



AFRICAN DEVELOPMENT BANK



GEOGRAPHICALLY INTEGRATED ECOMAKALA+ REDD PILOT PROJECT

COUNTRY : DEMOCRATIC REPUBLIC OF CONGO

PROJECT APPRAISAL REPORT

December 2010

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CURRENCY EQUIVALENTS

N.A.: CBFF grants are denominated in EUR only

FISCAL YEAR

1 January - 31 December

WEIGHTS AND MEASURES

1 metric ton	=	2,204 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	:	Central African Regional Program for the Environment
CBFF	:	Congo Basin Forests Fund
CDM	:	Clean Development Mechanism
CN-REDD	:	National REDD Coordination
COMIFAC	:	Central African Forests 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
ONFi	:	National Forestry Authority - international
OSFAC	:	Satellite Observatory for the Forests of Central Africa
REDD	:	Reducing Emissions from Deforestation and Degradation
PEVi	:	Virungas Environmental Programme
PNVi	:	Virungas National Park
TFPs	:	Technical and Financial Partners
UCL	:	Catholic University of Louvain
WWF	:	World Wide Fund for Nature

PROJECT BRIEF

Client

DONEE : Government of the Democratic Republic of Congo (DRC)

EXECUTING AGENCY : World Wide Fund (WWF) -Belgium

Financing Plan

Source	Amount (Euro)	Instrument
CBFF	2.495 millions	Grant
Other Donors	Nil	
TOTAL COST	2.495 million	

Key ADB Financial Information

Grant amount	2.495 million
Commitment fee*	NA
Service commission	NA
Maturity	NA
Grace period	NA
IRR NPV	NA
ERR	NA

Timeframe – Main stages (expected)

Duration: Two and a half years Approval of Concept Note NA	
Project Approval	May 2011
Effectiveness	May 2011
Last disbursement	March 2013
Completion	December 2013
Last reimbursement	NA

PROJECT SUMMARY

1. Overview

1.1 On instructions from the CBFF Board of Directors dated 5 December 2009, a CBFF mission visited all the Congo Basin countries to identify government projects to be submitted to CBFF for financing. Each of the Congo Basin countries, including the DRC, produced concept notes for submission to CBFF for consideration and approval. During its seventh ordinary session held in Tunis on 7 March 2010, the Board of Directors approved the concept notes and instructed the CBFF Secretariat to assist countries in producing detailed proposals and appraise them soon after. In April 2010 after countries submitted their detailed proposals, the Secretariat initiated a project appraisal mission to various countries that enabled the drafting of this report. During its ninth session held in Libreville, Gabon, on 15 and 16 November, the CBFF Board of Directors approved this EUR 2.495 million project.

1.2 At the sector level, the Geographically Integrated EcoMakala+ REDD Pilot Project aims 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 dwellers; and (ii) establish the necessary basic conditions for Democratic Republic of Congo (DRC) to become eligible for carbon market benefits and ecosystem service payments. The project will have environmental, climatic, social, institutional and financial/economic impact. Growing private micro-forest plantations will lessen the pressure on protected (and unprotected) natural forests, which will in turn contribute to biodiversity conservation. With regard to climate, the project will help to reduce greenhouse gas emissions thanks to a higher rate of forest cover and a slower pace of deforestation. In the long term, it will help to constitute carbon stock and reduce global warming.

1.3 The project period is two and a half years, at a total cost estimated at EUR 2,494,891. It will be financed by CBFF for EUR 2.495 million. The project will be implemented by the Belgian section of the World Wide Fund for Nature (WWF-B), an international NGO represented in the DRC. To that end, the Ministry of Environment, Nature Conservation and Tourism (MECNT) signed a partnership agreement with WWF-B, given the weak managerial and institutional capacity of the local administration (the DRC is a “fragile” post-conflict country). In the long run, CBFF resources will serve to reduce deforestation in the Virunga Park by 15%. In the short term, the resources will be used to remunerate the population for the reforestation of 1,000 ha in the Virunga Park, create 1,000 ha of individual micro-forest plantations for project beneficiaries and subsidize the distribution of 4,000 improved stoves to 4,000 households (20,000 people). The project will have a tangible positive impact on people’s income.

2. Project Beneficiaries and Impact on Beneficiaries

2.1 The direct project beneficiaries are the communities residing in the PNVi forests in the three Territories of the project area. They include: (i) 4,000 households, or at least 20,000 persons, who will benefit from subsidies in the form of improved stoves and forest and/or fruit plants; (ii) at least 600 farmer-planters who will benefit from private micro-afforestation support; (iii) legal and economically viable micro-enterprises situated outside the Park (farmers, improved stove manufacturers, brick moulders); (iv) provincial authorities, Government departments, the civil society and local communities; (v) the direct beneficiaries also include all those who will benefit from temporary jobs during the production, opening and upkeep of plantations, as well as during the execution of other works.

2.2 Farmers and other communities directly involved in the project will earn additional income through the sale of forestry products (charcoal, wood) as well as benefit from jobs created by the project. Project implementation will also build staff capacity in the province, and by extension, contribute to efforts deployed by both provincial and national institutions to structure the timber sub-sector.

3. Needs Assessment and Project Rationale

3.1 The project will help to achieve the priority strategies and actions retained in Government's Growth and Poverty Reduction Strategy Paper (GPRSP), especially Forestry Strategies 1, 2 and 3 related to eco-system rehabilitation and protection, the rationalization of forest exploitation and education on environmental protection. The project is in line with the Bank's Results-based Country Strategy Paper (RBCSP) for 2008-2012, since it will help to reduce poverty in its impact area - an action that fits squarely into the second RBCSP priority, which is *the promotion of pro-poor growth*.

3.2 The project covers three of CBFF's thematic areas, namely: (1) sustainable forestry management; (2) ecological and socio-economic monitoring and reference data; and (3) the benefits of carbon markets and payment of eco-system services. It will help to achieve some CBFF objectives, especially reducing the rate of deforestation and poverty. The project is also in line with the COMIFAC (Central African Forests Commission) Convergence Plan, especially Thrusts 2, 3, 5, 6, 7 and 9 related to the following themes: resource knowledge, ecosystem development and reforestation, sustainable development of forest resources, development of alternative activities and poverty reduction, and capacity-building (participation of actors, information, training).

4. Value Added for the Bank

4.1 The Bank's portfolio in the DRC has only one multinational operation, specifically in the forestry sector – the Congo Basin Eco-systems Conservation Support Project (PACEBCo), which is ongoing. This project is in a very new field – Reducing Emissions from Deforestation and Degradation (REDD), a sector that is marginally represented in the Bank's portfolio of operations. However, the Bank has long experience in the field of tree plantations and restoration of degraded forest areas, gained notably from the two consecutive *Projet Bois de Feux (PBF)* in the south of Benin. Lessons learnt from these experiences have helped for a more pragmatic design of the current project, taking into account the peculiarities of the project area and the difficulties associated with participative development in the dense forest region.

4.2 By contributing to the preservation of the Congo Basin rainforest, the Bank will mitigate one of the effects of its degradation, namely global warming and all the attendant negative consequences (floods, drought, etc.). The project financing will enhance overall Bank visibility in a sector where it is still virtually absent.

5. Knowledge Management

5.1 The project has innovative aspects reflected, among other things, in: (i) the new approach in the DRC, consisting of linking natural forest protection with poverty reduction among the resident population; (ii) deeper knowledge of Congo Basin forest resources; (iii) the implementation of a community reforestation experience; and (iv) the development of a

national Monitoring, Reporting and Verification (MRV) system and Payment of ecosystem services (PSE).

5.2 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 (FIP). The Bank is supporting Congo 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 investments in order to help the countries in reducing emissions of greenhouse gases due to deforestation and forest degradation.

5.3 All the information collected by this project and similar ones will be recorded and disseminated through annual project reports and project completion reports. This information will further be used to enrich the skills of stakeholders in the REDD approach and in good practices regarding forest management and assistance to vulnerable groups.

GEOGRAPHICALLY INTEGRATED “ECOMAKALA+” PILOT PROJECT

PROJECT MATRIX (Results-based)

HIERARCHY OF OBJECTIVES	EXPECTED OUTCOMES	REACH/ BENEFICIARIES	PERFORMANCE INDICATORS AND SOURCES OF VERIFICATION	TIME FRAME OF INDICATED TARGETS	ASSUMPTIONS AND RISKS
Overall Objective	Long-term Impact or Outcomes	Beneficiaries	Impact Indicator	Expected Long-term Progress	Assumptions and Risks
Contribute to reduce deforestation and poverty in the Congo Basin	Improve the forest cover and the living standards of people within the Virungas Landscape	Population within the Virunga Landscape duly estimated at 3,000,000	Rates of reduction of deforestation and of increase in forest cover and people’s income within the project target area <u>Source:</u> Project reports	The rate of deforestation in the Virungas National Park falls by 15% in 2013 compared to the base case; households in Goma notice a fall in their energy expenses and stable charcoal prices	Assumption: Real involvement of all stakeholders in the project Risk Indicators: Stakeholder’s non-fulfilment of commitments taken Mitigative strategies: Intense sensitization campaigns once grant agreement is signed; Involvement of local organizations and leaders of thought at project start-up and during implementation
Specific Project Objectives	Medium-term Outcomes	Beneficiaries	Outcome Indicators	Expected Medium-term Progress	Assumptions and Risks
<p>1. Increase the forest cover</p> <p>2. Improve the living conditions of forest dwellers</p> <p>3. Contribute to the development of the national REDD strategy to enable the DRC to become eligible for carbon market benefits and ecosystem service payments</p>	<p>1.1. Rate of the forest cover increased in 3 target territories</p> <p>1.2 Deforestation and forest degradation reduced in PNVi</p> <p>2.1 Household income of residents in natural forests increased</p> <p>2.2 Proportion of the population living below the poverty line reduced</p> <p>3.1 Information related to specific data (forest maps, carbon stock), experiences, implementation costs and impact available and forwarded</p>	<p>1. Virunga Landscape, North Kivu Province</p> <p>2. Local communities of the targeted Territories of Goma, Rutshuru and Nyiragongo, North Kivu Province</p> <p>3.1 National authorities in charge of REDD</p>	<p>1. Number of ha of new micro-forests created <u>Sources:</u> Progress reports, monitoring/evaluation reports, EcoMakala database</p> <p>2. Number of households increasing their income thanks to the project <u>Sources:</u> Progress reports, monitoring reports, EcoMakala database</p> <p>3.1. Forest biomass map 3.2. System for determining and tracking carbon stock 3.3 Data <u>Sources</u> Reports of WWF and its partners (ONFi and UCL)</p>	<p>1. 1,000 ha of new forests created by 2013</p> <p>2. Household income level has increases by 10% in 2013</p> <p>3.1. A biomass map is available and used in 2012 3.2. A system for determining and tracking carbon stock is set up in 2012 3.3 Data and information are compiled and disseminated in</p>	<p>Assumptions: Perfect collaboration between all stakeholders</p> <p>Risk Indicators: Lack of expertise at national level</p> <p>Mitigative Strategies: Signing of memoranda with international partners; recourse to local labour for works not requiring specific skills.</p>

