity and knowledge of national officers and beneficiaries, in general, with respect to forest ecosystem conservation and preservation. It will help to consolidate and develop the knowledge of beneficiaries, local officers and decision-makers in the REDD field since, as a pilot operation, the project will allow the development of planning and analysis tools that the government will use in designing an operational REDD strategy. The University of Kisangani will foster the dissemination of REDD-related knowledge among students.

4.6.2 The inclusion of REDD projects in the Bank's portfolio will enable its technical staff to enhance their knowledge in new areas such as community forestry and REDD in moist dense forest. This experience will complement the Bank funded *Programme d'Appui à la Conservation des Ecosystèmes du Bassin du Congo (PACEBCo)* and the Forest Investment Program. The Bank is supporting DRC, Burkina Faso and Ghana in the preparation of their FIP strategy. The objective of the FIP is to promote the sustainable management of forests and to increase the investments in order to help the countries reducing emissions of greenhouse gases due to deforestation and forest degradation (REDD). All information collected by this project and similar ones will be used to enrich the skills of stakeholders in the REDD approach and good practices regarding forest management and assistance to vulnerable people.

V. LEGAL FRAMEWORK

5.1 Legal Instrument

5.1.1 The project legal framework will be a Grant Protocol of Agreement between the Democratic Republic of Congo and the Bank. This document will include the grant terms and conditions.

5.2 Conditions Associated with Bank's Involvement

5.2.1 Bank involvement shall be subject to fulfilment of the following special conditions:

Conditions precedent to first disbursement of the grant

5.2.2 **The first disbursement** of grant resources shall be subject to provision by the Donee of evidence of fulfilling the following conditions:

- (i) Opening a special account in a commercial bank acceptable to the Bank into which CBFF resources will be deposited;
- (ii) Confirmation by the depository bank of the account, in a form acceptable to the Bank, that the special account funds will be separated and treated as a special deposit for the exclusive use for which the grant was awarded;

- (iii) Relevant agreements have been signed between DRC and WCS as well as between WCS and other partners: OSAPY, UNIKIS and CDPE; and

Other condition - Provision to the project of a parcel of land for the construction of its headquarters in Mambasa.

5.3 Compliance with Bank Policies

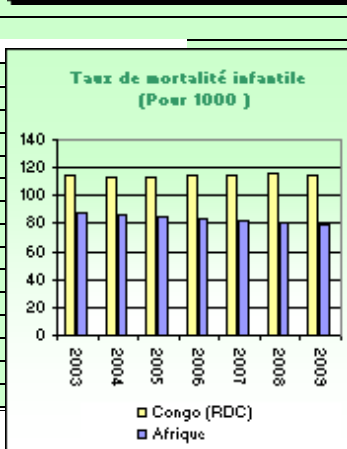
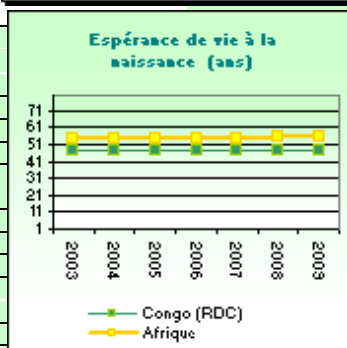
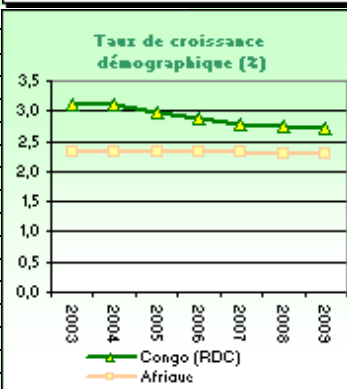
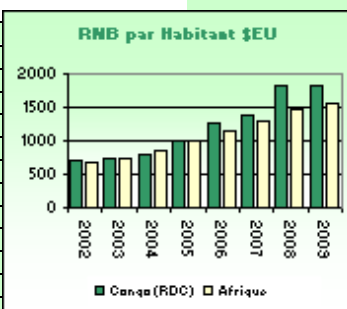
5.3.1 The project is consistent with CBFF objectives and applicable Bank policies, notably: (i) the Bank's Country Strategy Paper for DRC; (ii) the Bank's 2008-2012 Medium-Term Strategy; and (iii) the Bank's Environmental Policy.

