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Report No: PAD5377

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A
PROPOSED CREDIT
IN THE AMOUNT OF US$290 MILLION

AND
A PROPOSED GRANT IN THE AMOUNT OF US$10 MILLION
FROM THE ENERGY SECTOR MANAGEMENT ASSISTANCE PROGRAM
MULTI DONOR TRUST FUND

TO THE

DEMOCRATIC REPUBLIC OF CONGO

FOR A

FOREST AND SAVANNA RESTORATION INVESTMENT PROGRAM

May 10, 2023

Environment, Natural Resources, and the Blue Economy Global Practice
Eastern and Southern Africa Region

CURRENCY EQUIVALENTS

(Exchange Rate Effective May 10, 2023)

Currency Unit =	Congolese Franc (CDF)
CDF 2,300 =	US$1

FISCAL YEAR
January 1 - December 31

Regional Vice President:	Victoria Kwakwa
Country Director:	Albert G. Zeufack
Acting Regional Director:	Holger A. Kray
Practice Manager:	Africa Eshogba Olojoba
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ABBREVIATIONS AND ACRONYMS

ACE	Congolese Environmental Agency (*Agence Congolaise de l'Environnement*)
AFD	French Agency for Development (*Agence Française de Développement*)
AfDB	African Development Bank
AGREE	Access Governance and Reform for the Electricity and Water Sectors
ANSER	National Agency of Electrification and Energy Services in Rural and Peri-Urban Areas (*Agence Nationale de l'Électrification et des Services Énergétiques en Milieux Rural et Périurbain*)
ASA	Advisory Services & Analytics
AWPB	Annual Work Plans and Budgets
BCSFM	Biodiversity Conservation and Sustainable Forest Management Project
BioCF	BioCarbon Fund
CAFI	Central African Forest Initiative
CARG	Rural Agricultural Management Council (*Conseil Agricole Rural de Territoire*)
CARPE	Central Africa Regional Program for the Environment
CCDR	Climate Change and Development Report
CCF	Clean Cooking Fund
CERERK/ISTA	Center for Studies and Research on Renewable Energies Kitsisa-Khonde
CFCL	Local Community Forest Concessions (*Concessions Forestières des Communautés Locales*)
CLD	Local Development Committee (*Comité Local de Développement*)
CMRA	Carbon Market Regulatory Authority
COP	Conference of the Parties
CPF	Country Partnership Framework
CPSD	Country Private Sector Diagnostic
CSO	Civil Society Organization
DA	Designated Account
DAF	Directorate of Administration and Finance
DIA	Delegated Implementing Agency
DIAF	Forestry Management and Inventory Directorate (*Direction Inventaire et Aménagement Forestiers*)
DPO	Development Policy Operation
DRC	Democratic Republic of Congo
EIRR	Economic Internal Rate of Return
EOI	Expression of Interest
ESCP	Environmental and Social Commitment Plan
ESF	Environmental and Social Framework
ESIA	Environmental and Social Impact Assessment
ESMAP	Energy Sector Management Assistance Program
ESMF	Environmental and Social Management Framework

ESS	Environmental and Social Standards
FPIC	Free, Prior, and Informed Consent
ERPA	Emissions Reductions Payment Agreement
FCV	Fragility, Conflict, and Violence
FDCSP	Forest Dependent Communities Support Project
FM	Financial Management
FIP	Forest Investment Program
FIP-CU	Forest Investment Program Coordination Unit
FIRR	Financial Internal Rate of Return
FONAREDD	National REDD+ Fund
FOREST	Forest and Savanna Restoration and Protection Investment Program
GALS	Gender Action Learning for Sustainability
GBV	Gender-Based Violence
GCRF	Global Crisis Response Framework
GEMS	Geo-Enabling method for Monitoring and Supervision
GHG	Greenhouse Gas
GIZ	German Agency for International Cooperation (*Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH*)
GLAD	Global Land Analysis and Discovery
GRM	Grievance Redress Mechanism
HCV	High Conservation Value
ICCN	Congolese Institute for Nature Conservation (*Institut Congolais pour la Conservation de la Nature*)
IDP	Internally Displaced Person
IFC	International Finance Corporation
IFLMP	Improved Forested Landscape Management Project
IFR	Interim Financial Report
IMF	International Monetary Fund
INERA	National Institute for Agronomic Studies and Research (*Institut National pour l'Etude et la Recherche Agronomique*)
IPs	Indigenous Peoples
IPF	Investment Project Financing
JICA	Japan International Cooperation Agency
IT	Information Technology
LIPW	Labor-Intensive Public Works
LIA	Local Implementation Agency
LOI	Letter of Intent
LPG	Liquefied Petroleum Gas
M&E	Monitoring and Evaluation
MESD	Ministry of Environment and Sustainable Development
MRV	Measurement, Reporting, and Verification

NDC	Nationally Determined Contribution
NGO	Nongovernmental Organization
NPV	Net Present Value
NTFP	Non-Timber Forest Product
ODR	Office of Roads
OECM	Other Effective area-based Conservation Measures
OPERPA	Support to the Operationalization of the ERPA
PES	Payment for Environmental Services
PFM	Public Financial Management
PIM	Project Implementation Manual
PIREDD Mai-Ndombe	Integrated REDD+ Project Mai-Ndombe (*Projet Intégré REDD+ dans la Province du Mai Ndombe*)
PIREDD MBKIS	Integrated REDD+ Project in the Mbuji-Mayi, Kananga, and Kisangani Basins (*Projet Intégré REDD+ dans les Bassins de Mbuji-Mayi, Kananga et de Kisangani*)
PIU	Project Implementation Unit
PNDA	National Agriculture Development Program
PNSD	National Strategic Development Plan *(Plan National Stratégique de Développement)*
PPSD	Project Procurement Strategy for Development
PRA	Prevention and Resilience Allocation
PSAT	Simple Land Use Management Plans (*Plans Simples d'Aménagement du Territoire*)
RBF	Results-Based Financing
RBCF	Results-Based Climate Finance
R&D	Research and Development
REDD+	Reducing Emissions from Deforestation and Forest Degradation
REPALEF	Network of Indigenous and Local Populations for the Sustainable Management of Forest Ecosystems (*Réseau des Populations Autochtones et Locales pour la Gestion Durable des Ecosystèmes Forestiers*)
RRA	Risk and Resilience Analysis
RST	Resilience and Sustainability Trust
SDG	Sustainable Development Goals
SEA/SH	Sexual Exploitation and Abuse and Sexual Harassment
SENASEM	National Seed Service (*Service National de Semences*)
SEP	Stakeholder Engagement Plan
SMEs	Small and Medium Enterprises
STEP	Systematic Tracking of Exchanges in Procurement
tCO2e	Tons of CO_2 equivalent
ToR	Terms of Reference
WWF	World Wildlife Fund

UN	United Nations
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
USAID	United States Agency for International Development
WBG	World Bank Group
WFP	World Food Programme

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DATASHEET

BASIC INFORMATION

Country(ies)	Project Name
Congo, Democratic Republic of	Forest and Savanna Restoration Investment Program

Project ID	Financing Instrument	Environmental and Social Risk Classification
P178642	Investment Project Financing	High

Financing & Implementation Modalities

[ ] Multiphase Programmatic Approach (MPA)	[ ] Contingent Emergency Response Component (CERC)
[ ] Series of Projects (SOP)	[✓] Fragile State(s)
[ ] Performance-Based Conditions (PBCs)	[ ] Small State(s)
[ ] Financial Intermediaries (FI)	[ ] Fragile within a non-fragile Country
[ ] Project-Based Guarantee	[ ] Conflict
[ ] Deferred Drawdown	[ ] Responding to Natural or Man-made Disaster
[ ] Alternate Procurement Arrangements (APA)	[ ] Hands-on Enhanced Implementation Support (HEIS)

Expected Approval Date	Expected Closing Date
02-Jun-2023	30-Jun-2030

Bank/IFC Collaboration

No

Proposed Development Objective(s)

To improve forested landscape management and enhance community livelihoods in selected project areas.