				2013	
Activities	Short Term Products/Outcomes	Beneficiaries	Outcome Indicators	Expected Short Term Progress	Assumptions and Risks
Component A: Forest Management and Sustainable Practice					
A1. Produce forest plants	A1. Forest plants are produced and planted	A1. Population of 3 Territories	A1. Number of forest plants produced and number of nurseries installed <u>Source:</u> Progress and monitoring reports	A1. 1,500,000 forest plants are produced and distributed by end 2012	<p>Assumptions: Necessary expertise available; stakeholders' adherence; compliance with the set timeframe.</p> <p>Risk Indicators: Limited qualified expertise at national level; no land parcels available</p> <p>Mitigative Strategies: Prepare agreements and bid invitation documents early; conduct a sensitization campaign; involve all stakeholders in implementation; organize consultations with provincial authorities and associations to elicit the participation of stakeholders; rely on leaders of thought and local communities</p>
A2. Create and maintain micro-forest plantations	A2. Private micro-forests created and maintained	A2. Associations and planters	A2. Number of forest plants distributed and planted and number of beneficiary planters <u>Source:</u> List of planters, progress and monitoring reports	A2. 1,000 ha of micro-forests created and at least 600 beneficiary farmers by end 2012	
A3. Build the capacity of provincial forestry technicians and agents in forestry management	A3. Project technicians and provincial agents are able to implement project activities	A3. Project technicians and provincial agents	A3. Number of technicians and provincial agents trained <u>Source:</u> Certificates, training workshop reports, progress reports	A3. At least 2 project technicians + provincial agents are trained in GIS/bd and management of micro-forests by end 2013	
A4. Sensitize the population on the benefits of improved stoves	A4. The population is convinced of the benefits of improved stoves	A4. Urban population of Goma	A4. Number of households reached by the sensitization campaign <u>Source:</u> List of media solicited and progress reports	A4. At least 5 sensitization campaigns are conducted by end 2012	
A5. Promote improved stoves at the level of households through sales support	A5. Improved stoves subsidized	A5. Urban population of Goma	A5. Number of beneficiary households and number of improved stoves subsidized <u>Source:</u> List of beneficiaries and progress reports	A5. 4,000 improved stoves subsidized for 4,000 households by end 2012	
A6. Conduct a wood sub-sector study in North Kivu Province	A6. Study was conducted	A6. WWF, the Province and all stakeholders in the timber sub-sector	A6. Number of studies completed <u>Source:</u> Progress reports	A6. One (1) complete timber sub-sector study is carried out and validated by end 2012	
A7. Sensitize stakeholders on sustainable timber resource	A7. Stakeholders are sensitized on the sustainable management	A7. Provincial authorities and planters	A7. Number of sensitization workshops held and number of	A7. Three (3) workshops and 7 sensitization sessions held by	

management	of timber resource		stakeholders in attendance <u>Source:</u> List of workshops and participants, and progress reports	end 2013	
A8. Fight against illegal exploitation of charcoal in PNVi	A8. Campaigns to check the illegal exploitation of charcoal are conducted	A8. The authorities responsible for managing PNVi (ICCN)	A8. Number of campaigns (patrols) conducted <u>Source:</u> Progress reports	A8. 15 campaigns (patrols) are conducted by end 2013	
A9. Establish and formalize rural land entitlements	A9. A cadastral survey is available, land parcels are delineated and pillars planted	A9. Population of 3 Territories	A9. Number of cadastral surveys done and number of land parcels demarcated by pillars <u>Source:</u> Land ownership map, cadastral plan, land register	A9. A rural cadastral survey is in place at Bahatsa by end 2013	
1. Component B: Ecological and Socio-economic Monitoring and Baseline Data					
B1. Mapping of forests, forest biomass and deforestation in and out of PNVi	B1. Forestry, forest biomass and deforestation maps available	B1. Partners of provincial and national forestry services	B1. Number of maps available <u>Source:</u> Forestry, forest biomass and deforestation maps	B1. Forestry, forest biomass and deforestation maps are available by end 2012.	Assumptions: Expertise available Risk Indicators: Limited expertise at national level Mitigative Strategies: MoUs signed with specialized institutions (ONFi, UCL, WWF-US)
B2. Design a base case for the Virungas Landscape	B2. Base case available and validated	B2. Forestry service partners at provincial and national levels	B2. Number of base cases available <u>Source:</u> Base case document, progress and monitoring reports	B2. Base case established and validated by end 2012	
B3. Develop and install a system for determining carbon stock (develop an MRV system)	B3. System for determining and monitoring carbon stock is in place (MRV system).	B3. Partners of the forestry service at provincial and national levels	B3. Existence of a system for determining and monitoring carbon stock <u>Source:</u> MRV system document, progress and monitoring reports	B3. A system for determining and monitoring carbon stock is functional in 2013	
B4. Train provincial agents on the use of the carbon stock monitoring system	B4. Provincial agents capable of using the MRV system, monitor carbon stock and ensure post-project continuity.	B4. Technical agents of the province	B4. Number of provincial agents trained <u>Source:</u> Certificates and progress reports	B4. At least 10 provincial agents trained in 2013	
2. Component C: Carbon Market Benefits and Eco-system Service Payment					

<p>C1. Devise and install a financial and institutional mechanism necessary for REDD</p> <p>C2. Sensitize and build institutional capacity for REDD</p>	<p>C1. Provincial REDD Carbon Fund is established and validated</p> <p>C2. Stakeholders master and apply REDD concepts and tools</p>	<p>C1. North Kivu Province</p> <p>C2. REDD stakeholders</p>	<p>C1. Existence of a provincial Carbon Fund validated <u>Source:</u> Instrument governing the creation of the Fund and progress reports</p> <p>C2. Number of stakeholders trained in REDD <u>Source:</u> Meeting, training workshop and sensitization reports + progress reports</p>	<p>C1. A provincial Carbon Fund is instituted, validated and operational end 2013</p> <p>C2. A “climate” group is set up and at least 600 persons are sensitized and trained in REDD by 2013</p>	<p>Assumption: Stakeholder and beneficiary adherence to REDD</p> <p>Risk Indicators: Reluctance displayed by Beneficiaries and stakeholders vis-à-vis REDD stakes</p> <p>Mitigative Strategies: Signing of MoUs with specialized structures or NGOs</p>
3. Component D: Project Management					
<p>(i) Equipment and operation of the project management team</p> <p>(ii) Procurement of goods, services and works necessary for project implementation</p> <p>(iii) Administrative and financial management of the project</p> <p>Audit</p>	<p>(i) The project team has the necessary equipment and means for its operation</p> <p>(ii) Procurement plan/contracts are executed in line with the procurement methods indicated in the grant agreement</p> <p>(iii) Administrative and financial management of the project are effectively ensured</p>	<p>Key project staff</p> <p>Consultants, partners, contractors and suppliers</p> <p>WWF, CBFF</p>	<p>(i) Nature of equipment and operating resources in place</p> <p>(ii) Contracts planned executed as scheduled</p> <p>(iii) Funds managed according to CBFF/ADB standards</p>	<p>(i) Project team is equipped and functional in 2011</p> <p>(ii) Contracts planned are executed latest end 2012</p> <p>(iii) A computerized accounts and financial management system is installed and functional during the first half of 2011</p>	<p>Assumptions: Financial and human resources mobilized according to the envisaged time table; compliance with procurement procedures</p> <p>Risk Indicators: Delays in procurement</p> <p>Mitigative Strategies: Permanent assistance of the CBFF Secretariat; close support of the ADB Field Office in Kinshasa.</p>

PROJECT IMPLEMENTATION SCHEDULE

		2011				2012				2013				2014			
N°	ACTIVITIES	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
1	Negotiations																
2	Grant approval																
3	Project start-up workshop																
4	First disbursement																
	Forestry Management and Sustainable Practice																
5	Plant production																
6	Opening and upkeep of micro-forest plantations																
7	Building of technicians' capacity																
	Sensitization of the population on improved stoves, wood resource management and reduction of the illegal exploitation of charcoal																
	Conduct of a wood sub-sector study in North Kivu																
	Ecological and Socio-economic Monitoring and Baseline Data																
8	Design of forestry map																
	Design of a base case for the Virunga Landscape																
	Development and installation of a system for determining and tracking carbon stock																
	Training of provincial agents on the use of a carbon stock tracking system																
	Carbon Market Benefits and Ecosystem Service Payment																
9	Methodological development and establishment of the necessary REDD financial and institutional certification mechanisms																
10	Sensitization and capacity-building for REDD																
	Project Management																
12	Establishment and equipment of the project management team																
13	Procurement of goods, services and works necessary for project implementation																
14	Project administrative and financial management																
15	Monitoring/evaluation																
16	Audits																
17	Mid-term review																
18	Final appraisal																

REPORT AND RECOMMENDATIONS OF BANK GROUP MANAGEMENT TO THE BOARD OF DIRECTORS CONCERNING THE GEOGRAPHICALLY INTEGRATED “ECOMAKALA” REDD PILOT PROJECT

Management hereby submits this report and recommendation concerning a proposal to award a grant from CBFF funds of EUR 2.496 million to WWF-Belgium to finance the Geographically Integrated “ECOMAKALA+” REDD Pilot Project.