VI. RECOMMENDATION

In light of the foregoing, it is recommended that a CBFF grant not exceeding EUR 2.96 million be awarded to the Government of the Democratic Republic of Congo to implement the project as designed and described in this report, subject to the conditions set forth in the Grant Protocol of Agreement.

DRC SOCIO-ECONOMIC INDICATORS

	Year	Congo (DRC)	Africa	Developing Countries	Developed Countries
Basic Indicators					
Surface Area (000 Km ²)		2 345	30 323	80 976	54 658
Total Population (million)	2009	66,	1 008	5 629	1 069
Urban Population (% of Total)	2009	34.6	39.6	44.8	77.7
Population Density (per Km ²)	2009	28.2	3.3	66.6	23.1
Gross National Income (GNI) per capita (\$ EU)	2009	1 830	1 550	2 780	39 688
Labour Force Participation - Total (%)	2009	37.6	41.2	45.6	54.6
Labour Force Participation - Female (%)	2009	38.5	41.2	39.8	43.3
Value of Gender-Based Human Development Index	2005	0.398	0.525	0.694	0.911
Human Development Index (rank out of 169 countries)	2010	168	n.a	n.a	n.a.
Population Living With Less Than \$ 1 per Day (%)	2006	59.2	50.8	25.0	...
Demographic Indicators					
Total Population Growth Rate (%)	2009	2.7	2.3	1.3	0.7
Urban Population Growth Rate (%)	2009	4.6	3.4	2.4	1.0
Population Aged Below 15 Years (%)	2009	46.7	56.0	29.2	17.7
Population Aged 65 Years and Above (%)	2009	2.6	4.5	6.0	15.3
Dependency Rate (%)	2009	97.3	78.0	52.8	49.0
Male-Female Ratio (No. of men for 100 women)	2009	98.2	100.7	93.5	94.8
Female Population Aged Between 15 and 49 Years (%)	2009	22.5	48.5	53.3	47.2
Life Expectancy at Birth - Total (Years)	2009	47.8	55.7	66.9	79.8
Life Expectancy at Birth - Women (Years)	2009	49.4	56.8	68.9	82.7
Gross Birth Rate (per 1000)	2009	44.3	35.4	21.5	12.0
Gross Mortality Rate (per 1000)	2009	16.8	12.2	8.2	8.3
Infant Mortality Rate (per 1000)	2009	114.9	80.0	49.9	5.8
Child Mortality Rate – below the age of 5 (per 1000)	2009	195.3	83.9	51.4	6.3
Aggregate Fertility Index (per woman)	2009	5.9	4.5	2.7	1.8
Maternal Mortality Rate (per 100000)	2008	670.0	683.0	440.0	10.0
Women Using Contraceptive Methods (%)	2005	...	0.0	61.0	75.0
Health and Nutrition Indicators					
Number of Physicians (per 100000 inhabitants)	2004	10.2	42.9	78.0	287.0
Number of Nurses (per 100000 inhabitants)	2004	50.6	120.4	98.0	782.0
Births Attended by Trained Health Personnel (%)	2007	74.0	50.5	63.4	99.3
Access to Safe Drinking Water (% of the population)	2008	46.0	64.0	84.0	99.6
Access to Health Services (% of the population)	2005	...	61.7	80.0	100.0
Access to Sanitation Services (% of the population)	2008	23.0	38.5	54.6	99.8
Percentage of Adults Aged Between 15-49 Years Living With HIV/AIDS	2005	3.2	4.5	1.3	0.3
Incidence of Tuberculosis (per 100000)	2005	3.2	313.7	161.9	14.1
Children Vaccinated Against Tuberculosis (%)	2008	74.0	83.0	89.0	99.0
Children Vaccinated Against Measles (%)	2008	67.0	74.0	81.7	92.6
Underweight Children Aged Below 5 Years (%)	2003	71.0	25.6	27.0	0.1
Per Capita Daily Calorie In-take	2007	1 605	2 324	2 675	3 285
Per Capita Public Expenditure on Health (as % of GDP)	2006	1,3	5.5	4.0	6.9
Education Indicators					
Gross Enrolment Rate (%)					
Primary School - Total	2008	90.4	100.2	106.8	101.5
Primary School - Female	2008	82.2	91.7	104.6	101.2
Secondary School - Total	2008	34.8	35.1	62.3	100.3
Secondary School - Female	2008	24.7	30.5	60.7	100.0
Female Primary School Teaching Staff (% of Total)	2008	26.5	47.5
Adult Illiteracy Rate - Total (%)	2008	33.4	35.2	19.0	...
Adult Illiteracy Rate - Male (%)	2008	22.5	26.0	13.4	...
Adult Illiteracy Rate - Female (%)	2008	43.9	44.1	24.4	...
% of GDP Spent on Education	2005	...	4.5	0.0	5.4
Environmental Indicators					
Arable Land as % of Total Surface Area	2008	3.0	6.0	9.9	11.6
Annual Rate of Deforestation (%)	2005	...	0.7	0.4	-0.2
Annual Rate of Reforestation (%)	2005	...	10.9
Per Capita CO2 Emissions (metric tons)	2008	0.0	1.1	1.9	12.3