Components

Component Name	Cost (US$, millions)

1. Improved Land use Planning and Governance for Natural Resource Management in Selected Project Areas	17.00
2. Development of Agroforestry and Forest Value Chains for Sustainable Landscape Management and Improved Livelihoods	215.00
3. Development of Sustainable Value Chain for Energy and Efficient Cooking	25.00
4. Enhanced and Innovative Approaches to Measurement, Reporting and Verification and Result-Based Climate Financing	13.00
5. Project Implementation and Monitoring and Evaluation	30.00

Organizations

Borrower:	Ministry of Finance
Implementing Agency:	Ministry of Environment and Sustainable Development

PROJECT FINANCING DATA (US$, Millions)

SUMMARY

Total Project Cost	300.00
Total Financing	300.00
of which IBRD/IDA	290.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	290.00
IDA Credit	290.00

Non-World Bank Group Financing

Trust Funds	10.00
Energy Sector Management Assistance Program	10.00

IDA Resources (in US$, Millions)

	Credit Amount	Grant Amount	SML Amount	Guarantee Amount	Total Amount

Congo, Democratic Republic of	290.00	0.00	0.00	0.00	290.00
National Performance-Based Allocations (PBA)	290.00	0.00	0.00	0.00	290.00
Total	**290.00**	**0.00**	**0.00**	**0.00**	**290.00**

Expected Disbursements (in US$, Millions)

WB Fiscal Year	2023	2024	2025	2026	2027	2028	2029	2030
Annual	0.00	28.17	30.36	43.96	44.46	59.14	63.00	30.91
Cumulative	0.00	28.17	58.53	102.49	146.95	206.09	269.09	300.00

INSTITUTIONAL DATA

Practice Area (Lead)

Environment, Natural Resources & the Blue Economy

Contributing Practice Areas

Agriculture and Food, Climate Change, Energy & Extractives

Climate Change and Disaster Screening

This operation has been screened for short and long-term climate change and disaster risks

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Rating
1. Political and Governance	High
2. Macroeconomic	Substantial
3. Sector Strategies and Policies	Substantial
4. Technical Design of Project or Program	High
5. Institutional Capacity for Implementation and Sustainability	High
6. Fiduciary	High
7. Environment and Social	High
8. Stakeholders	Substantial

9. Other	Substantial
10. Overall	High

COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

[ ] Yes [✓] No

Does the project require any waivers of Bank policies?

[ ] Yes [✓] No

Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

E & S Standards	Relevance
Assessment and Management of Environmental and Social Risks and Impacts	Relevant
Stakeholder Engagement and Information Disclosure	Relevant
Labor and Working Conditions	Relevant
Resource Efficiency and Pollution Prevention and Management	Relevant
Community Health and Safety	Relevant
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Relevant
Biodiversity Conservation and Sustainable Management of Living Natural Resources	Relevant
Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Relevant
Cultural Heritage	Relevant
Financial Intermediaries	Not Currently Relevant

NOTE: For further information regarding the World Bank's due diligence assessment of the Project's potential environmental and social risks and impacts, please refer to the Project's Appraisal Environmental and Social Review Summary (ESRS).

Legal Covenants

Sections and Description

Section I.A.1(a) of Schedule 2 of both IDA FA and ESMAP GA : No later than three (3) months after the Effective Date, the Recipient shall cause the FIP-CU to recruit or appoint and maintain, at all times during the implementation of the Project, under terms and conditions approved by the Association and as set forth in the PIM: (i) a chief accountant; (ii) an additional accountant; (iii) two MESD financial management assistants; (iv) a junior internal auditor; (v) an additional procurement specialist; and (vi) a procurement officer. No later than six (6) months after the Effective Date, or such other date as agreed by the Association, the Recipient shall cause the FIP-CU to recruit or appoint, under terms and conditions approved by the Association and as set forth in the PIM, an external auditor.

Sections and Description

Section I.A.1(b) of schedule 2 of both IDA FA and ESMAP GA: The Recipient shall cause ANSER, to, no later than sixty (60) days after the Effective Date, or such other date as agreed by the Association, appoint, and thereafter maintain throughout Project implementation, a team (“ANSER Implementation Team”), responsible for assisting the FIP-CU in the day-to-day implementation, management, monitoring and evaluation of Component 3.2 of the Project […]

Sections and Description

Section I.A.1(c) of Schedule 2 of both IDA FA and ESMAP GA: The Recipient shall no later than three (3) months after the Effective Date, or such later date as agreed by the Association, establish at the national level and thereafter maintain, throughout the implementation of the Project, a Project steering committee (“National Steering Committee”)[…]

Sections and Description

Section I.A.1(d) of Schedule 2 of both IDA FA and ESMAP GA: No later than five (5) months after the Effective Date, or such later date as agreed by the Association, the Recipient shall cause each of the Targeted Provinces to establish and thereafter maintain throughout Project implementation a provincial steering committee (“Provincial Steering Committee”), chaired by the provincial Governor […]

Sections and Description

Section I.C.1 of Schedule 2 of both IDA FA and ESMAP GA: No later than thirty (30) days after the Effective Date, or any other date as agreed by the Association, but in any event prior to the provision of any CCS Grants under Component 3.2 (a) and Innovation Grants under Component 3.2 (b) of the Project, the Recipient, through the FIP-CU, shall enter into an implementation agreement with ANSER, under terms and conditions approved by the Association

Conditions

Type	Financing source	Description
Effectiveness	Trust Funds, IBRD/IDA	Section 4.01 of both IFA FA and ESMAP GA. The PIM has been prepared and adopted by the Recipient in form and in a manner acceptable to the Association.

Type	Financing source	Description
Disbursement	IBRD/IDA	IDA FA -Section III.B.1(b) (c) and (d): (b) for payments under Category (1)(b) until and unless the Association is satisfied that the following conditions have been met: i. the ESMAP Grant has been fully disbursed; ii. the CCS and Innovation Grants Manual has been adopted by the Recipient in form and substance acceptable to the Association (c) for payments under Category (3) until and unless the Association is satisfied that the following condition have been met, namely that the Plantation Grants Manual has been adopted by the Recipient in form and substance acceptable to the Association; (d) for payments under Category (4) until and unless the Association is satisfied that the following conditions have been met: i. the ESMAP Grant has been fully disbursed; ii.(A) the TA Operator has been selected under terms of reference acceptable to the Association; and (B) the Technical Assistance Contract has been executed under terms and conditions acceptable to the Association, pursuant to Section I.I.3 of this Schedule, and is in full force and effect; and iii. the CCS and Innovation Grants Manual has been adopted by the Recipient in form and substance acceptable to the Association.
Type	Financing source	Description
Disbursement	Trust Funds	ESMAP GA-Section III. B.1(b) and (c): (b) for payments under Category (2) until and unless the Association is satisfied that the following condition have been met, namely that the CCS and Innovation Grants Manual has been adopted by the Recipient in form and substance acceptable to the Association; (c) for payments under Category (3) until and unless the Association is satisfied that the following conditions have been met: i. (A) the TA Operator has been selected under terms of reference acceptable to the Association; and (B) the Technical Assistance Contract has been executed under terms and conditions acceptable to the Association, pursuant to Section I.I.3 of this Schedule, and is in full force and effect; and ii. the CCS and Innovation Grants Manual has been adopted by the Recipient in form and substance acceptable to the Association.

I. STRATEGIC CONTEXT

A. Country Context

1. **The Democratic Republic of Congo (DRC), Sub-Saharan Africa's largest country, at 234 million hectares (ha), faces significant development challenges—a result of longstanding political instability, poor governance, and recurring episodes of violence.** Weak institutions and governance—coupled by limited infrastructure and connectivity—have hampered service delivery to its 99 million people.[1] Significant humanitarian needs persist even 20 years after the official end of the Congo Wars. A recent surge in violence in the east has worsened the situation, resulting in over 5.5 million internally displaced people and considerable human suffering.