I. STRATEGIC THRUST AND RATIONALE

Project Linkages with Country Strategy and Objectives

1.1.1 The project’s priority nature stems from the fact that it is in the forestry sector, which Government considers crucial for the country’s development. This project is in line with DRC’s Growth and Poverty Reduction Strategy Paper (GPRSP) since it contributes to implementing the following actions featuring among the GPRSP pillars, namely: reduce poverty and promote community dynamics. Furthermore, the DRC embarked on a process aiming by end 2012 to design a national REDD strategy and operational action plan. During the preparation of DRC’s REDD+, different options for a REDD+ strategy need to be experimented on the field to test the multiple conditions for their implementation (legal, organizational, financial, human, etc.) and devise a strategy that addresses the many issues and situations encountered in the country. In that regard, the Government selected a series of complementary pilot sites to cover the field of experimentation necessary for designing a complete, ambitious and workable strategy, of which the Virunga Landscape through this EcoMakala+ Project.

1.1.2 As a pilot operation, the project will test in realistic scale the assumptions of Government’s provisional REDD+ strategy, which is sub-divided into 4 components and 14 programmes in the “exploratory analysis of DRC’s REDD potential”, conducted in November 2009 by the Ministry of Environment, Nature Conservation and Tourism (MECNT), with support from the McKinsey consultancy firm. Lessons that will be drawn from implementing this project, combined with those of similar projects, will be used to design a national REDD strategy that is realistic, credible and operational because founded on practical experience.

Rationale for Bank’s Involvement

1.2.1 The project covers three CBFF thematic areas, namely: (i) forestry management and sustainable practice; (ii) ecological and socio-economic monitoring and baseline data; and (iii) carbon market benefits and ecosystem service payments. It also covers a number of thrusts under the COMIFAC Convergence Plan, especially to reduce the deforestation rate. The project will contribute to solving the current energy crisis in North Kivu by favouring private forestry development and helping the local population to grow plantations that will serve as alternative solutions to exploiting the Virunga Park natural forests. The project will also help to reduce poverty in its impact area. Thanks to the additional wood generated by the project, the population of Goma will enjoy more stable charcoal prices, leading to lower spending. Similarly, the increased manufacture and sale of improved stoves will help to boost the income of the craftsmen and traders involved.

1.2.2 It is hoped that this additional supply of wood will contribute to the region’s stabilization policy because illegal exploitation activities will shrink, leading to a drop in the

financial resources of armed groups who were hitherto the main beneficiaries of such illegal forest exploitation.

1.3 Aid Coordination

1.3.1 The High Level Forum on Aid Effectiveness held in Kinshasa in June 2009 led to the Kinshasa Agenda which assesses aid, identifies constraints and makes relevant recommendations on improving aid coordination and effectiveness. It lays down guidelines and concrete measures enabling TFPs and Government to work in an effective and coordinated manner for the country's development. External aid is coordinated by the Ministry of Planning through "Thematic Groups". The Bank is the lead agency of the statistics thematic group.

1.3.2 Aid is coordinated through regular meetings of the "Environment, Water, Sanitation and Forestry" Thematic Group. Such meetings offer the possibility of reviewing ongoing joint Government/TFP activities. As regards external support, the environment sector received cumulative financing of USD 48.2 million in 2007 and 2008, half of which was provided by the European Union and the United States through international NGOs. For the environment sector overall, including the forestry sub-sector, the Government negotiated financial resources totalling USD 230 million with TFPs for the 2009-2014 period.

1.3.3 The Bank portfolio in DRC consists of a dozen operations with total financing of about USD 230 million in the rural development sector. However to date, the Bank has financed only one international operation in the environment sector – the ongoing Congo Basin Ecosystems Conservation Support Project (PACEBCo), in which a good part of operations concerns Congo.

II. PROJECT DESCRIPTION

2.1 Project Objectives

2.1.1 The project's sector objective is to contribute to the reduction of deforestation and poverty. Its specific objectives are to: (i) increase the forest cover and improve the living conditions of forest dwellers; (ii) contribute to the design of the national REDD strategy and institute basic conditions necessary for DRC's eligibility for carbon market benefits and ecosystem service payments.

2.2 Project Components

2.2.1 Project activities are grouped into four (4) components, briefly described in the table below:

Table 2.1
Project Components

No.	Component Name	Estimated Cost (EUR)	Description of Components
1	Forest management and sustainable practice	1,268,310	<ul style="list-style-type: none"> ▪ Plant production ▪ Planting and upkeep of micro-forest plantations ▪ Building of the forest management capacity of provincial forestry technicians and agents ▪ Sensitization of the population on the benefits of improved stoves ▪ Support for the sale of improved stoves in Goma ▪ Conduct of a wood sub-sector study in North Kivu Province ▪ Sensitization of stakeholders on the sustainable management of wood resources ▪ Reduction of illegal exploitation of charcoal in PNVi ▪ Establishment and formalization of rural land entitlement
2	Ecological and socio-economic monitoring and baseline data	441,110	<ul style="list-style-type: none"> ▪ Design of a forestry map ▪ Design of a base case for the Virunga Landscape ▪ Development and installation of a system for determining and tracking carbon stock ▪ Training of provincial officers on the use of the carbon stock tracking system
3	Carbon market benefits and ecosystem service payments	111,030	<ul style="list-style-type: none"> ▪ Design and set-up of a REDD financial and institutional mechanism ▪ Sensitization and capacity-building for REDD
4	Project management	393,100	<ul style="list-style-type: none"> ▪ Put staff and equipment in place ▪ Procurement of goods and services ▪ Monitoring/evaluation ▪ Audit ▪ Mid-term review ▪ Final appraisal/completion

2.3 Technical Solutions Adopted and Alternatives Explored

Table 2.2
Comparison of Alternative Options Explored and Solutions Adopted

Solution Adopted	Solution Explored	Reason for Rejection
Community activities based on a participatory approach for their sustainability	Administrative management, individual actions	Notion of public property poorly understood. Impersonal and diluted management of public property
Sub-contracting of tasks to specialized organizations (ONFi and UCL)	Implementation by State institutions	Absence of specialized State institutions
Tasks sub contracted by ONFi	Implementation by Government departments	Very specialized tasks for which no national experts exist. Sustainability compromised
Project management by WWF Belgium, a specialized international NGO	Management by an administrative entity	Weak administrative capacity of a post-conflict country. Sustainability not guaranteed

2.4 Project Type

2.4.1 This operation is a pilot project. The project's "pilot" nature stems from its relatively small size, short duration and especially from the fact that it aims to test on a realistic scale, assumptions conceived in the form of activities that can help in devising a REDD approach at national level. To that end, the Government chose a number of pilot sites, including the site of this project, to conduct activities whose outcomes will serve as the framework for a REDD strategy. The project will be financed by a Congo Basin Forest Fund (CBFF) grant. This method of financing is in line with the Bank Group's current policy for the DRC and that of CBFF, which limits all its financing to grants. The CBFF grant will serve to finance goods, services and works necessary for project implementation.

2.5 Project Cost

2.5.1 The total cost of the project is estimated at EUR 2,494,891 net of taxes and customs duty, or EUR 1,741,221 in local currency and EUR 753,670 in foreign exchange. The executing agency, World Wide Fund – Belgium (WWF- Belgium), is exempt from taxes and customs duty according to the Protocol Agreement it signed on 30 September 2010 with the Ministry of Environment, Nature Conservation and Tourism (MECNT). A 2% levy was applied for contingencies. A composite price escalation provision of 7%, estimated on the basis of the August 2010 inflation rate, was levied on all project components. Project costs are summarized in Tables 2.3 and 2.4 below, while the detailed costs feature in the Annex:

Table 2.3
Estimated Cost by Component (in EUR)

COMPONENTS	L.C	For. Exch.	Total	% For. Exch.
Forest management and sustainable practice	910,800	357,510	1,268,310	28
Ecological and socio-economic monitoring and baseline data	223,960	217,150	441,110	49
Carbon market benefits and ecosystem service payments	111,030	0	111,030	0
Project management	286,100	107,000	393,100	27
Baseline cost	1,531,890	681,660	2,213,550	31
Physical contingencies	5,000	0	5,000	0
Price escalation	204,331	72,010	276,341	26
Total estimated cost	1,741,221	753,670	2,494,891	30

Table 2.4
Project Cost by Expenditure Category (in EUR)

CATEGORIES	L.C.	For. Exch.	Total	% For. Exch.
Works	304,000	0	304,000	0
Goods	14,480	290,180	304,660	95
Services	86,170	260,480	346,650	75
Staff	394,500	84,000	478,500	18
Operating costs	654,740	47,000	701,740	7
Management overheads	78,000	0	78,000	0
Baseline cost	1,531,890	681,660	2,213,550	31
Physical contingencies	5,000	0	5,000	0
Price escalation	204,331	72,010	276,341	26
Total	1,741,221	753,670	2,494,891	30

2.5.2 Expenditure categories “Services”, “Staff” and “Operating Costs” represent 70% of the total grant amount. The category “Services” cover payment of consultancy services, training activities and capacity building sessions for local communities on the REDD specialized thematic. Payment of the project management staff are made under the category “Staff” while the operational costs for the three (3) project components are paid under the “Operating Costs” category.