Source: ADB Statistics Department Database; World Bank WDI; UNAIDS; UNSD; WHO; UNICEF; WRI; UNDP; Country Reports WRI, UNDP, National Reports.

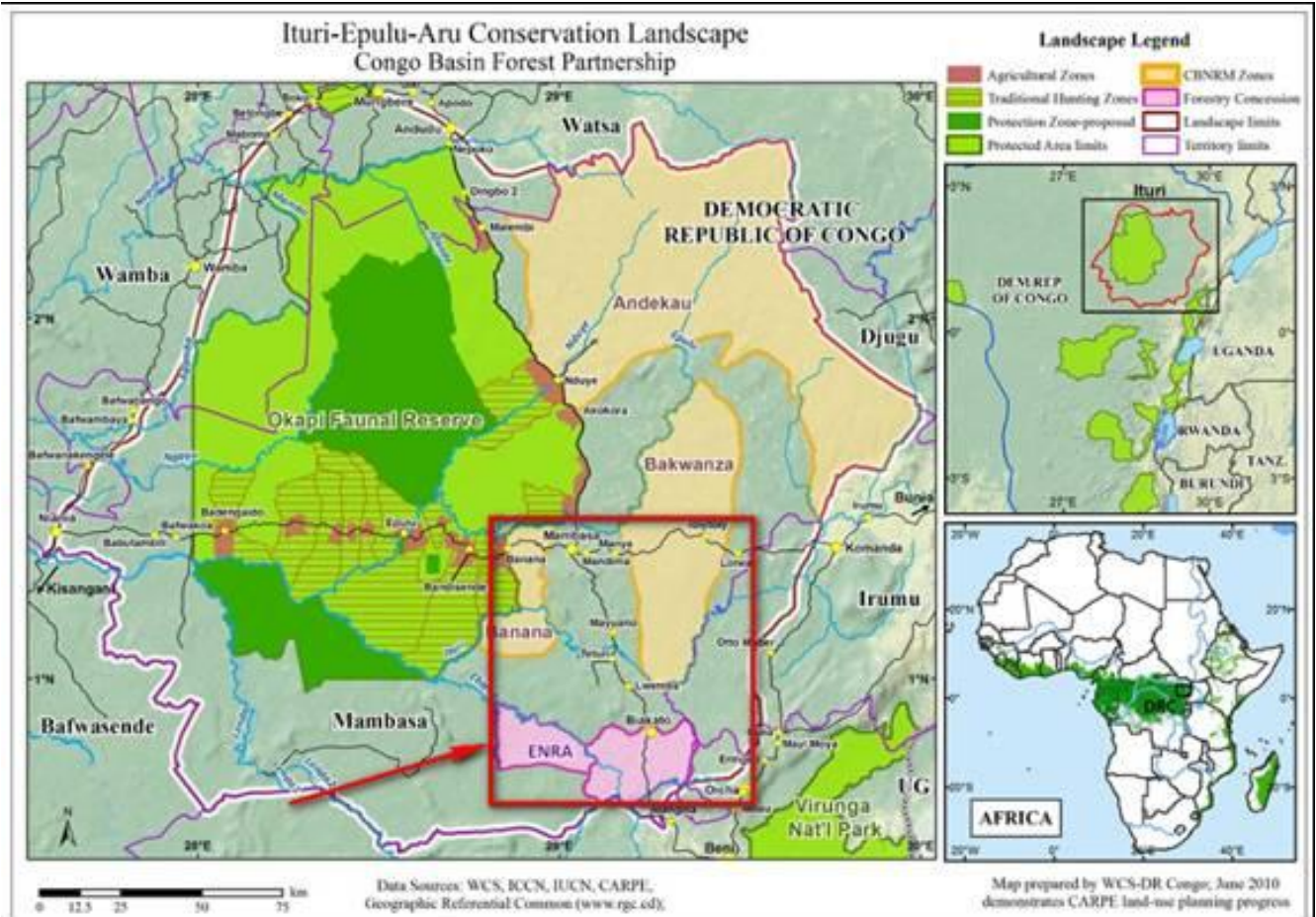
Notes: n.a. Not Applicable; Data not available.