2. **While the poverty rate has decreased since 2005, the number of poor has increased—DRC having the third-largest population of poor globally.** While extreme poverty rates decreased from 94.3 percent in 2005 to 77.2 percent in 2012, population growth has resulted in an annual increase in the number of poor of about 1.5 million.[2] The latest World Bank projections put extreme poverty at 60.5 percent, a 1.4 percentage point decrease compared to 2022.[3] Indigenous peoples (IPs) make up about one percent of the population, representing an estimated 600,000 to 700,000 people. IPs are the most vulnerable forest-dependent community, facing exploitation and marginalization, with their cultural and spiritual identity linked to the Congolese forests.

3. **The Congolese economy and growth are highly dependent on extraction and export of minerals.** The economy is highly concentrated in the extraction of copper and cobalt, which constitute over 80 percent of exports. Gross Domestic Product growth picked up in 2022, reaching 8.6 percent, driven by a strong mining sector, which expanded by 20.8 percent, due to capacity expansion and recovery in global demand. Growth in non-mining sectors, however, was modest, slowing down to 3.0 percent from 4.5 percent in 2021. On the demand side, growth was led by public investment and exports, while private consumption was constrained by higher inflation.

4. **Renewable natural capital, primarily composed of forests, cropland, and protected areas, is the second most important component of national wealth in the DRC.[4]** In 2018, renewable natural capital accounted for 37.8 percent of the country's wealth, a significant decrease from 60.0 percent in 2000. The decline in renewable natural capital was accompanied by a rise in human capital, which accounted for 48.2 percent of DRC's wealth in 2018, up from 30.9 percent in 2000. Non-renewable natural capital endowments only accounted for 4.4 percent of wealth in 2018, highlighting the key importance of renewable natural resources. However, over the 2000-2018 period, forests and cropland per capita value decreased by 32 percent and 58 percent, respectively, highlighting the extent of natural capital degradation in the country.

5. **Despite its abundant natural resources, DRC has been unable to build the foundations of a diversified and resilient economy capable of generating economic opportunities for a rapidly growing population**. While the country's economic outlook has been improving since 2000, it has not grown enough to significantly reduce poverty rates or make strong progress towards the Sustainable

[1] Macro-poverty Outlook, World Bank, April 2023.
[2] World Bank. 2022. Country Partnership Framework for the Democratic Republic of Congo for the Period FY22–26.
[3] World Bank. 2023. Country-by-country Analysis and Projections for the Developing World. Sub-Saharan Africa
[4] World Bank. *Draft* May 2023. DRC Country Climate and Development Report (CCDR), based on data from World Bank. 2021. The Changing Wealth of Nations 2021: Managing Assets for the Future.

Development Goals (SDGs). DRC faces "major challenges" in achieving 14 of the 17 goals and is only on track to achieve two.[5] This is mainly because economic growth has been driven by megaprojects and Foreign Direct Investment in the extractive industries, with limited benefits to poor and vulnerable populations and limited linkages with the rest of the economy. In addition, the degradation of its renewable natural capital base has hindered the country's ability to generate sustainable wealth, including providing food, income, and essential ecosystem services to the population.

6. **Climate change adds to these challenges.** DRC is highly vulnerable to climate change, ranking 178 out of 182 on the 2020 Notre Dame Global Adaptation Index.[6] Climate change presents a systemic threat to agriculture and resource-based sectors, as well as to critical infrastructure investments in energy, transportation, and water. With the agriculture sector employing over 60 percent of the working age population, vulnerability to climate change related risks is substantial. The country's lack of planning exacerbates the impact of natural disasters such as floods, droughts, and landslides, leading to deteriorating infrastructure, outputs, and living conditions. Additionally, Fragility, conflict, and violence (FCV) may be intensified as climate change worsens disputes over scarce resources, reduces economic opportunities and social cohesion, and strains public institutions and trust in the state.[7]

7. **Notwithstanding these significant and persistent challenges, the country has a window of opportunity to enact critical reforms under the current administration.** The government, which was formed in the spring of 2021 with key ministerial positions confirmed in a March 2023 ministerial reshuffle, has shown commitment to a strong reform path and to addressing persistent challenges to growth and development. The Government of DRC has laid out its vision for the country's development and mapped out near term steps in the 2030 National Strategic Development Plan (PNSD). The PNSD outlines a vision for the country's development to become a middle-income country with a diversified and inclusive economy within the next two decades. The plan has five pillars: (i) human capital; (ii) good governance and peacebuilding; (iii) economic growth and diversification; (iv) territorial development and infrastructure; and (v) environmental protection, climate change, and sustainable development.

B. Sectoral and Institutional Context

8. **The DRC forests cover approximately 150 million ha and play a critical role in the provision of essential ecosystem services and livelihoods to some of the country's poorest and most densely populated areas.** These forests are part of the Congo Basin Forest, which is the second largest tropical rainforest in the world, and they cover two-thirds of DRC's vast territory. Forest health is essential for safeguarding a range of environmental services, including direct provisioning services like fuelwood collection, wild harvest food, and construction materials, as well as important regulating services such as microclimate regulation, water purification, and erosion control. Over 35 percent of DRC's population, or approximately 29 million people, are directly dependent on local natural assets for their livelihoods, and the remaining forests rank high in the provision of these services (Figure 1). In addition, Congolese forests and peatlands provide habitat for endemic species and are critical global carbon sequestration assets. They store the equivalent of 85 billion tons of CO_2, which is equal to about three years of global energy-

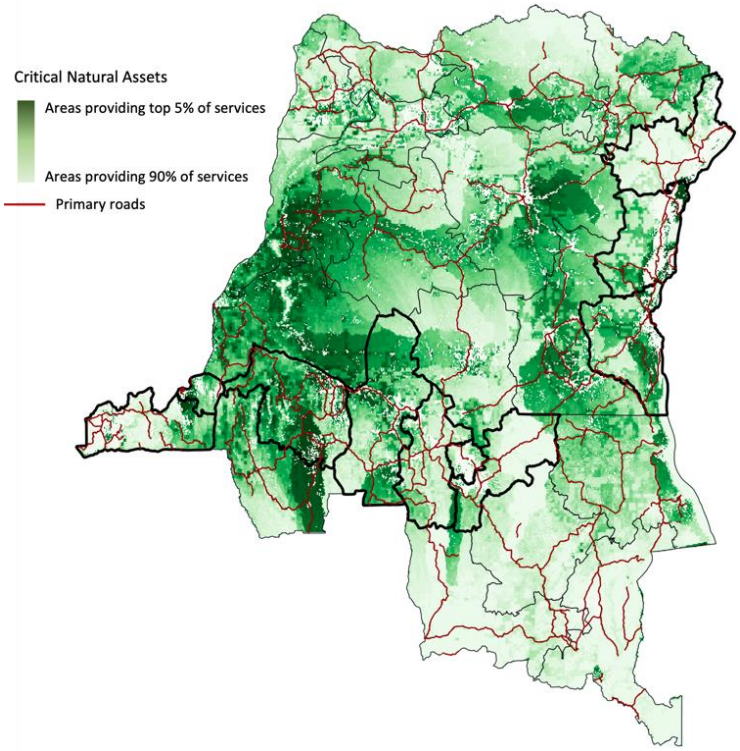
[5] Sustainable Development Report Dashboard – data extracted from Sachs et al., From Crisis to Sustainable Development: the SDGs as Roadmap to 2030 and Beyond, Sustainable Development Report, 2022

[6] Notre Dame Global Adaptation Initiative 2022. *https://gain.nd.edu/our-work/country-index/.*

[7] "Tackling the Intersecting Challenges of Climate Change, Fragility, and Conflict." *World Bank blogs*, January 27, 2021. https://blogs.worldbank.org/dev4peace/tackling-intersecting-challenges-climate-change-fragility-and-conflict.

related CO_2 emissions.[8] The possible destruction of these forests represents a significant threat to the global environment, as they are one of only a few remaining large rainforests in the world.