2.5.3 Project financing will be borne entirely by CBFF in the amount of EUR 2,494,891. Congo DRC is eligible for 100% financing under the Country Financing Parameters (CFP). Accordingly, during its session of 15 and 16 November 2010, the CBFF Governing Council (GC) approved the project budget as presented, excluding any contribution from the Donee in order to avoid problems during project preparation and implementation. Therefore, the GC’s decision waives Provision 5.2 of the CBFF Manual of Operational Procedures which stipulates that costs be shared between CBFF and the Donee. However, it is worth noting that the EcoMakala+ Project complements to the following projects:

- European Union & WWF-Belgium (EcoMakala 1): EUR 2,403,616
- DGIS & IFDC (EcoMakala 2): EUR 670,000
- Swedish International Development Agency (SIDA)
(Improved Stoves): USD 250,000

Table 2.5
Sources of Financing (in EUR)

Sources of Financing	L.C.	For. Exch.	Total	% Total
CBFF	1,741,221	753,670	2,494,891	100
Total estimated cost	1,741,221	753,670	2,494,891	100

2.5.4 The expenditure schedule by component is as indicated in Table 2.6 below.

Table 2.6
Expenditure Schedule by Component (in EUR)

COMPONENT	2011	2012	2013	Total	% Baseline Cost
Forest management and sustainable practice	609,960	487,850	170,500	1,268,310	57%
Ecological and socio-economic monitoring and baseline data	161,174	208,224	71,712	441,110	20%
Carbon market benefits and ecosystem service payments	38,060	45,360	27,610	111,030	5%
Project management	161,650	155,150	76,300	393,100	18%
Baseline cost	970,844	896,584	346,122	2,213,550	100%
Physical contingencies	2,000	3,000	0	5,000	
Price escalation	68,099	130,350	77,892	276,341	
Total estimated cost	1,040,943	1,029,934	424,014	2,494,891	

2.6 Project Impact Area and Beneficiaries

2.6.1 The project will be implemented in North Kivu Province situated in the Congo Basin area, rich in protected natural forests (Virunga National Park—(PNVi) and unprotected forests. PNVi faces serious threats from illegal felling of trees by the very poor resident population. Specifically, project operations will be conducted in three zones: Rutshuru, Nyiragongo and Masisi (see Map of Project Area in Annex 1)

2.6.2 The direct beneficiaries of the project are: (i) 4,000 households, or at least 20,000 people, who will benefit from subsidies in the form of improved stoves and forest/fruit-bearing plants; (ii) at least 600 peasant farmers who will benefit from assistance to set up private micro-forest plantations and training on cultivation methods; and (iii) at least ten provincial officers whose capacity will be built through training programmes. Direct beneficiaries also include all persons who will have temporary jobs during the implementation of various tasks scheduled, such as plant production and cultivation. The project spinoff will indirectly benefit the approximately 858,000 persons living in the project's three target areas.

2.7 Participatory Approach for Project Identification, Design and Implementation

2.7.1 Project design was based on an inclusive participatory approach that involved the potential beneficiaries and stakeholders. WWF organized two meetings in September and October 2009, attended by political/administrative and customary authorities as well as representatives of civil society in South Kivu Province. CBFF experts participated at meetings with beneficiaries and stakeholders in April and September 2010. Discussions centred on the following main issues: the energy crisis in Kivu due, among other things, to the increased demand for wood; the non-involvement of the Province in managing wood

resources in particular and natural resources in general, and the lack of means (hence of alternatives to illegal forest exploitation). The project takes these concerns into account since it will help not only to increase wood supply thanks to the private agro-forestry plantations opened but also to reduce, if not eliminate, illegal forest exploitation.

2.7.2 During the project implementation phase, the local people will be involved in forest planting and agro-forestry operations. Some beneficiaries will participate in training programmes planned as part of the project, to enable them to subsequently play the role of resource persons whose main responsibility will be to lead beneficiaries to take full ownership of the project, in collaboration with WWF.

2.8 Bank Group Experience and Lessons Reflected in Project Design

2.8.1 The 2009 review report indicates that portfolio performance in the DRC is somewhat satisfactory. Performance is satisfactory overall as far as compliance with conditions precedent and commitments are concerned. In contrast, it is deemed unsatisfactory for the procurement of goods and services, financial management and implementation of activities. The portfolio (whose disbursement rate for active public sector projects was 47.81% end July 2010) is assailed by problems, among which the inadequate preparation and design of the first projects approved as the country emerged from the period of conflicts, poor knowledge of Bank rules, weak project monitoring and difficulties in disbursing the counterpart contribution to project financing.

2.8.2 The following lessons are drawn from experience garnered during Bank operations and those of other donors: (i) an efficient Project Implementation Unit is necessary for smooth execution; (ii) the definition of conditions precedent to first disbursement should take into account DRC's fragile State status; and (iii) there is need to build project preparation and implementation capacity.

2.8.3 These lessons were reflected in this project, especially at the level of project execution that will be entrusted to the World Wide Fund for Nature, Belgian section. WWF is an international NGO with impeccable credentials in terms of competence and experience in the forestry and nature protection sector.

2.9 Key Performance Indicators

2.9.1 The performance indicators feature in the project logical framework. The key ones are: reduced rate of deforestation and increase in plant cover; rate of increase in the income of the population in the project target area; number of nurseries set up; number of forest plants distributed and planted; number of beneficiary planters; volume of CO₂ sequestered; quantity of biomass produced, etc.

2.9.2 Project impact will be assessed by comparing baseline indicators measured in a "pre-project" situation with those measured in the "with project" situation. The "pre-project" situation will be defined at project start-up by designing a map and base case for the Virunga area.

III PROJECT FEASIBILITY

3.1 Economic and Financial Performance

3.1.1. Technical Feasibility: The project's technical implementation should encounter no difficulties since activities planned are based on simple and easy-to-reproduce technologies. A case in point especially involves the opening of micro agro-forestry plantations by the farmers themselves under the technical supervision of the project, sensitization campaigns, organization of training workshops, etc

3.1.2 Economic and Financial Rate of Return: The project will mainly generate intangible benefits which, although known, are hard to measure and assess. Ascribing a value to the quantity of carbon sequestered – a key product of the project – raises the problem of the existence and operation of the “carbon market”. This market exists but prices are fixed based on direct negotiations between partners (“polluting countries” and “non-polluting or marginally polluting countries”), which does not allow for price projections. Similarly, it is impossible to estimate with a reasonable degree of confidence the value of the forest, the degradation or destruction of which the project will help to prevent.

3.1.3 For these reasons, project output will only be mentioned without resorting to a standard calculation of the rate of return. The project benefits include, but are not limited to:

- Higher quantity of CO₂ sequestered and consequently lower quantity of greenhouse gases emitted;
- Design of a REDD strategy;
- Reduced demand for charcoal, thanks to the distribution of improved hearth/stoves;
- Higher income, thanks to jobs created and the sale of agro-forestry products;
- Reduction, if not elimination, of illegal cutting of wood due to the creation of alternative activities such as agro-forestry;
- Increased biomass and biodiversity conservation;
- Etc.

3.2 Environmental and Social Impact

Environment

3.2.1 The project is classified under Environmental Category 3, based on Bank criteria. This classification stems from the fact that the project has no negative impact on the environment. Instead, it contributes to improving the local environment. The opening of private micro-forest plantations will lead to a decrease in the pressure on protected and unprotected natural forests as well as contribute to biodiversity conservation. Moreover, project implementation will not cause any new large-scale clearing because micro-forest

plantations will be individualized and planted in or around their owners' compounds using manual planting methods. The project also has no provision for agro-chemical inputs that might have harmful effects.

Climate Change

3.2.2 By creating new afforested areas, protecting the PNVi natural forests and promoting improved stoves, the project will help to increase the rate of forest cover and reduce deforestation. Protected trees, new forest plantations and higher performance and use of improved stoves will, in the long run, contribute to building a significant carbon stock and consequently reduce global warming. The project's value added lies in the fact that it will serve as a safety net against climate change because the additional income it will help generate could be used by the population to pay for unforeseen expenses arising from the possible consequences of climate change (e.g. floods, drought, shortages, etc.).

Gender

3.2.3 The project will create new fulfilling jobs for men as well as women (the later constitute over 50% of the population). The distribution of improved stoves will exclusively benefit women who are responsible for household chores, particularly cooking. This action will also be reflected in the shorter time it will take women to fetch firewood from the natural forests because improved stoves save charcoal and wood. With the free time thus gained, women could embark on more profitable and value-enhancing tasks such as petty trading.

Social

3.2.4 The creation of micro-forest plantations and the promotion of improved stoves will effectively contribute to the conservation of forest ecosystems and the supply of fuel wood. The induced effects will be a higher income potential for beneficiary households, less time spent and lower risk incurred by the population, particularly women and children, when looking for firewood in the natural forests.

3.2.5 Project implementation will help to create jobs, especially through production (installation, upkeep, management of nurseries) and planting operations.

Involuntary Population Displacement

3.2.6 The project will cause no involuntary population displacement. All project activities will be conducted by the population around their homestead. Thus, the micro agro-forestry plantations (1,000 ha) that will be created will be planted around village compounds and/or close to the natural forest. These will not require any large-scale clearing that might cause population displacement or impede normal movement.

IV IMPLEMENTATION

4.1 Implementation Arrangements

4.1.1 **Institutional Arrangements:** The Grant Protocol Agreement will be signed by the Government of DRC with the Bank. However, grant resources will be on-lended to the Project Executing Agency (WWF-Belgium), as per a subsidiary financing agreement to be signed between the Government and WWF-B, the Belgian section of the Worldwide Fund for Nature. The MECNT signed a protocol agreement with WWF-B on 30 September 2010 entrusting project management to WWF-B, for a period of two and a half years. WWF-B will sub-contract certain highly specialized aspects of the project to specialized bodies: (i) the National Forestry Authority-international (ONFi) to design the base case, establish the Monitoring-Reporting-Verification (MRV) system and compute the carbon stock; (ii) the Catholic University of Louvain (UCL) for mapping and quantitative estimation of the forest cover and deforestation; (iii) UN-Habitat for financial issues; (iv) the Congolese Nature Conservation Institute (ICCN) to track and enforce local regulations within the Virunga National Park; and (v) WWF-US for computerized data management.

4.1.2 WWF already works as a central actor of REDD in North Kivu Province. In 2007, WWF was recognized by the Belgian State as a development NGO. A legal entity with administrative and financial autonomy, WWF has been active in the Congo Basin for over 40 years. Its main objective is to ensure biodiversity conservation and the sustainable management of natural resources therein especially forests, in harmony with the needs of local communities.

4.1.3 Today, WWF supports some fifteen projects in the DRC, for a total annual budget of about USD 7,500,000. The team consists of about one hundred employees. These projects are mainly financed by the European Union, USAID with its Central Africa Regional Program for the Environment (CARPE), Belgian, Dutch, Norwegian and Swedish Cooperation, and the WWF network (WWF-International, WWF-USA, WWF-Netherlands, etc.). WWF-Belgium acts as either the executing agency or partner of the following operations: (i) EcoMakala+ Project in direct partnership with the REDD Coordination Unit, which includes the Makala Reforestation Programme and the Improved Stoves Project; (ii) the CBFF “Mount Hoyo” Project; (iii) the CARPE Virunga Landscape Project; (iv) ICCN partner in the Briquette and Deforestation Control Project in PNVi; (v) partner of the UN-Habitat programme.