APPENDIX 2

BANK PORTFOLIO IN DRC

Project Portfolio in DRC			<i>Source of Financing</i>	<i>Closing Date</i>	<i>Approval Date</i>	<i>Loan/Grant Amount</i>	<i>Disbursement Rate</i>	<i>Age</i>
		National Projects						
1	OWAS.1	RURAL DWSS PROGRAMME	ADF public	31-Jul-12	6-Jun-07	70.00	25.76%	3.69
2	OWAS.1	Multi-sector Socio-economic Rehabilitation Project (PMURIS)	ADF public	31-Jul-10	20-Dec-02	27.00	92.19%	8.17
3	ONEC.1	INGA District Hydroelectric Rehabilitation Project (PMEDE)	ADF public	31-Dec-14	18-Dec-07	35.70	0.00%	3.16
4	ONEC.1	Urban and Peri-urban Electrification Project	ADF /FSF	31-Dec-15	15-Dec-10	69.69	0.00%	0.15
5	OITC.1	Nsele – Lufi Road Rehabilitation Project	ADF public	31-Dec-15	15-Sep-10	31.64	0.00%	0.40
6	OITC.1	Priority Air Safety Project	ADF public	31-Dec-15	27-Sep-10	88.60	0.00%	0.37
7	OPSM.4	ADVANS Bank (Congo)	ABD	30-Jun-11	4-Feb-08	0.61	53.19%	3.02
8	OPSM.2	TENKE Copper Cobalt	ADB	31-Dec-11	3-Oct-07	65.97	0.00%	3.37
9	OSAN.3	Agricultural Sector Rehabilitation Support Project	ADF public	31-Mar-11	19-May-04	25.00	54.00%	6.75
10	OSAN.3	Agricultural Sector Study	ADF public	30-Jun-11	28-Jun-06	1.85	56.87%	4.63
11	OSAN.3	PROV 3K Agricultural and Rural Sector Rehabilitation	ADF public	31-Jan-13	12-Dec-05	35.00	63.89%	5.18
12	OSAN.3	Lake Tanganyika Development Project	ADF public	31-Jan-12	17-Nov-04	6.79	11.63%	6.25
13	OSHD.1	Post-Conflict Socio-economic Rehabilitation Support	ADF public	30-Jun-11	24-Jul-07	15.00	9.65%	3.56
14	OSHD.3	Health I PDDS Support in Orientale (Eastern) Province	ADF public	31-Mar-12	17-Mar-04	25.00	28.00%	6.92
		Multinational Projects						
1	OITC.1	Ketta-Dioum Road	ADF public	31-Dec-18	25-Sep-09	61.90	0.00%	1.38
2	OITC.1	Kinshasa/Brazzaville Bridge-Road-Railway Study	ADF public	30-Jun-11	3-Dec-08	3.59	0.00%	2.19
		Total				563.34	24.70%	3.70