Figure 1. Critical Natural Assets in DRC[9]



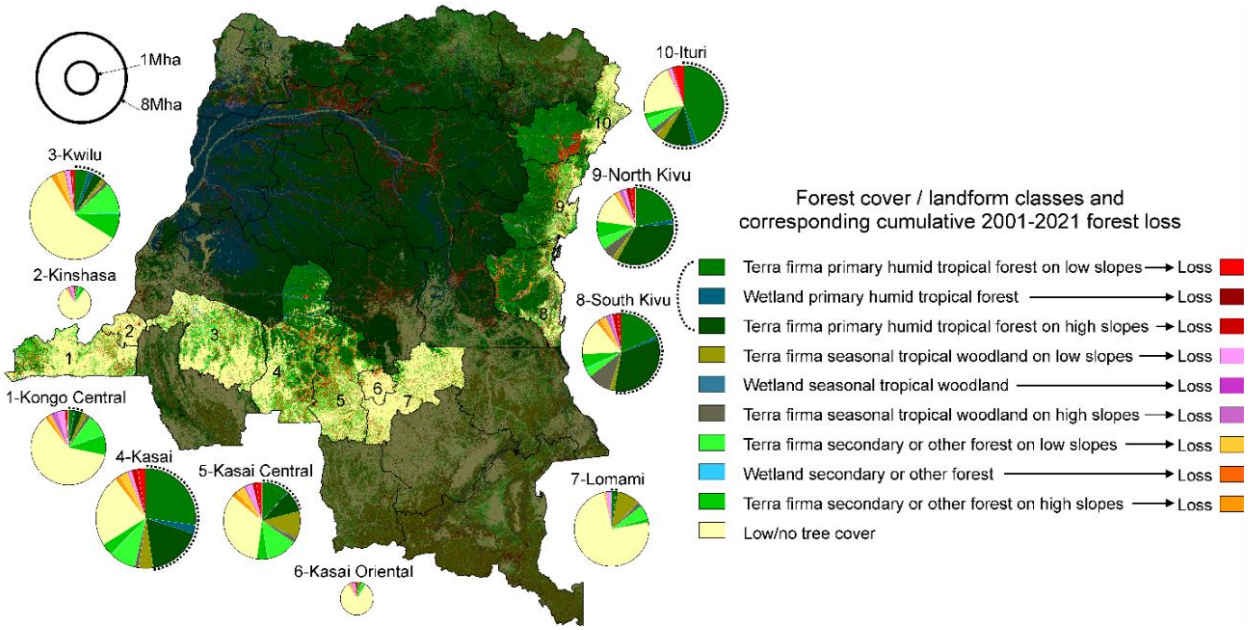
Source: Chaplin-Kramer, et al. 2022.

9. **Since 2000, DRC has lost approximately six million ha of primary rainforest—second only to Brazil.**[10] About 500,000 ha of primary forest were cleared in 2021 alone. Due to population growth, all of it could be lost by 2100.[11] Forest-related greenhouse gas (GHG) emissions, which account for roughly 90 percent of DRC's total GHG emissions,[12] make it the 12th GHG emitter globally. However, the country remains a key net carbon absorber due to its large standing forests.[13] Deforestation and land degradation also increase exposure to climate change impact for communities and systems, including crops, livestock, water systems, and infrastructure. They reduce the ability of forests to retain rainfall, recharge aquifers, and release water slowly into streams. Reliance on seasonal water sources and groundwater recharge leave populations vulnerable to increased variability in rainfall patterns and the impacts of land clearing

[8] Xu, L., S. S. Saatchi, A. Shapiro, et al. 2017 "Spatial Distribution of Carbon Stored in Forests of the Democratic Republic of Congo." *Scientific Reports* 7: 15030.
[9] Chaplin-Kramer, et al. 2022. "Mapping the Planet's Critical Natural Assets." Nature Ecology and Evolution. Critical Natural Capital is defined as the roughly 30 percent of the land and sea areas that provide 90 percent of local and global ecosystem services to the world's population.
[10] Global Forest Watch 2022. https://www.globalforestwatch.org/blog/data-and-research/global-tree-cover-loss-data-2021/.
[11] Tyukavina, A., M. C. Hansen, P. Potapov, et al. 2018. "Congo Basin Forest Loss Dominated by Increasing Smallholder Clearing." *Science Advances* 4: eaat2993.
[12] Climate Watch 2022. *https://www.climatewatchdata.org/ghg-emissions?source=CAIT*.
[13] Harris, N. L., D. A. Gibbs, A. Baccini, et al. 2021. "Global Maps of Twenty-first Century Forest Carbon Fluxes." *Nature Climate Change* 11: 234–240. https://doi.org/10.1038/s41558-020-00976-6.

on the environmental service of water regulation. Furthermore, forests offer protection from natural disasters, preventing landslides and flooding and reducing temperatures.

Figure 2. Forest Cover and Loss (2001-2021)[14]



Source: University of Maryland Global Land Analysis and Discovery (GLAD). 2023.

10. **A constantly growing local population that relies on shifting cultivation and harvesting trees for their livelihoods is the primary driver of deforestation and landscape degradation in DRC.** This includes subsistence and sale of foodstuffs and wood energy, with over 90 percent of people still depending on firewood and charcoal for cooking. Mining, road construction, and oil palm account for less than five percent of total primary forest loss.[15] Secondary forest loss has not significantly changed from 2000 to 2020, while regeneration has increased by 65 percent, reflecting the expansion of the rural complex[16] as primary forests are converted into shifting cultivation systems. Secondary forest dynamics are increasingly important in regions with reduced primary forests, such as Kongo Central, Kwilu, the Kasaïs, and Lomami provinces, which have extensive degraded forest environments and highly populated forest/savanna transition zones. In some provinces, only small patches of primary forest remain, resulting in shorter fallows for secondary forest recovery as populations grow. While some provinces are generally degraded, others have considerable within-province variation. Forest loss hotspots are found in the northern regions of the Kasaïs and the forests west of the main population centers of the Western Rift in Ituri, North Kivu, and South Kivu (Figure 2).

11. **Socioeconomic development is the key to addressing the underlying causes of deforestation in DRC and supporting the forest transition in the long term.** By promoting job creation and local private sector development, economic opportunities and alternative sources of income can be created, reducing

[14] A reference document linked to this PAD is available in the World Bank official records with the full findings of Forest Extent and Change in the Priority Provinces of the DRC Country Partnership Framework (CPF) for the period 2022-2026 (GLAD, 2023).
[15] Forthcoming research by the University of Maryland GLAD and Directorate of Forest Inventories and Management (DIAF).
[16] Rural complex is defined as inhabited cropland/fallow/secondary forest landscapes.

reliance on informal activities that harm forest resources. Investing in sustainable agriculture can lead to better farming practices and higher yields, reducing the amount of land needed for agriculture. Expanding access to electricity can reduce reliance on wood fuel, enable private sector development, and support agro-processing for the production of higher-value agricultural products. Improving transportation can boost trade and economic growth in nearby areas and, in turn, provide alternative livelihood opportunities for local communities. Finally, supporting stronger governance and transparency can improve the use of land and natural resources, leading to better protection of the forest, the promotion of sustainable development, and address drivers of fragility and conflict.