4.1.4 WWF has already forged partnerships with various specialized institutions to carry out specific tasks that project implementation would necessitate. Thus, WWF signed cooperation agreements with: (i) **ONFi** for the establishment of an MRV system and to estimate the stored CO₂ volume. ONFi (National Forestry Authority) is a French industrial and commercial public undertaking with 10,000 employees and manages 4.5 million hectares of public forests in Metropolitan France, and nearly 8 million hectares of tropical forests in French overseas territories. It carries out projects in over 50 countries, mainly in Latin America, Africa and Asia, on behalf of international cooperation or the private sector; (ii) **UCL** for mapping; (iii) **ICCN** for enforcement and monitoring of local forestry regulations; (iv) **UN-Habitat**, a UN agency specialized in land matters, for possible land issues during the project; and (v) **WWF-US** to develop, install, test and provide training on data input and management software (a field it enjoys monopoly).

4.1.5 WWF-Belgium's project management capacity rests not only on the qualification and expertise of its staff but also on the experience it has gained from managing similar projects in the DRC and other countries. WWF-B will also provide a programme manager to coordinate various Eco-Makala projects and one project monitoring officer. This team will be strengthened by workers that WWF-B will recruit locally, including a task manager, a financial assistant and a logistics assistant. WWF-B will coordinate the project. Where necessary, consultants will be called in occasionally to solve problems that may arise during project implementation. The REDD National Committee which is already established will be responsible for steering 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. At the government level, project monitoring will be ensured by the REDD Coordination Unit within the MECNT which will also ensure that mission recommendations are implemented and synergy created with other projects and programmes sponsored by different donors, in accordance with the Kinshasa Agenda. Annex IV contains a note on the role and responsibilities of the REDD Coordination Unit.

4.1.6 Procurement Arrangements: All goods, works and services financed from the CBFF fund will be procured in accordance with Bank Rules and Procedures for the Procurement of Goods and Works,(May 2008 Edition) or Bank Rules and Procedures for the Use of Consultants (May 2008 Edition), as modified by CBFF procedures, using the relevant Bank standards Bidding Documents. WWF-B has prepared a 12-month procurement plan and submitted it to the Bank for approval prior to grant negotiations. The proposed procurement plan was approved and recorded. Table 4.1 below summarizes provisions on procurement and details are provided in Annex 3.

Table 4.1
Arrangements for the Procurement of Goods, Works and Services

CATEGORIES	CBFF (EUR)				TOTAL
	LCB	LS	SL	OTHERS	
WORKS				304,000	304,000
Nurseries installation works				30,000	30,000
Planting and upkeep of plants				250,000	250,000
Topography and design of maps, surveys and planting of pillars on land parcels				24,000	24,000
GOOD	227,500	77,160			304,660
Vehicles	64,000				64,000
Lorries	132,000				132,000
Motorcycles	31,500				31,500
Computer hardware		22,000			22,000
Plant production materials		10,000			10,000
Materials for planting and upkeep of micro-forests		25,210			25,210
Equipment to serve for MRV activities		19,950			19,950
SERVICES			76,050	270,600	346,650
Short-term consultants			76,050		76,050
Protocol agreements with various partners				270,600	270,600
STAFF				478,500	478,500
COST OF OPERATIONS				701,740	701,740
SUNDRY MANAGEMENT COSTS				78,000	78,000
BASELINE COST	227,500	77,160	76,050	1,832,840	2,213,550
Not allocated					281,341
TOTAL					2,494,891

Note: *The shortlist applies to the use of consultants only.*

Others: refers to directly negotiated contracts, community works, and protocol agreements with institutions.

4.1.7 **Disbursement Arrangements:** The CBFF grant resources will be disbursed in line with ADB Rules of Procedure and CBFF Operational Procedures. The following two disbursement methods will be used: (i) the direct payment method for works, goods and services contracts of a substantial amount above EUR 20,000; (ii) the special account or revolving fund (RF) method for works, goods and services contracts of small amounts below EUR 20,000 for operating costs, project staff allowances and sundry management expenses.

4.1.8 The Government and WWF-B will sign a subsidiary financing agreement (*accord de retrocession*) conferring the technical and financial responsibility to WWF-B, as follows: (i)

the Government will open a Special Account (Transit Account) in the name of the project to receive the proceeds of the Grant in a commercial bank (Depository Bank) acceptable to the Bank. WWF-B will open an “Operations Account” in the Depository Bank to receive the proceeds of the Grant; (ii) WWF-B will prepare disbursement requests in accordance with the provisions of the on-lending agreement and submit them to the Government unit responsible for fiduciary management, the *Unité de Coordination du Projet Forêt et Conservation de la Nature (UCPFCN)*; (iii) UCPFCN will assess and submit the disbursement requests to the Bank, in accordance with the conditions of the on-lending agreement; and (iv) the Bank will disburse funds through the Special (Transit) Account.

4.1.9 Disbursements will be in line with provisions set forth in the Bank’s Disbursement Manual and in the form of advance payments tied to a work programme and annual budgets approved beforehand by the CBFF Secretariat. Each request for disbursement or advance payment will be submitted to the CBFF Secretariat for approval and should cover a period of activity not exceeding six months. The special account will be refinanced based on the requests of WWF-B, submitted through the Government unit responsible for fiduciary management (UCPFCN) along with supporting documents for all previous expenses and at least 50% of the last advance received. The first disbursement will be made as soon as the Grant is effective upon fulfilment of Grant specific conditions. Details will be provided in the disbursement letter attached to the Grant Agreement.

4.1.10 Financial and Audit Reports: accounting software is in place for efficient project accounting and budget tracking. The financial statements of the project and the special account will be audited yearly under the responsibility of the CBFF Secretariat. In this regard, based on Terms of Reference in line with the Bank’s standard format, the CBFF Secretariat will recruit and select an independent external auditor (by country or group of countries in which CBFF finances operations). This auditor will conduct an *a posteriori* appraisal, examine supporting documents and audit projects financed by the CBFF.

4.2 Project Monitoring/Evaluation

4.2.1 MECNT will be responsible for the external monitoring/evaluation of the project through half-yearly missions. Initially, monitoring/evaluation will be provided by the REDD National Coordination, placed under the MECNT Directorate of Sustainable Development. The senior staff of the competent services of MECNT (who will ultimately be responsible for monitoring/evaluation of projects) will be appropriately trained. Other training programmes will be offered to future public procurement officers.

4.2.2 WWF-B will prepare quarterly and annual progress reports that will clearly indicate the project’s physical status, the procurements made, the level of expenditure incurred, difficulties encountered in implementing the project and corrective measures taken or considered to improve project management. Furthermore, WWF will every year prepare a work plan and annual budgets, and submit them to the REDD National Coordination, MECNT’s monitoring/evaluation services and CBFF Secretariat for consideration and approval.

4.2.3 Furthermore, the project will be periodically supervised by the CBFF Secretariat in collaboration with the Bank, especially with the assistance of its DRC Field Office, to verify project achievements on the ground, give guidelines and make recommendations to render project management more efficient. The CBFF Operations Officer based in Kinshasa will monitor the project very closely.

4.2.4 At the end of the project, WWF will prepare a project completion report and submit it to MECNT and the CBFF Secretariat. The CBFF Secretariat will field a final evaluation mission to validate actual project achievements and performance, and identify lessons learnt in order to draw up a list of best practices for future operations.

4.3 Governance

4.3.1 For several years, the DRC has been among the worst rated countries in the World Bank's "Doing Business" Report. This situation hampers investments and private project financing in the country, which in turn retards growth and masks the level of development that the country's huge potential should enable it achieve. To help create a conducive business environment, the Government passed the law authorizing the ratification of the OHADA (Organization for the Harmonization of Business Law in Africa) Treaty. Progress was also achieved in ensuring greater transparency in public finance management since a public expenditure review was conducted and a strategic public finance reforms plan was adopted end 2010.

4.3.2 The DRC also benefited from debt relief of USD 12.3 billion, including USD 11.1 billion under the HIPC Initiative and USD 1.2 billion under the Multilateral Debt Relief Initiative. This decision crowned the country's efforts to improve its macro-economic policies and opens before it greater investment opportunities in the priority basic infrastructure sector. The ongoing decentralization helped to usher in provincial governments. Such authorities contribute to improving local governance, given the central role that they play in regional planning. Moreover, the effective implementation of the Public Procurement Code will introduce greater transparency and fairness in public procurement procedures.

4.3.3 In this project, Bank procurement rules will be applied. The active involvement of Bank experts (from both the Kinshasa Field Office and Headquarters) in vetting procurement dossiers and contracts awarded will considerably help to reduce possible slippages.

4.4 Sustainability

4.4.1 The project's sustainability is first grounded on its compliance with national REDD-related policies and strategies defined by the DRC Government. Other elements on which its sustainability is based include: (i) the integrated participatory approach, which facilitates final project ownership by its clients since they will themselves implement project activities on the ground; and (ii) its method of financing and the way it will be managed. The project involves a grant that will be awarded to WWF, an international NGO, whose existence and operation depend on many sources of financing that guarantee the Organization its financial viability. At the end of CBFF's financing, WWF will continue to exist and could technically advise the project beneficiaries. The project's ownership by beneficiaries - thanks to the participatory approach that underpins its design and implementation - is another way of guaranteeing project sustainability.

4.4.2 Furthermore, the revolving fund system established with EU financing and carbon credit under the Clean Development Mechanism (CDM) will finance and hence ensure the continuity of reforestation activities that form the very basis of this project. Available carbon credit will help to ensure sustainable project financing. Thanks to this project, the operational capacity of the provincial government will be strengthened, enabling it to become more

actively involved in sensitizing and providing administrative support to the population - actions that will favour project sustainability.

4.4.3 Curbing the population's illegal access to the "free" resource of Park forests, through income-generating activities engendered by the project, will create dynamics of responsible natural resource management and help to sustain its impact. In the same vein, building the capacity of project staff and beneficiaries, and applying knowledge acquired during the project implementation period, will help to ensure continuity of activities and sustain project impact beyond the financing phase.