Map of Project Area



Detailed Project Cost by Component and by Activity, in Local Currency and Foreign Exchange

EXPENDITURE COMPONENT		Cost in EUR		
		LC	FE	Total
A	Forest Management and Sustainable Practice	724 660	120 937	845 597
A1	Land-use management and participatory micro-zoning (OSAPY)	371 250	71 000	442 250
A2	Information, education and communication for sustainable forest management (see IEC) or Awareness raising and start-up of REDD process(CDPE)	353 410	49 937	403 347
B	Livelihood and Economic Development	713 600	109 770	823 370
B1	Improvement of agricultural practices in the project area (WCS)	484 100	11 070	495 170
B2	Development of agroforestry and forestry-pasture systems in community management areas (WCS)	229 500	98 700	328 200
C	Ecological and Socio-economic Monitoring and Reference Data	414 879	126 850	541 729
C1	Building of the capacity of local researchers and technicians and development of reference scenarios (UNIKIS)	102 200	62 000	164 200
C2	Establishment of carbon pool monitoring mechanisms (UNIKIS)	161 200	32 850	194 050
C3	Development of reference scenarios (UNIKIS)	20 979	0	20 979
C4	Anthropological study of indigenous peoples (UNIKIS)	6 500	0	6 500
C5	Technical and financial monitoring/evaluation of activities	124 000	32 000	156 000
D	Project Management	364 405	72 000	436 405
D1	Staff	253 030	72 000	325 030
D2	Services	5 000	0	5 000
D3	Operating cost	106 375	0	106 375
Base cost		2 217 544	429 557	2 647 101
Provision for physical contingencies		0	0	0
Provision for price escalation (7% composite)		273 296	35 695	308 990
TOTAL COST		2 490 840	465 252	2 956 091

Expenditure Schedule by Component and by Activity (base cost)

(in EUR)

No.	EXPENDITURE COMPONENT	Year 1	Year 2	Year 3	Total
A	Forest Management and Sustainable Practice	413 537	311 500	120 560	845 597
A1	Land-use management and participatory micro-zoning (OSAPY)	232 650	175 200	34 400	442 250
A2	Information, education and communication for sustainable forest management (see IEC) or Awareness raising and start-up of REDD process (CDPE)	180 887	136 300	86 160	403 347
B	Livelihood and Economic Development	461 820	295 550	66 000	823370
B1	Improvement of agricultural practices in the project area (WCS)	247 520	215 450	32 200	495 170
B2	Development of agroforestry and forestry-pasture systems in community management areas (WCS)	214 300	80 100	33 800	328 200
C	Ecological and Socio-economic Monitoring and Reference Data	345 143	106 993	89 593	541 729
C1	Building of the capacity of local researchers and technicians and development of reference scenarios (UNIKIS)	99 400	46 000	18 800	164 200
C2	Establishment of carbon pool monitoring mechanisms (UNIKIS)	120 250	32 000	41 800	194 050
C3	Development of reference scenarios (UNIKIS)	6 993	6 993	6 993	20 979
C4	Anthropological study of indigenous peoples (UNIKIS)	6 500	0	0	6 500
C5	Technical and financial monitoring/evaluation of activities	112 000	22 000	22 000	156 000
D	Project Management	171 310	171 010	94 085	436 405
D1	Staff	124 410	132 410	68 210	325 030
D2	Services	5 000	0	0	5 000
D3	Operating cost	41 900	38 600	25 875	106 375
Base cost		1 391 810	885 053	370 238	2 647 101
Provision for physical contingencies		0	0	0	0
Provision for price escalation (7% composite)		97 427	128 244	83 319	308 990
TOTAL COST		1 489 237	1 013 297	453 557	2 956 091

Expenditure Schedule by Component and by Activity (total cost)