12. **Despite weak governance structures, DRC has demonstrated strong commitment to combating deforestation and addressing climate change through a combination of national programs and international cooperation.**[17] In 2012, DRC adopted a National Strategy for Reducing Emissions from Deforestation and Forest Degradation (REDD+) supported by an investment plan. Its objective is to stabilize forest cover on two-thirds of the country's land area by 2030 and maintain it thereafter. The investment plan provides a programmatic framework for implementing the strategy and has attracted significant donor financing.[18]

13. **Noteworthy efforts have been made toward mainstreaming REDD+ into the national policy framework.** These include the adoption of a National Land Use Planning Policy in 2020, which promotes a coordinated approach to planning and management and recognizes the importance of sustainable land use practices and the protection of the country's natural resources.[19] The adoption of a National Land Policy in 2021 further advanced the governance of land resources by promoting a comprehensive and secure land tenure system which recognizes sustainable land use and the customary rights of communities. A revision of the 1973 Land Law is under way.[20] To address deforestation caused by agriculture, a National Sustainable Agricultural Policy was recently adopted in 2023. It promotes sustainable agriculture in degraded savannah areas while conserving high conservation value (HCV) forests.[21] The government has also recognized the customary rights of IPs through a new law on the Promotion and Protection of the Rights of the Indigenous Pygmy Peoples promulgated in 2022. To strengthen the implementation of forest protection and management laws and transparency of the forestry sector, in 2022 the government has established a commission to review all forest concession contracts. In March 2023, the commission reached preliminary conclusions, including a timeline to complete the review.[22] To place government reform and action within a solid and consultative framework, the government has revised the mandate, constituency, and functioning of the National Forestry Advisory Council with the objective of enhancing transparency, representation, and efficiency in decision making. In addition, a National Energy Policy (pending adoption), aims to reduce the share of wood energy consumption in the energy mix. To mobilize climate finance and support the implementation of REDD+ and Nationally Determined Contribution (NDC) objectives, the government prepared an amended bill to

[17] IMF. 2023. *Democratic Republic of the Congo: Technical Assistance Report on Public Investment Management Assessment*.
[18] Based on publicly available information it is estimated that about US$750 million have been mobilized to date in the context of DRC's National REDD+ Investment Plan 2015-2020. A detailed assessment by FONAREDD is on-going.
[19] The Land Use Planning Law, which will translate the policy's principles and tools into primary regulation, is under consideration in Parliament.
[20] The revision of the 1973 Land Law and the approval of the Land Policy are, respectively, a milestone and an indicator under the Bank's Prevention and Resilience Allocation for DRC.
[21] Prior Action #7 under the Bank's $500 million second Development Policy Operation (DPO) on DRC Foundational Economic Governance Reforms (P179141) approved in March 2023 in support of critical economic governance reforms in DRC (P179141).
[22] Prior Action #6 under DPO P179141.

the 2011 Environmental Law, which was ratified by the National Assembly in April 2023.[23] This bill introduces a Carbon Market Regulatory Authority (CMRA) to organize the DRC carbon market.

14. **DRC has also made strong international commitments to address climate change and conservation issues.** In December 2021, DRC submitted a revised NDC to the Paris Agreement, increasing its 2030 GHG emissions reduction target to 21 percent and setting a specific reduction target for forest and other land use sectors, which account for 86 percent of the country's emissions.[24] However, the NDC target does not align with that formulated under the National REDD+ Strategy. DRC has also committed to restoring 8 million ha of degraded and deforested land by 2030 under the Bonn Challenge and protecting at least 30 percent of national spaces by 2030 under the Convention on Biological Diversity Framework. At the latest United Nations Climate Change Conference of the Parties (COP27), DRC reiterated its intent to build momentum as a solution country for climate change, leveraging its vast forest resources and hydropower generation potential for carbon sequestration and minerals for the clean energy transition.

15. **Implementing REDD+ in DRC is a challenging task that requires reform implementation, improved governance, and financing.** To effectively address the extent of the challenge posed by shifting cultivation and unsustainable wood harvesting, key priorities for DRC include scaling up investments in agricultural models that reduce pressure on forests and the provision of clean, affordable energy to reduce reliance on charcoal and other forms of wood sources. Additionally, improved sector governance is necessary to address the growing pressure from illegal logging and mining. More broadly, achieving deforestation objectives will require the country to balance the challenges, opportunities, and trade-offs associated with developing the economy, improving the security context, and generally improving the livelihoods of its people. This balancing act is particularly important as DRC works to develop land for agriculture, extractive activities, and infrastructure while also safeguarding its forested landscapes. The government's recent auctioning of 30 oil and gas blocks has raised concerns within the international community about potential overlap with the country's peatland protected areas,[25] highlighting the need for risk-informed and concerted development planning to achieve sustainable development goals while preserving natural resources.

16. **The National REDD+ Investment Plan has attracted support from a range of development partners for mitigating deforestation across different areas in the country**:

- **The World Bank has mobilized around US$130 million since 2010 through various trust funds to support the enabling environment for REDD+ and test new approaches to promote improved livelihoods from sustainable landscape management.** These programs have generated positive results and lessons, based on which the proposed scale-up is planned. One key World Bank project is the Improved Forested Landscape Management Project (IFLMP, P128887) implemented by the Ministry of Environment and Sustainable Development (MESD), through its Forest Investment Program Coordination Unit (FIP-CU), in several Western DRC provinces since 2015.[26] IFLMP (P128887) has achieved several milestones in DRC, including supporting the establishment of over 20,000 ha of community and private agroforestry plantations, the completion of nearly 600 local land use plans, the rehabilitation of over 450 km of feeder roads to restore connectivity in rural areas, and the

[23] Prior Action #8 under DPO P179141.
[24] Democratic Republic of Congo. 2021. Revised Nationally Determined Contribution.
[25] New York Times. 2022. "Congo to Auction Land to Oil Companies: 'Our Priority Is Not to Save the Planet'." July 2022.https://www.nytimes.com/2022/07/24/world/africa/congo-oil-gas-auction.html.
[26] IFLMP (P128887) implements activities in the provinces of Kinshasa, Kongo Central, Kwango, and Maï-Ndombe. It will close in May 2024.

distribution of over 85,000 more efficient cookstoves (Figure 4).[27] In addition, IFLMP (P128887) implemented the first Integrated REDD+ Programs (PIREDD) in DRC in the Mai-Ndombe Province, in partnership with the World Wildlife Fund (WWF). The Forest Dependent Communities Support Project (FDCSP, P149049)[28] has also played a critical role in supporting IPs and Local Communities representation in the national policy dialogue on REDD+ and in the development of Local Community Forest Concessions (CFCL) in the Kasaï region to secure the rights of IPs to manage their traditional lands and forest. In September 2018, the World Bank and DRC signed a landmark, first-of-its-kind Emissions Reductions Payment Agreement (ERPA), unlocking performance-based payments of up to US$55 million for emissions reductions achieved by IFLMP's (P128887) PIREDD investments in Mai-Ndombe Province. This large-scale transaction builds on a first pilot carbon deal between the World Bank's BioCarbon Fund and the Congo Ibi Batéké Carbon Sink Plantation Project (P096414).

- **The Central African Forest Initiative (CAFI) provides critical support to the National REDD+ Fund (FONAREDD), mobilizing nearly US$250 million since 2016.** CAFI-financed programs have supported PIREDDs in several provinces, including Equateur, Kwilu, Maniema, Mongala, Sud-Ubangi, Province Orientale (Bas-Uélé, Ituri, and Tshopo), and Mai-Ndombe.[29] These programs are implemented through a range of development partners, including the French Agency for Development (AFD), Enabel, the Food and Agriculture Organization of the United Nations, German Agency for International Cooperation (GIZ), Japan International Cooperation Agency (JICA), The United Nations Development Programme, United Nations Human Settlements Programme, UN Office for Project Services, and the World Bank.
- **There are other key partners in this area,** including the African Development Bank (AfDB), which supports another PIREDD in the Mbuji-Mayi/Kananga and Kisangani Basins (PIREDD MBKIS). Like IFLMP (P128887), PIREDD MBKIS is funded by FIP and implemented by FIP-CU, and its results in the central provinces will also be leveraged in the proposed scale-up. GIZ finances the Biodiversity Conservation and Sustainable Forest Management Project (BCSFM), which supports community-based forest management and conservation in Maniema and Sud Kivu. The United States Agency for International Development (USAID), through the Central Africa Regional Program for the Environment (CARPE), and the European Union (EU), through Global Europe, support larger land management and conservation programs in key forest landscapes and protected areas of DRC. WWF implements activities in North and South Kivu, addressing the issue of illegal exploitation of forests while also supporting farmers in establishing fast-growing woodlots.

17. **CAFI is also a key supporter of DRC's forestry reform agenda.** Its first Letter of Intent (LOI) with DRC for the period 2016-2020 committed the Congolese authorities to various policy milestones across different sectors including agriculture, wood energy, forests, mining and oil, land use planning, land tenure, population, and governance. A 2021 LOI aims to halt and reverse forest loss and land degradation by 2031. To support this objective, the LOI allocates US$500 million for financing priority interventions during 2021–2026.