4.5 Risk Management

4.5.1 *The project matrix indicates the key risks and mitigative measures recommended.* However, it may be added that the design and establishment of a REDD strategy requires proven expertise in many areas (determining and tracking carbon stock, designing a base case, remote sensing and mapping, land management, etc.) that WWF does not necessarily have. To offset this risk, WWF signed conventions with specialized institutions such as ONFi, UCL, WWF-US, UN-Habitat.

4.5.2 Expectations by the population and administrative authorities over the implementation of a REDD mechanism may not necessarily match the actual outcomes on the ground. This could lead to disappointments and breed mistrust towards the project. This risk may be mitigated by organizing a project start-up workshop bringing together all beneficiaries and stakeholders, and sensitization campaigns in collaboration with the administrative and customary authorities.

4.5.3 The complexity of the project and the newness of the issues it treats could be a major risk. However, the competence of organizations involved in its implementation, especially WWF, coupled with the fact that the project will be implemented by an agency that is autonomous and independent from Government departments, makes its management more flexible. This could help to surmount these obstacles.

4.6 Knowledge Building

4.6.1 In essence, the project covers a relatively recent subject (global warming and REDD) as well as many related issues such as deforestation, higher greenhouse gas emissions and CO₂ management. These will enable Bank experts to familiarize themselves with these notions and deepen their knowledge on new themes given that to date, the Bank portfolio has only few operations in the REDD sector.

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 (FIP). The Bank is supporting Congo 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 investments in order to help the countries in reducing emissions of greenhouse gases due to deforestation and forest degradation

4.6.3 Specifically, capacity-building activities are planned for both project staff and beneficiaries. Capacity-building for the project team will be in the form of a number of

training sessions on the Geographic Information System (GIS), the use of the MicroWiki and SILVIA software, accounts and public procurement. For beneficiaries and stakeholders (provincial administration, local communities), there are plans to organize reflection workshops, sensitization sessions and training sessions on various themes such as the provincial wood resource management strategy, the advantages of improved stoves, the design and use of a system for determining and tracking carbon stock, etc.

V. LEGAL FRAMEWORK

5.1 Legal Instrument

The legal framework of this project is a grant protocol agreement between the DRC Government and the Bank. This document will set forth the terms and conditions of the grant.

5.2 Conditions Associated with Bank Intervention

5.2.1 The Bank's intervention is subject to fulfilment of the following specific conditions:

A. Conditions Precedent to Grant Effectiveness

5.2.2 Effectiveness of the grant protocol is subject to its signature by the Donee and the Bank.

B. Conditions Precedent to First Disbursement

5.2.3 The first disbursement of grant resources will be subject to fulfilment by the Donee of the following specific conditions:

(i) Provide evidence of opening by the Donee of a Special Account (Transit Account) in the name of the project meant to receive resources from the Congo Basin Forest Fund (CBFF) in a commercial bank (the Depository Bank) deemed acceptable to the Bank;

(ii) The Depository Bank has issued a confirmation, in a form acceptable to the Bank, that funds in the Special Account will be segregated as a special deposit for the specific purpose for which the Grant is made;

(iii) Provide evidence of opening by WWF-B of an "Operations Account" to receive the proceeds of the Grant in the Depository Bank;

(iv) Evidence submitted to the Bank that an irrevocable order was issued by the grant recipient to the Depository Bank for the permanent automatic transfer of funds from the Special Account to the Operations Account;

(v) Evidence that a unit within WWF-B has been set up and a Coordinator, a financial assistant and a logistics assistant, all with qualifications and experience acceptable to the Bank have been recruited;

(vi) Submission of a signed subsidiary financing agreement (Accord de retrocession) conferring the technical and financial responsibility to WWF-B regarding the project

has been executed between the Donee and WWF-B for the purpose of on-lending the proceeds of the Grant with the same terms and conditions;

(vii) Submission of signed agreements, with terms and conditions acceptable to the Bank, entered between DRC and WWF-B and with other partners: UN-HABITAT, *Office National des Forêts International (ONFI)*, *Institut Congolais de Conservation de la Nature (ICCN)*, and *Université Catholique de Louvain (UCL)*.

B. *Other Lending Conditions:*
Nil

D. *Commitment*
Nil

5.3 Compliance with Bank policies

5.3.1 The project complies with CBFF objectives and policy. It also complies with applicable Bank policies, especially: (i) the Bank's Country Strategy Paper for the DRC, (ii) the Bank's 2008-2012 Medium-Term Strategy, and (iii) the Bank's Policy on the Environment.

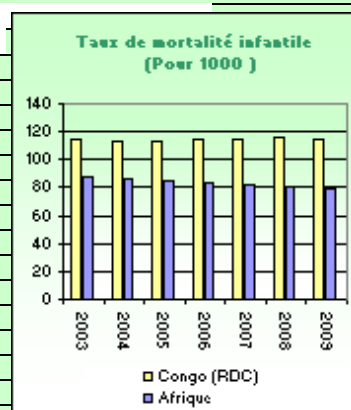
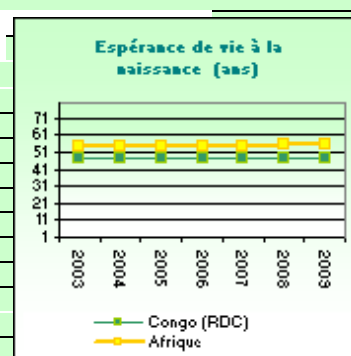
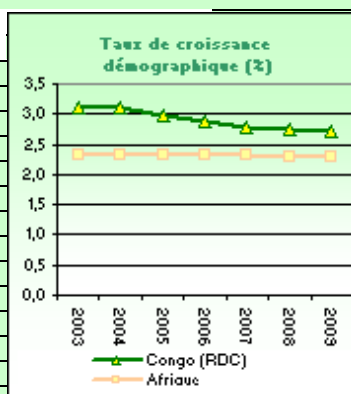
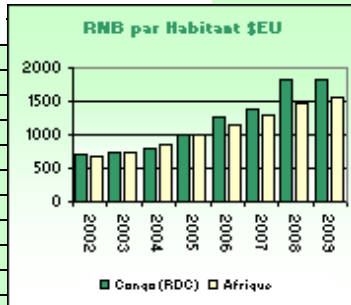
VI. RECOMMENDATION

In light of the foregoing, it is recommended that a CBFF grant not exceeding EUR 2.495 million be awarded to the DRC Government, for use in implementing the project as designed and described in this report, subject to the conditions specified in the grant protocol agreement.

Socio-economic Indicators of the DRC

Appendix 1

	Year	Congo (DRC)	Africa	Developing Countries	Developed Countries
Basic Indicators					
Area ('000 Km ²)		2,345	30,323	80,976	54,658
Total Population (millions)	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
GNI per Capita (US\$)	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
Gender-Related Development Index Value	2005	0.398	0.525	0.694	0.911
Human Development Index (Rank among 169 countries)	2010	168	n.a	n.a	n.a.
Popul. Living Below \$ 1 a Day (%)	2006	59.2	50.8	25	...
Demographic Indicators					
Population Growth Rate - Total (%)	2009	2.7	2.3	1.3	0.7
Population Growth Rate - Total (%)	2009	4.6	3.4	2.4	1
Population < 15 years (% of total population)	2009	46.7	56	29.2	17.7
Population >= 65 years (%)	2009	2.6	4.5	6	15.3
Dependency Ratio (%)	2009	97.3	78	52.8	49
Sex Ratio (per 100 Women)	2009	98.2	100.7	93.5	94.8
Female Population 15-49 years (% of total population)	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 - Female (years)	2009	49.4	56.8	68.9	82.7
Crude Birth Rate (per 1,000)	2009	44.3	35.4	21.5	12.0
Crude Death Rate (per 1,000)	2009	16.8	12.2	8.2	8.3
Infant Mortality Rate (per 1,000)	2009	114.9	80	49.9	5.8
Child Mortality Rate (per 1,000)	2009	195.3	83.9	51.4	6.3
Total Fertility Rate (per woman)	2009	5.9	4.5	2.7	1.8
Maternal Mortality Rate (per 100,000)	2008	670	683	440	10
Women Using Contraception (%)	2005	...	0	61	75
Health and Nutrition Indicators					
Physicians (per 100,000 people)	2004	10.2	42.9	78	287
Nurses (per 100,000 people)	2004	50.6	120.4	98	782
Births attended by Trained Health Personnel (%)	2007	74	50.5	63.4	99.3
Access to Safe Water (% of Population)	2008	46.0	64	84	99.6
Access to Health Services (% of Population)	2005	...	61.7	80	100
Access to Sanitation (% of Population)	2008	23	38.5	54.6	99.8
Percent. Of Adults (aged 15-49) Living with HIV/AIDS	2005	3.2	4.5	1.3	0.3
Incidence of Tuberculosis (per 100,000)	2005	3.2	313.7	161.9	14.1
Child Immunization Against Tuberculosis (%)	2008	74	83	89	99
Child Immunization Against Measles (%)	2008	67	74	81.7	92.6
Underweight Children (%)	2003	71	25.6	27	0.1
Daily Calorie Supply per Capita	2007	1,605	2,324	2,675	3,285
Public Expenditure on Health (as % of GDP)	2006	1.3	5.5	4	6.9
Education Indicators					
Gross Enrolment Ratio (%)					
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
Primary School Female Teaching Staff (% of Total)	2008	26.5	47.5
Adult Illiteracy Rate - Total (%)	2008	33.4	35.2	19	...
Adult Illiteracy Rate - Male (%)	2008	22.5	26	13.4	...
Adult Illiteracy Rate - Female (%)	2008	43.9	44.1	24.4	...
Percentage of GDP Spent on Education	2005	...	4.5	0	5.4
Environment Indicators					
Land Use (Arable Land as % of Total Land Area)	2008	3	6	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	1.1	1.9	12.3