In EUR

No.	EXPENDITURE COMPONENT	Year 1	Year 2	Year 3	Total
A	Forest Management and Sustainable Practice	442 485	356 636	147 691	946 812
A1	Land-use management and participatory micro-zoning (OSAPY)	248 936	200 586	42 141	491 663
A2	Information, education and communication for sustainable forest management (see IEC) or Awareness raising and start-up of REDD process (CDPE)	193 549	156 050	105 550	455 149
B	Livelihood and Economic Development	494 147	338 375	80 853	913 375
B1	Improvement of agricultural practices in the project area (WCS)	264 846	246 669	39 446	550 961
B2	Development of agroforestry and forestry-pasture systems in community management areas (WCS)	229 301	91 706	41 406	362 414
C	Ecological and Socio-economic Monitoring and Baseline data	369 303	122 496	109 755	601 555
C1	Building of the capacity of local researchers and technicians and development of reference scenarios (UNIKIS)	106 358	52 665	23 031	182 054
C2	Establishment of carbon pool monitoring mechanisms (UNIKIS)	128 668	36 637	51 207	216 511
C3	Development of reference scenarios (UNIKIS)	7 483	8 006	8 567	24 056
C4	Anthropological study of indigenous peoples (UNIKIS)	6 955	0	0	6 955
C5	Technical and financial monitoring/evaluation of activities	119 840	25 188	26 951	171 979
D	Project Management	183 302	195 789	115 258	494 349
D1	Staff	133 119	151 596	83 560	368 275
D2	Services	5 350	0	0	5 350
D3	Operating costs	44 833	44 193	31 698	120 724
TOTAL		1 489 237	1 013 297	453 557	2 956 091

Expenditure Schedule by Expenditure Category (base cost)

(in EUR)

EXPENDITURE CATEGORY	YEARS			TOTAL	LC	FE
	1	2	3			
1 WORKS	203 250	118 750	0	322 000	290 800	31 200
Establishment of cocoa nurseries (30 000 seedlings/year/nursery). Force account.	7 500	15 000	0	22 500	22 500	0
Establishment of 750 ha of cocoa under shade in protected forests and ENRA concession. Force account.	25 000	50 000	0	75 000	75 000	0
500 ha of in ZGCRN (community participation in the form of labour)	31 250	31 250	0	62 500	62500	0
Food crops - corn, cassava, beans, groundnuts - seedling multiplication fields (community participation in the form of labour)	7 500	5 000	0	12 500	12 500	0
Forest tree nurseries for reforestation (30 000 seedlings/year/nursery). Force account.	5 000	2 500	0	7 500	7 500	0
Establishment of community farms (barn, pasture management, shed). Force account.	15 000	15 000	0	30 000	30 000	0
Construction of a project building in Mambasa	52 000	0	0	52 000	20 800	31 200
Establishment of MRV plots	60 000	0	0	60 000	60 000	0
2 GOODS	362 757	53 800	0	416 557	154 200	262 357
Vehicles	95 000	0	0	95 000	0	95 000
Motorcycles	35 000	0	0	35 000	0	35 000
Bicycles	3 000	500	0	3 500	0	3 500
Computer hardware	19 475	0	0	19 475	0	19 475
Seeds	40 800	40 800	0	81 600	81 600	0
Other equipment	169 482	12 500	0	181 982	72 600	109 382
3 SERVICES	232 500	68 000	19 000	319 500	255 500	64 000
Short-term consultants	226 000	68 000	19 000	313 000	249 000	64 000
Master's student	6 500	0	0	6 500	6 500	0
4 STAFF	262 010	320 010	168 610	750 630	678 630	72 000
5 OPERATING COST	331 293	324 493	182 628	838 414	838 414	0
BASE COST	1 391 810	885 053	370 238	2 647 101	2 217 544	429 557
Provision for physical contingencies	0	0	0	0	0	0
Provision for price escalation	97 427	128 244	83 319	308 990	273 296	35 695
TOTAL	1 489 237	1 013 297	453 557	2 956 091	2 490 840	465 252