[27] World Bank's video clip (2023) on IFLMP's (P128887) activities in Mai-Ndombe Province "*People-Centered Solutions to Forest Degradation in the Democratic Republic of Congo*" at *https://youtu.be/2IDWvwR_ojQ*

[28] FDCSP (P149049) is financed by the Dedicated Grant Mechanism (DGM) for Indigenous Peoples and Local Communities in the FIP (US$ 6 million) and benefitted from additional financing from CAFI (US$1.8 million). It was approved in 2016 and is set to close in June 2023.

[29] PIREDD Mai-Ndombe is implemented under IFLMP (P128887).

18. **A World Bank Development Policy Operation (DPO) series[30] also supports DRC's program of reforms on forest and climate change.** Through its third pillar, the DPO series backs critical reforms and measures for addressing the drivers of deforestation in DRC, with a focus on better governance in the forestry sector, development of sustainable agriculture, and climate finance mobilization. It also leverages engagements from other development partners, including CAFI's new LOI.

19. **As a pilot country, DRC is expected to receive additional support from the International Monetary Fund's (IMF) Resilience and Sustainability Trust (RST) in 2023**. This support will focus on addressing longer-term structural changes, including climate change, and strengthening the country's ability to withstand external shocks. The project's alignment with RST's goals will be bolstered by the greater economic and financial structures created through higher-level financing from the IMF.

C. Relevance to Higher Level Objectives

20. **The proposed Forest and Savanna Restoration Investment Program (FOREST) is designed to align with the WBG Twin Goals of eradicating extreme poverty and promoting shared prosperity.** The program applies the Green, Resilient, and Inclusive Development (GRID) framework,[31] which prioritizes supporting economic growth while ensuring the sustainability of natural resources, increasing the resilience of local communities and ecosystems, and recognizing the importance of governance, institutions, and policies in promoting sustainable development. To achieve these objectives, the project will implement key principles of the WBG's corporate strategies, including the WBG Climate Change Action Plan 2021–2025,[32] the 2020–2025 WBG FCV Strategy[33] and the FY16–23 World Bank Gender Strategy,[34] and support the Africa Regional Strategy.[35]

21. **The project supports the third focus area of the FY22-26 WBG Country Partnership Framework (CPF) for DRC[36] on strengthening economic governance for increased private sector investment as well as its first cross-cutting theme on climate and environment.** FOREST interventions will focus on seven provinces (out of the 10) targeted under the FY22-26 CPF where there is a growing population, high poverty rates, and a highly degraded environment with increasing pressure on forest resources. These targeted interventions can create economies of scale and maximize impact—leveraging the World Bank's operational engagements across sectors. The project will directly contribute to key CPF indicators, including land area under sustainable landscape management practice, revenue from forest carbon, and farmers adopting improved and climate-smart agricultural technology. FOREST will also contribute to the overall CPF objective of addressing drivers of fragility of conflict, including three FCV drivers identified in the 2021 Risk and Resilience Analysis (RRA)[37]—governance, non-diversification of the economy, and local conflict systems. The project aligns with priorities identified in the WBG 2018 Systematic Country Diagnostic (SCD), which seeks to leverage natural resources and agriculture, strengthen governance, and promote private sector involvement, as well as with the key IDA20 Special Themes of Climate Change,

[30] DRC Foundational Economic Governance Reforms. DPO1 (P177460) approved in June 2022 (US$250 million) and DPO2 (P179141) in March 2023 (US$500 million).
[31] World Bank. 2021. Green, Resilient, and Inclusive Development. World Bank, Washington, DC.
[32] World Bank Group Climate Change Action Plan 2021–2025: Supporting Green, Resilient, and Inclusive Development. World Bank, Washington, DC.
[33] World Bank Group Strategy for FCV 2020–2025. Washington, D.C.: World Bank Group.
[34] World Bank Group. 2015. World Bank Group Gender Strategy (FY16-23): Gender Equality, Poverty Reduction and Inclusive Growth. World Bank, Washington, DC.
[35] World Bank Africa Strategy for 2019–2023: Supporting Africa's Transformation. World Bank, Washington, DC.
[36] Report No. 168084-ZR, discussed by the Board on February 22, 2022.
[37] World Bank. 2021. DRC Risk and Resilience Assessment. Internal document, May 2021.

Gender and Development, and FCV. Additionally, the project responds to key sector opportunities identified for forestry in the 2022 Country Private Sector Diagnostic (CPSD).[38]

22. **The project is aligned with the Global Crisis Response Framework (GCRF)**,[39] particularly three of its four pillars. Through Pillar 1, which aims to respond to food insecurity, the project will support sustainable food systems—including for the vulnerable. Through Pillar 3, strengthening resilience, the project will increase resilience to a range of economic, social, and environmental challenges, and help to support the long-term sustainable development of the country. Finally, under Pillar 4, which focuses on strengthening policies, institutions, and investments to rebuild better, the project will support climate smart policies and incentives, domestic resource mobilization through climate finance, and institutional strengthening and capacity building on sustainable natural resource management.

23. **The proposed project will play a key role in strengthening the implementation of national strategies, policies, and international commitments on forest and climate change.** It is aligned with the 2019-23 National Strategic Development Plan, particularly Pillar 5 which supports climate action. The project will support the 2022-26 National Adaptation Plan which prioritizes climate resilience in the forest ecosystems and biodiversity and agriculture sectors. Additionally, it will advance the implementation of various policy developments and approaches stemming from the National REDD+ Strategy—on land, agriculture, forest, energy, IPs, and climate finance, as mentioned earlier. The project will also support the implementation of DRC's international commitments, including the NDC targets under the Paris Agreement, the 30 x 30 conservation target under the Convention on Biological Diversity Framework and the Bonn challenge on restoration.

24. **The proposed project aims to implement the key preliminary findings and recommendations of the forthcoming Country Climate and Development Report (CCDR) to scale up actions and financing for forest conservation.** This includes promoting sustainable intensification of agricultural production and improving climate-smart agricultural value chains to minimize slash-and-burn agriculture; increasing the production of sustainably sourced firewood and charcoal; accelerating the transition to clean and efficient cookstoves; and establishing robust Measurement, Reporting, and Verification (MRV) systems for climate-related outcomes to tap into climate finance associated with greenhouse gas (GHG) emission reductions.