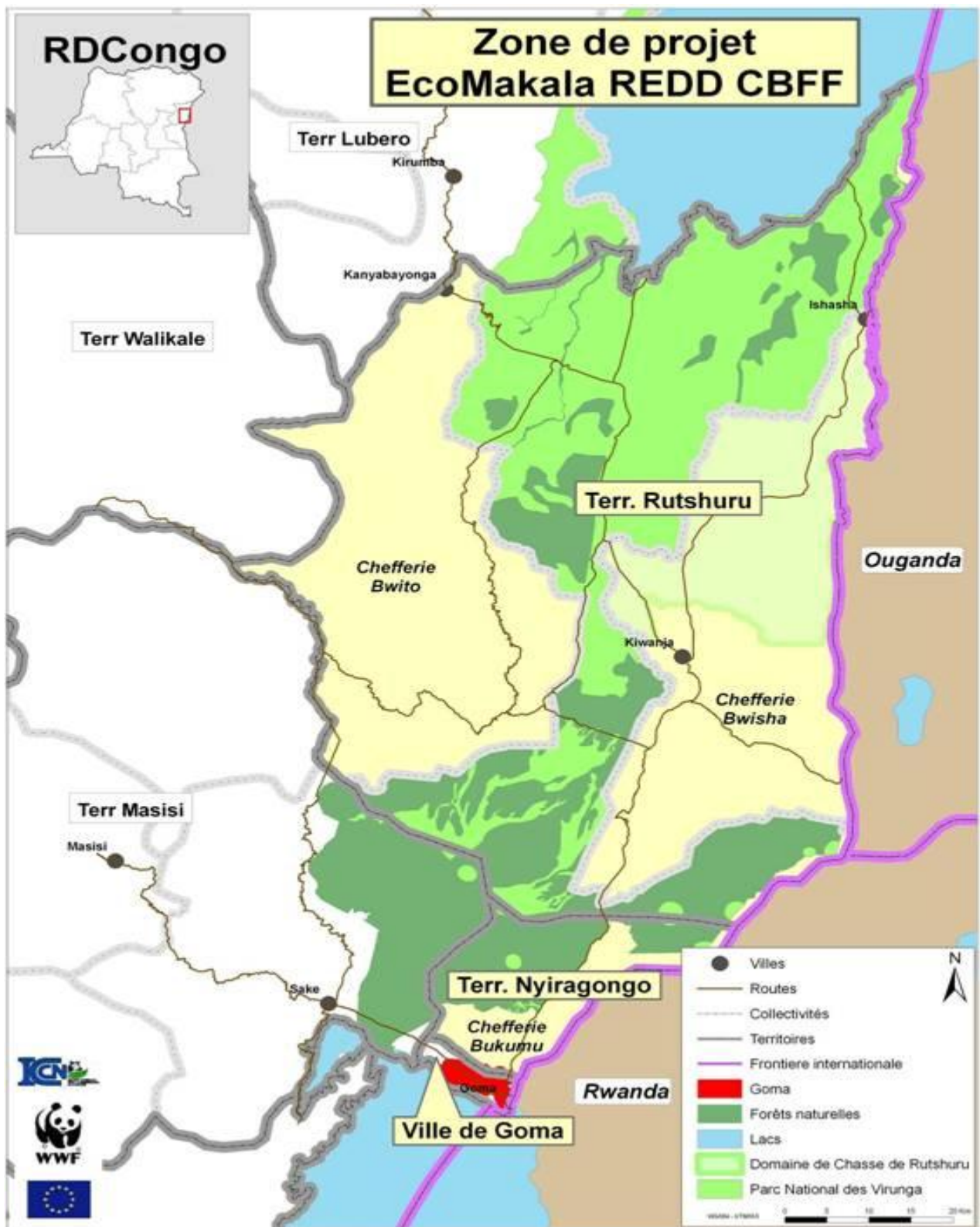


Sources: Baseline data of ADB Statistics Department; World Bank; WDI; UNSD ; WHO; UNICEF ; WRI ; UNDP; Country Reports
 Note: N.A. Not Applicable ; Data Not Available.

BANK PORTFOLIO IN DRC

BANK PORTFOLIO IN DRC			<i>Source of funding</i>	<i>Closing date</i>	<i>Approval Date</i>	<i>Amount Loan/Grant</i>	<i>Disbursement Rate</i>	<i>Age</i>
		National Projects						
1	OWAS1	Drinking Water Supply and Sanitation Project (PEASU)	ADF public	31-Jul-12	6-Jun-07	70.00	25.76%	3.69
2	OWAS1	Emergency Multi-sectoral Socioeconomic Infrastructure Rehab Project “PMURIS ”	ADF public	31-Jul-10	20-Dec-02	27.00	92.19%	8.17
3	ONEC1	Project for the Rehabilitation and Strengthening of the INGA Hydro-Power Stations and Kinshasa Distribution Grid (PMEDE)	ADF public	31-Dec-14	18-Dec-07	35.70	0.00%	3.16
4	ONEC1	Project of urban and outer-urban electrification	ADF /FSF	31-Dec-15	15-Dec-10	69.69	0.00%	0.15
5	OITC1	Nselé-Lufimi and Kwango-Kenge Road Rehabilitation Project	ADF public	31-Dec-15	15-Sep-10	31.64	0.00%	0.40
6	OITC1	Priority project of flight safety	ADF public	31-Dec-15	27-Sep-10	88.60	0.00%	0.37
7	OPSM4	ADVANS BANQUE (CONGO)	ABD	30-Jun-11	4-Feb-08	0.61	53.19%	3.02
8	OPSM2	TENKE COPPER COBALT	ADB	31-Dec-11	3-Oct-07	65.97	0.00%	3.37
9	OSAN3	Agricultural Sector Rehabilitation Support Project in the Provinces of Lower Congo and Bandundu (PARSAR	ADF public	31-Mar-11	19-May-04	25.00	54.00%	6.75
10	OSAN3	Agricultural Sector Study (ESA)	ADF public	30-Jun-11	28-Jun-06	1.85	56.87%	4.63
11	OSAN3	Agricultural and Rural Sector Rehabilitation Project (PRESAR)	ADF public	31-Jan-13	12-Dec-05	35.00	63.89%	5.18
12	OSAN3	Project of arrangement of TANGANYIKA LAKE	ADF public	31-Jan-12	17-Nov-04	6.79	11.63%	6.25
13	OSHD1	Post-Conflict Socio-Economic Reintegration Support Project (PARSEC)	ADF public	30-Jun-11	24-Jul-07	15.00	9.65%	3.56
14	OSHD3	Province Health Care Development Master Plan Support Project (PAPDDS)	ADF public	31-Mar-12	17-Mar-04	25.00	28.00%	6.92
		Multinational Projects						
1	OITC1	ROAD KETTA-DIOUM	ADF public	31-Dec-18	25-Sep-09	61.90	0.00%	1.38
2	OITC1	Study bridge Road -railways KINSHASA/BRAZZAVILLE	ADF public	30-Jun-11	3-Dec-08	3.59	0.00%	2.19
		Total				563.34	24.70%	3.70

Map of Project Impact Area



Expenditure Schedule by Component and by Activity

(in EUR)

No.	COMPONENTS	2011	2012	2013	Total
A	Forest management and sustainable practice	609,960	487,850	170,500	1,268,310
A1	Plant production	20,000	20,000	0	40,000
A2	Establishment and upkeep of micro-forest plantations	106,010	163,200	10,000	279,210
A3	Capacity-building for technicians and provincial agents	10,000	22,500	12,500	45,000
A4	Sensitization of the population on the advantages of improved stoves	25,000	0	0	25,000
A5	Support to the sale of improved stoves at Goma	10,000	0	0	10,000
A6	Conduct of a wood sub-sector study in North Kivu Province	0	45,000	0	45,000
A7	Sensitization on wood resource management	4,000	7,500	29,500	41,000
A8	Reduction of illegal exploitation of charcoal in PNVi (ICCN Protocol)	198,000	66,000	33,000	297,000
A9	Establishment and formalization of rural land entitlements (UN-Habitat Protocol)	15,700	37,900	26,000	79,600
A10	Training and works supervision	221,250	125,750	59,500	406,500
B	Ecological and socio-economic monitoring and baseline data	161,174	208,224	71,712	441,110
B1	Design of a forest map	14,000	34,700	9,200	57,900
B2	Design of base case for the Virunga Landscape	87,950	78,300	30,250	196,500
B3	Development and set-up of a carbon stock determination and tracking system	59,224	82,224	19,262	160,710
B4	Training of provincial agents on the use of the carbon stock tracking system	0	13,000	13,000	26,000
C	Carbon market benefits and ecosystem service payments	38,060	45,360	27,610	111,030
C1	Development and set-up of a financial and institutional mechanism necessary for REDD	2,750	10,050	8,550	21,350
C2	Sensitization and institution building for REDD	35,310	35,310	19,060	89,680
D	Project management	161,650	155,150	76,300	393,100
D1	Goods	8,000	0	0	8,000
D2	Staff	107,400	107,400	53,700	268,500
D3	Operating costs	15,050	16,550	7,000	38,600
D4	Sundry management expenses	31,200	31,200	15,600	78,000
	Baseline cost	970,844	896,584	346,122	2,213,550
	Contingencies	2,000	3,000	0	5,000
	Price escalation (7% composite)	68,099	130,350	77,892	276,341
	TOTAL COST	1,040,943	1,029,934	42,4014	2,494,891

Expenditure Schedule by Detailed Component (total costs)

(in EUR)

N°	COMPONENTS	2011	2012	2013	Total
A	Forest management and sustainable practice	654,797	561,974	208,870	1,425,641
A1	Plant production	21,400	22,898	0	44,298
A2	Opening and upkeep of micro-forest plantations	115,571	190,282	12,250	318,104
A3	Capacity-building for technicians and provincial agents	10,700	25,760	15,313	51,773
A4	Sensitization of the population on the benefits of improved stoves	26,750	0	0	26,750
A5	Support to the sale of improved stoves at Goma	10,700	0	0	10,700
A6	Conduct of a wood sub-sector study in North Kivu Province	0	51,521	0	51,521
A7	Sensitization on wood resource management	4,280	8,587	36,139	49,006
A8	Reduction of illegal exploitation of charcoal in PNVi (ICCN Protocol)	211,860	75,563	40,426	327,850
A9	Establishment and formalization of rural land entitlements (UN-Habitat protocol)	16,799	43,392	31,851	92,042
A10	Training and works supervision	236,738	143,971	72,890	453,599
B	Ecological and socio-economic monitoring and baseline data	172,456	238,396	87,850	498,702
B1	Design of a forestry map	14,980	39,728	11,270	65,978
B2	Design of a base case for the Virunga Landscape	94,107	89,646	37,058	220,810
B3	Development and set-up of a carbon stock determination and tracking system	63,370	94,138	23,597	181,105
B4	Training of provincial agents on the use of the carbon stock tracking system	0	14,884	15,926	30,809
C	Carbon market benefits and ecosystem service payments	40,724	51,933	33,823	126,480
C1	Development and set-up of a financial and institutional mechanism necessary for REDD	2,943	11,506	10,474	24,923
C2	Sensitization and institution building for REDD	37,782	40,426	23,349	101,557
D	Project management	172,966	177,631	93,471	444,068
D1	Goods	8,560	0	0	8,560
D2	Staff	114,918	122,962	65,785	303,665
D3	Operating costs	16,104	18,948	8,575	43,627
D4	Sundry management expenses	33,384	35,721	19,111	88,216
TOTAL		1,040,943	1,029,934	424,014	2,494,891