Arrangements for the Procurement of Works, Goods and Services

3.1 **Goods:** the contract for the supply of rolling stock, estimated at EUR 133 500, will be awarded through Local Competitive Bidding (LCB). The supplies will be grouped into three separate lots comprising: (1) vehicles for EUR 95 000; (2) motorcycles for EUR 35 000; and (3) bicycles for EUR 3 500. The contract for the supply of computer hardware and office equipment for a total of EUR 19 400, improved seeds worth EUR 81 600, and various other equipment (small agricultural machinery, audio-visual equipment, various laboratory and measuring equipment) for a total of EUR 181 982 will be awarded by prudent shopping. All these goods are available on the local market, and the country has a sufficient number of suppliers capable of delivering such goods at competitive prices.

3.2 **Services:** services of individual consultants will be required for an estimated overall amount of EUR 313 000 for the preparation of a regional land-use management plan, training of local cartographers in participatory micro-zoning and production of sketches, organization of workshops, consolidation of existing data, study of sectors, a socio-economic survey of the project area and its validation by stakeholders, as well as a training workshop for researchers and technicians. This category also includes the training of Master's level students for EUR 6 500. Expenses relating to partnership agreements are included in operating costs under "others" in Table 4.1 below.

3.3 **Miscellaneous:** travel costs, allowances of experts and project staff, contracts for operating costs such as supplies, equipment maintenance, communication, fuel and sundry operating costs relating to the project will be procured in accordance with the provisions of the Manual of Administrative and Financial Procedures to be developed by the project and approved by CBFF. These expenses will be charged to operating costs. The value of each contract will not exceed EUR 20 000.

Prior Review

3.4 The following documents will be submitted for review and prior approval by CBFF before publication: General Procurement Notice; Bid Invitation; Bidding Documents or Requests for Proposals from Consultants; Contractor/Supplier Bid Analysis Report with contract award recommendations or Consultants' Technical Proposals Analysis Report; Consultants' Financial Proposals Analysis Report with award recommendations, including the minutes of negotiations and the initialled draft contract;

Draft goods/works/services contracts where they have been modified and are different from the draft contracts in bidding documents.

Ex-post Review Procedures

3.5 Given the number of small contracts to be handled through local shopping or service providers, according to the provisions of the project Manual of Procedures, contracts for works, goods or consultancy services not exceeding EUR 20 000 will be subject to an ex-post review by the Bank. The executing agency will establish and maintain an efficient system for registering and filing all documents and correspondences, including requests for price lists, contract assessment and award forms relating to these procurements for periodic review by Bank missions or by any auditor recruited to audit project financial statements. Ex-post procurement auditing, which aims to ascertain that procurement procedures were correct, will be conducted during the first supervision mission following the end of procurement. The review will determine whether it is necessary to make changes to procurement procedures. The executing agency will collect data on the procurement process and integrate them as part of quarterly progress reports to be submitted to the CBFF Secretariat.

National Laws and Regulations

3.6 The review of DRC's national procurement laws and regulations which date back to 1969 and have been applied so far revealed the following major shortcomings: (i) no public announcement of opportunities and publication of public procurement award results; (ii) unhindered access to public procurement unconfirmed; (iii) lack of an efficient recourse mechanism for bidders; (iv) evaluation criteria not mentioned in procurement documents; and (v) lack of provisions relating to fraud, corruption, etc.

3.7 A new Procurement Code was adopted and enacted by the Head of State on 27 April 2010. An action plan was also developed for the effective implementation of the law which provides for: (i) the development and promulgation of implementing instruments and standard documents; (ii) the establishment of the institutional framework, comprising the Public Procurement Regulatory Agency (ARMP), the General Directorate of Public Procurement (DGMP) and the Public Procurement Management Committee (CGMP); and (iii) the staffing of these bodies. This process is supposed to be implemented within a period of five (5) months terminating at the end of September 2010. The Bank, through CDFO, is monitoring the process closely with the main objective of harmonizing the provisions for implementing the law with those of development partners in order to optimize procurement time-limits. Since the newly enacted Code is not yet applicable, all project procurements financed with CBFF resources will be conducted in accordance with Bank Rules and Procedures, as amended by CBFF Operational Procedures.