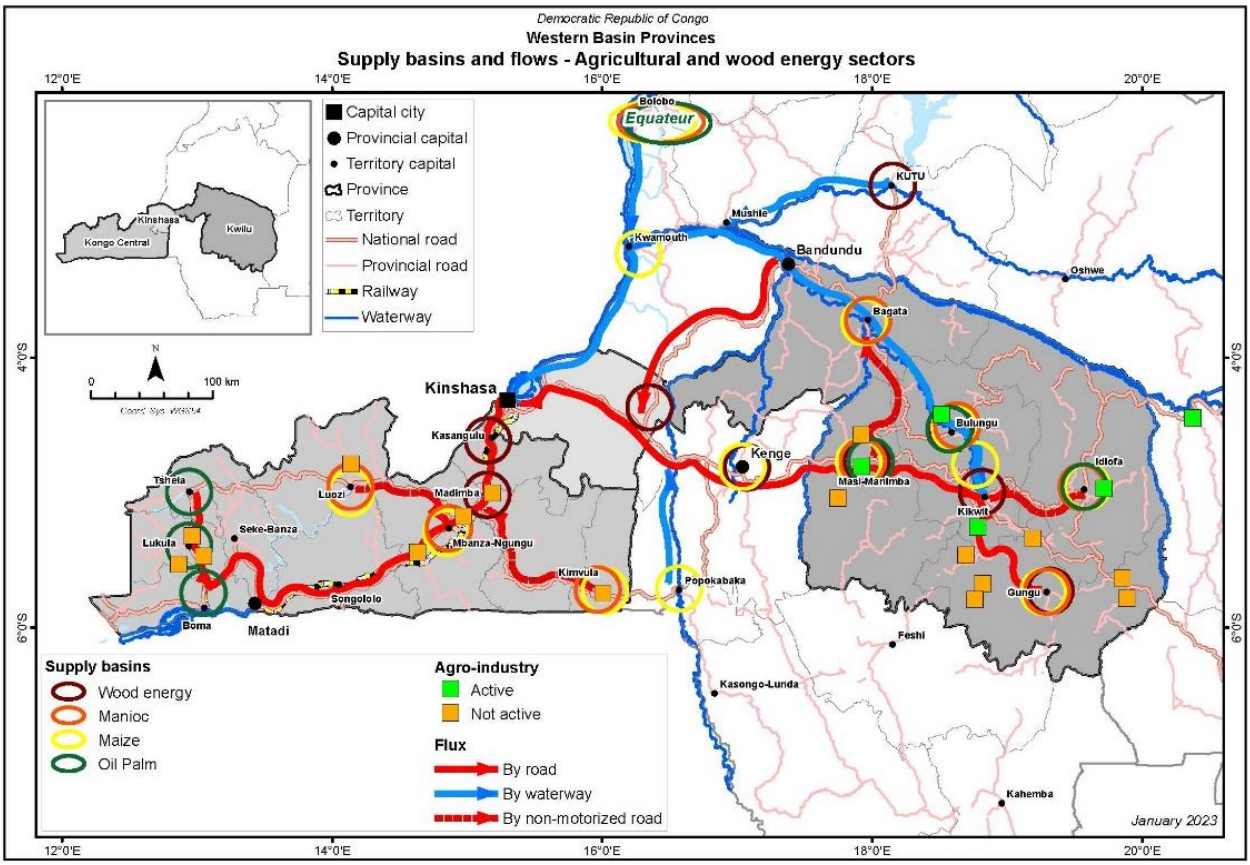
II. PROJECT DESCRIPTION

25. **DRC's forests are affected by a range of complex issues that cut across sectors.** Regions targeted by the proposed project are home to important urban centers that lead to growing demand for agricultural and forest commodities such as cassava, maize, or palm oil and for wood (energy and timber). This demand is, in turn, driving an increasingly unsustainable production model and is one of the main drivers of deforestation and degradation of forests and habitats. Poverty and lack of economic opportunity in the more remote provinces also contribute to the unsustainable rates of extraction and production. Figure 3 illustrates the flow of products in the Western Basin. Given the pressures from the demand and supply sides, it is essential to address the methods of production and the full value chains for a range of commodities that affect the forest and savanna environments and contribute to their

[38] World Bank. 2022. Country Private Sector Diagnostic: Creating Markets in The Democratic Republic of Congo - Putting Natural Resources to Sustainable Productive Use. Washington, D.C.: World Bank Group.
[39] Navigating Multiple Crises, Staying the Course on Long-term Development: The World Bank Group's Response to the Crises Affecting Developing Countries (English). Washington, D.C.: World Bank Group.

unsustainable extraction. Ensuring food security in the region while modifying the production model is an additional—and overarching—concern.

Figure 3. Flow of Agricultural and Fuelwood Products in the Western Basin [40]



Source: World Bank. 2023. Forest Economy Value Chains in the Supply Basins Targeted by the Project.

26. **There are opportunities to expand current agroforestry and forestry investments, supplying high-demand local markets with more sustainably produced goods.** To sustainably improve agricultural productivity, both the National REDD+ Strategy and new National Sustainable Agricultural Policy promote the relocation of agricultural activities to vast degraded savanna areas with potential for intensive agriculture, particularly near urban centers and main roads. Agroforestry is a promising approach to improving the fertility of degraded savanna soils and diversifying income streams, especially through fuelwood production. However, its development in these areas faces several obstacles, including delayed profitability (break even after around six years, and at least 10 for reforestation), which makes it challenging to secure financing, as commercial loans in DRC usually have a three-year limit with high-interest rates; unclear land use and tenure, which can make it difficult for farmers to secure long-term access to land for plantations; limited market access, which can make it difficult for small-scale farmers to find buyers for their products; and lack of awareness and expertise, which may lead communities to perceive savanna value chains as a risk to food security. To create more sustainability for food and wood value chains, it is essential to develop new economic models that integrate communities, small

[40] A reference document linked to this PAD is available in the World Bank official records with the findings of the study on Forest Economy Value Chains in the Supply Basins Targeted by the Project.

landowners, and private operators throughout the supply chains, including tree nurseries, agroforestry plantations, and processing units. In areas where land is less available, landscape restoration could be prioritized, including tree planting to combat soil erosion or the protection and conservation of landscapes to promote natural regeneration. In forested areas, CFCL and designating certain areas as HCV, such as primary forest galleries or Miombo savanna woodlands, can be used to maintain biodiversity and ecosystem services while supporting local livelihoods as part of conservation efforts.

27. **To complement these efforts, a demand-side approach is required to support DRC's transition to cleaner and more efficient cooking fuels and technologies**. Currently, over 95 percent of households in DRC rely on biomass for cooking,[41] and many businesses, including bakeries, breweries, and restaurants, also rely on firewood and/or charcoal for their energy needs.[42] Improved and clean stoves are primarily available in Kinshasa, where 12 percent of households use them. They are generally more expensive than traditional stoves, and financing solutions for consumers to cover upfront costs are limited. There is also low awareness among consumers about the benefits of improved cookstoves, and local production remains largely artisanal with lower performance products. Limited financial resources and low technical and business skills constrain local companies from scaling up production and product quality. Liquefied Petroleum Gas (LPG) is currently not a viable energy solution for most households due to high switching costs, and only one LPG operator provides stoves and fuel in Kinshasa, with limited outreach to surrounding provinces. Non-financial barriers such as insufficient network for reliable supply and cultural preferences also determine the patterns of household energy use. Modernizing the biomass fuel sector, upgrading cookstove technologies and industries, and promoting access to modern energy cooking services are necessary to achieve affordable and clean energy access while addressing issues of deforestation and disease associated with household air pollution.

28. **Concurrently, the Congolese authorities need assistance in strengthening sustainable natural resource management, both at the policy level and on the ground, as well as for mobilizing resources to sustain and expedite ongoing efforts.** The comprehensive reforms initiated under the broader National REDD+ Strategy framework are still in progress, and several key policies and measures require further development and road-testing at the local level. Land use planning is at the forefront of efforts to enhance governance and management of natural resources, and collaboration with communities and all stakeholders is critical to effectively addressing the trade-offs between economic growth, improved livelihoods, and conservation of resources. On the financing front, results-based climate finance (RBCF) and carbon finance are becoming attractive mechanisms for sustainable financing. This presents an opportunity to secure funding for the long-term management of ecosystem services. It is therefore critical that authorities build their capacity and the technical and regulatory frameworks for measurement, reporting, and valuation tools and methods to ensure that realistic incentives can be provided to communities for the protection of these services.