Expenditure Schedule by Category (baseline costs)
(in EUR)

CATEGORIES		YEARS			TOTAL	L.C.	For. Exch.
		1	2	3			
1	WORKS	115,000	177,000	12,000	304,000	304,000	0
	Installation of nurseries	15,000	15,000	0	30,000	30,000	0
	Planting and upkeep of plants	100,000	150,000	0	250,000	250,000	0
	Topography and preparation of maps, surveys and planting of pillars on land parcels	0	12,000	12,000	24,000	24,000	0
2	GOODS	273,460	21,200	10,000	304,660	14,480	290,180
	Vehicles	64,000	0	0	64,000	0	64,000
	Lorries	132,000	0	0	132,000	0	132,000
	Motorcycles	31,500	0	0	31,500	0	31,500
	Computer hardware	22,000	0	0	22,000	0	22,000
	Plant production materials	5,000	5,000	0	10,000	10,000	0
	Materials for the opening and upkeep of micro-forest plantations	4,010	11,200	10,000	25,210	4,480	20,730
	Equipment to serve for MRV activities	14,950	5,000	0	19,950	0	19,950
3	SERVICES	115,950	196,000	34,700	346,650	86,170	260,480
	Short-term consultants	11,950	52,700	11,400	76,050	24,050	52,000
	Protocol agreement with various partners	104,000	143,300	23,300	270,600	62,120	208,480
4	STAFF	191,400	191,400	95,700	478,500	394,500	84,000
5	OPERATING COST	243,834	279,784	178,122	701,740	654,740	47,000
6	MISCELLANEOUS MANAGEMENT EXPENSES	31,200	31,200	15,600	78,000	78,000	0
	BASELINE COST	970,844	896,584	346,122	2,213,550	1,531,890	681,660
	Physical contingencies	2,000	3,000	0	5,000	5,000	0
	Price escalation	68,099	130,350	77,892	276,341	204,331	72,010
	TOTAL	1,040,943	1,029,934	424,014	2,494,891	1,741,221	753,670

PROCUREMENT ARRANGEMENTS

3.1 All goods, works and services financed from the CBFF fund will be procured in accordance with Bank Rules and Procedures for the Procurement of Goods and Works,(Edition May 2008) or Bank Rules and Procedures for the Use of Consultants (Edition May 2008) as modified by CBFF procedures, using the relevant Bank standard Bidding Documents.

3.2 **Works:** Works related to the installation of nurseries, planting and upkeep of plants, topography and the design of maps for a total EUR 304,000 will be implemented in a participatory manner on force account, using local labour remunerated accordingly. These are very simple technical works that do not require the intervention of a specialized contractor

3.3 **Goods:** Goods, including transport facilities (lorries, vehicles, motorcycles) amounting to EUR 227,500, will be procured by local competitive bidding. This procedure was chosen because the country has a large number of competent suppliers allowing for diversified choice and sufficiently open competition. Goods, including computer hardware, plant production materials, equipment for establishing micro-forest plantations and MRV equipment amounting to EUR 77,160 will be procured through local shopping since such equipment are quite diversified and needed in small quantities at relatively low costs. Moreover, the country has suppliers who can meet this demand.

3.4 **Services:** Short-term consultancy services for amounting to EUR 76,050 will be needed for the design of a base case for the Virunga Landscape, the training of provincial officers to use the carbon stock tracking system, the design and establishment of a financial and institutional mechanism necessary for REDD, sensitization and institution building for REDD

3.5 For contracts which value in Euro is estimated at less than UA 200,000 for consulting firms and UA 50,000 for individual consultants, the Donee may limit the publication of the expression of interest announcement to national and regional newspapers. However, any eligible consultant may express their desire to be short-listed. For contracts which value in Euro is estimated at more than 200,000 for consulting firms and UA50,000 for individual consultants, an announcement of expression of interest should be published UNDB online and on the Bank's website.

3.6 **Miscellaneous:** Travel costs and allowances for project staff, contracts for operating costs such as office supplies, maintenance of equipment, communication, fuel, etc...and other running costs will be purchased in accordance with the Project Operational Manual prepared by the Donee and approved by Bank Secretariat

3.7 **Prior Review.** The following documents are subject to review and approval by the Bank/CBFF Secretariat before publication: (i) General Procurement Notice; (ii) Bidding documents or Requests for Proposals from consultants; (iii) Tender evaluation reports; (iv) Reports on evaluation of consultants technical proposals; (v) Reports on evaluation of consultants financial proposals, including Contract Award recommendations; and (iv) Draft contracts and sub-grants with partners, if the drafts included in the tender invitation documents have been amended.

3.8 Post Review Procedure. In view of the many small contracts, procurement of goods and consultant services that will be processed under short listing and National Shopping (NS),

contracts for goods, for a value up to € 20,000 will be subject to post review and will not require Bank's prior approval. The executing agency will establish and maintain an effective system of accounting and filing of all procurement documents, including requests for price lists, evaluation documents and contract awards relating to these acquisitions, for periodic review by Bank missions or by any auditor selected to audit the financial statements of the projects. The post procurement review, which aims to verify the compliance of procurement activities with the defined procedures, will be undertaken during the first supervision mission following the end of the procurement process. The review will determine whether there is a need to modify the procurement methods. Information on procurement processing will be collected by the executing agency quarterly and shall be included in details in the project quarterly report to be submitted to the Bank.

National Law and Regulations

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

3.10 A new Procurement Code was adopted and enacted by the Head of State on April 27, 2010. An action plan was also developed for the effective implementation of the laws which provides for: (i) the development and promulgation of implementing instruments and standard documents; (ii) the establishment of an institutional framework comprising: Public Procurement Regulatory Agency (ARMP), General Directorate of Public Procurement (DGMP), and the Public Procurement Management Committee (CGMP); and (iii) the staffing of these bodies. This process was expected to be completed over a five (5) month period ending by 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 Procurement Code is not yet applicable, all procurements financed with CBFF resources will be conducted in accordance with Bank Rules and Procedures, as amended by CBFF Operational Procedures.

EXECUTING AGENCY

3.11 WWF-B will be responsible for the procurement of goods/works/consulting services/ for the project. The human resources, capacity, expertise and experience of the executing unit were assessed and deemed acceptable for entrusting it with the procurements required under the project. Nevertheless, capacity enforcement will be provided (trainings, working sessions, refresher courses, etc..) in the use of Bank's procurement rules of procedure before the project is launched.

PROCUREMENT PLAN

3.12 WWF-B 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 and 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.

NOTE ON THE REDD COORDINATION UNIT

4.1 The Democratic Republic of Congo (DRC) is engaged in a readiness process for a future international mechanism for Reducing Emissions from Deforestation and Degradation (REDD +) under discussion in the UN Framework Convention on Climate Change (UNFCCC). This process is led by the Ministry of the Environment, Nature Conservation and Tourism (MECNT), in partnership with the United Nations REDD program (UN-REDD) and the World Bank (Forest Carbon Partnership Facility) who finance process for up to 8.9 million Euros. Governance structures of the REDD process in the DRC have been created by Decree of the Prime Minister on the 26th of November 2009 and include:

- ✓ A National Committee composed of 14 members of the Government, private sector and civil society. This National Committee is responsible for defining the policies and guidelines and decide on actions in the context of REDD, for approving the work plan of the Interministerial Committee and the National Coordination, for monitoring and evaluating the implementation of REDD, and to establish a fund for the management and redistribution of grants and resources from REDD.
- ✓ An Interministerial Committee responsible for planning the implementation of the decisions of the National Committee and assigning responsibility for their implementation to the competent structures of the state.
- ✓ A National Coordination (CN-REDD) in charge of ensuring the daily management of the REDD process and oversee the activities of the annual work plan so that they lead to expected results, formulate, to the intention of the Minister in Environment, proposals for members of the Technical Experts Committee and Scientific Council and ensure the mobilization of national and international experts, to ensure the Technical Secretariat of the National Committee and the Interministerial Committee, to coordinate the REDD process in the Democratic Republic of Congo with other government initiatives and with donors in the forestry sector including the link with the PNFoCo, the regional REDD process within COMIFAC; encourage and ensure a participatory approach REDD process through involvement and consultation of various stakeholders, including forest communities and indigenous peoples.

4.2 The National Coordination REDD has been in operation since May 2009 (4 members originally) and has expanded from 4 to 16 members in August 2010 to monitor the implementation of the national readiness plan for REDD + (R-PP). The REDD National Coordination manages the daily REDD + readiness program of DRC. To do this, the National Coordination REDD is organized around four operational components:

- ✓ Component 1: Coordination and overall piloting of REDD activities
- ✓ Component 2: Development of the national REDD strategy
- ✓ Component 3: The experimental program (pilot project) and
- ✓ Component 4: Early action programs

4.3 Component three (3) in charge of the experimental program, oversees the implementation of the geographically integrated pilot projects, coordinates the implementation and does monitoring and evaluation. It is composed of a Chief of the component, of an International Technical Advisor (forest and climate change expert), as well as an Assistant. The component three (3) team also receives support from the 12 other members of the National Coordination as well as short-term consultants and staff of the Environmental Services Division of the Sustainable Development Department of the Ministry of the Environment, Nature Conservation and Tourism.