Executing Agency

3.8 UCPFCN will be responsible for managing project procurement operations. UCPFCN resources, capacity, expertise and experience were analyzed and deemed acceptable for entrusting it with the procurements required under the project. However, guidance (training, work sessions, refresher courses, etc.) in the use of the Bank's procurement rules of procedure will be provided even before the project is launched by the Bank.

Procurement Plan

3.9 UCPFCN has prepared a procurement plan and submitted it to the Bank before negotiations. The plan was reviewed to ensure that it complies with the Grant Protocol of Agreement and with its own relevant rules. The proposed plan was approved. It covers an initial period of twelve months and will be updated by the Donee every six months or as needed, but always for the following twelve months during the project implementation period. Any proposal to revise the procurement plan will be submitted to the Bank for prior approval.

Prior Review

3.10 The following documents will be submitted for review and prior approval by CBFF before publication: General Procurement Notice; Bid Invitation; Bidding Documents or Requests for Proposals from Consultants; Contractor/Supplier Bid Analysis Report with contract award recommendations or Consultants' Technical Proposals Analysis Report; Consultants' Financial Proposals Analysis Report with award recommendations, including the minutes of negotiations and the initialled draft contract; Draft goods/works contracts where they have been modified and are different from the draft contracts in bidding documents.

Ex-post Review Procedures

3.11 Given the number of small contracts to be handled through local shopping according to the provisions of the project Manual of Procedures, contracts for goods not exceeding UA 30 000 will be subject to ex-post review by the Bank. The executing agency will establish and maintain an efficient system for registering and filing all documents and correspondences, including requests for price lists, contract assessment and award forms relating to these procurements, for periodic review by Bank missions or by any auditor recruited to audit project financial statements. Ex-post procurement auditing, which aims to ascertain that procurement procedures were correct, will be conducted during the first supervision mission following the end of procurement. The review will determine whether it is necessary to make changes to procurement procedures. The executing agency will collect data on the procurement process and integrate them as part of quarterly progress reports to be submitted to the CBFF Secretariat.

National Laws and Regulations

3.12 The review of DRC's national procurement laws and regulations which date back to 1969 and have been applied so far revealed the following major shortcomings: (i) no public announcement of opportunities and publication of public procurement award results; (ii) unhindered access to public procurement unconfirmed; (iii) lack of an efficient redress system for bidders; (iv) evaluation criteria not mentioned in procurement documents; and (v) lack of provisions relating to fraud, corruption, etc..

3.13 A new Procurement Code was adopted and enacted by the Head of State on 27 April 2010. An action plan was also developed for the effective implementation of the law, which provides for: (i) the development and promulgation of implementing instruments and standard documents; (ii) the establishment of the institutional framework, comprising the Public

Procurement Regulatory Agency (ARMP), the General Directorate of Public Procurement (DGMP) and the Public Procurement Management Committee (CGMP); and (iii) the staffing of these bodies. This process is supposed to be implemented within a period of five (5) months terminating at the end of September 2010. The Bank, through CDFO, is monitoring the process closely with the main objective of harmonizing the provisions for implementing the law with those of development partners in order to optimize procurement time-limits. Since the newly enacted Code is not yet applicable, all project procurements financed with CBFF resources will be conducted in accordance with Bank Rules and Procedures, as amended by CBFF Operational Procedures.

DRC

MAMBASA GEOGRAPHICALLY INTEGRATED REDD PILOT PROJECT

OUTCOME OF GRANT NEGOTIATIONS

The Grant negotiations for the above-cited project were held in the CDFO, Kinshasa on 19th and 21st February, 2011, between the Delegation from the Government of the Democratic Republic of Congo (DRC) and representatives of the African Development Bank Group. Following the review of the documents relating to the Grant, namely, the Appraisal Report, the Grant Agreement and the Disbursement Letter, the DRC Delegation expressed its satisfaction and agreed on the project components, financing plan and the terms of the CBFF grant as outlined in the appraisal report.