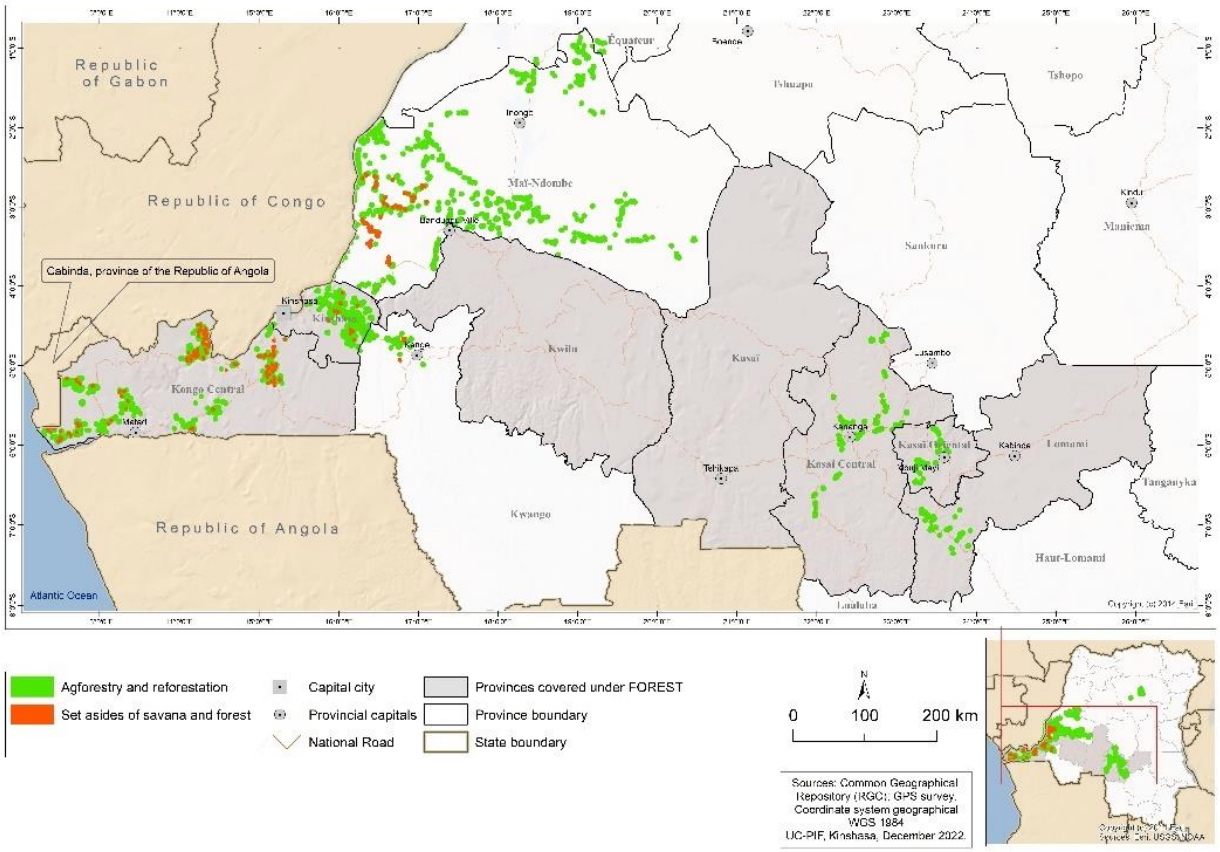
29. **The proposed FOREST operation will scale up the landscape investments initiated by MESD's FIP-CU since 2015 through IFLMP (P128887) and PIREDD MBKIS in the context of the National REDD+ Investment Plan.** The project will be implemented in seven provinces, including Kinshasa, Kongo Central, and Kwilu in the West, as well as Kasaï, Kasaï Oriental, Kasaï Central, and Lomami in the Center. The project will benefit from FIP-CU's extensive experience implementing similar activities in these regions through IFLMP (P128887) and PIREDD MBKIS (Figure 4), as well as its strategic anchoring and knowledge of local

[41] World Bank Open Data. Access to clean fuels and technologies for cooking (percentage of population) - DRC. https://data.worldbank.org/indicator/EG.CFT.ACCS.ZS?locations=CD

[42] French Agricultural Research Center for International Development. 2020. Study report on domestic energy consumption by households in Kinshasa.

authorities, communities, and stakeholders. This will ensure timely and effective deployment of operations throughout the targeted provinces. To ensure an integrated approach to addressing drivers of deforestation while safeguarding the needs of forest-dependent communities, FOREST will use a landscape approach in its design. The importance of using a landscape approach has been recognized in DRC, where an '*Approche Territoriale*' is recommended in various national policies, including those addressing land use, property rights, agriculture, and sustainable forest management reforms.

Figure 4. Landscape investments implemented by FIP-CU (MESD) in the Western and Central Basins[43]



Source: FIP-CU

30. **A seven-year timeline is proposed for the implementation of the project.** It will take a minimum of five to six years for agroforestry systems to yield full economic benefits, as it is only then that the trees can be harvested for charcoal. The seven-year implementation period will allow the project to support beneficiaries throughout the business cycle of the supported agroforestry systems, including downstream investments and preparation for a second business cycle. IFLMP's (P128887) experience has shown that it is crucial to support the community throughout this period to ensure that the plantations are maintained and protected against fire and to equip beneficiaries with the necessary knowledge and skills

[43] Landscape investments in Kongo Central, Kinshasa and Kwango were implemented under IFLMP (P128887) over the period 2016-2019. Investments in Mai-Ndombe were implemented under IFLMP (P128887) in 2016-2019 (PIREDD Plateaux) and 2019-2022 (PIREDD Mai-Ndombe). Investments in Kasai Central, Kasai Oriental and Lomami were implemented in 2020-2022 under PIREDD MBKIS (AfDB).

to promote the regrowth of crop trees on their land. Additionally, the seven-year timeline is aligned with the long-term effort required for organizational change and the dissemination of robust natural resources management practices. It will also enable the project to support institutionalization change, ensuring that capacities are strengthened, and knowledge developed in a sustainable manner that will have a lasting impact.

A. Project Development Objective

PDO Statement

31. **The Project Development Objective (PDO) is to improve forested landscape management and enhance community livelihoods in selected project areas.**

32. **The PDO points to two key factors within the overall long-term objective of conserving forests in DRC which are of local, national, and global significance.** First, the efforts at conserving forests for their inherent value, ecosystem services, and GHG mitigation must be undertaken under a larger landscape approach, which recognizes the range of forces at work, including agriculture, energy and other economic sectors, land and community rights, and ecological value and impact. Second, the work that is undertaken must recognize the importance of communities and improve livelihoods.

33. **The proposed project components are integrated through a holistic approach** that involves communities in forest and land management, revitalizes degraded forests, creates new economic opportunities, focuses on land use and property rights, and introduces innovative approaches to agriculture, timber, and fuelwood value chains—all aimed at ensuring greater sustainability in the long term. Supporting clean cooking can also accelerate the country's transition away from wood energy, while also providing livelihood benefits such as improved health, increased productivity, and job opportunities.

PDO Level Indicators

34. Progress toward the PDO will be measured through the outcome indicators shown in Table 1.

Table 1. Outcome Indicators

No.	Indicator	Baseline	End Target
To monitor forested landscape management improvement			
1	Land area under sustainable landscape management practices (Ha)	0	640,000
To monitor community livelihoods enhancement			
2	People with improved benefits from forested landscapes (disaggregated by gender; youth; IPs)	0	1,200,000 (400,000; 400,000; 50,000)
3	People provided with new or improved access to clean cooking solutions (Number)	0	2,500,000

Cross-cutting considerations

35. **Climate change.** The project's support for land-use planning in DRC will contribute to the reduction of GHG emissions, low carbon development, and increased climate resilience in several ways. By identifying landscape areas of high conservation value where there is a need for increased implementation of sustainable land use practices like agroforestry or community forestry, land use planning will help increase carbon sequestration potential and ecosystem's value of forests and promote conservation of soil carbon and reduction of soil erosion, preservation of biodiversity, and water conservation mechanisms for enhanced land productivity. This will support the development of climate-resilient landscapes by further identifying degraded land for restoration and the scale up of climate-resilient agricultural practices. The project will work with local communities and authorities to monitor implementation, thereby enhancing local governance of natural resources and identification of climate adaptation options in the project area. The project's investments in small-scale agroforestry and reforestation can increase the verification and monetization of carbon sequestration and storage practices, providing alternative income sources to locals while reducing reliance on deforestation. In addition, supporting sustainable economic value chains for production of charcoal can reduce demand for biomass energy produced from unsustainable sources. The project will support efficient techniques and technologies for low carbon emission charcoal production, reducing GHG emissions.[44] Promotion of improved and clean cookstoves will reduce the amount of charcoal needed for cooking or substitute for less GHG-emitting fuels, reducing vulnerability and supporting household health benefits. Finally, the project will support systems and transparency tools for monitoring GHG emissions, policies for results-based financing, and climate action.

36. **Maximizing Finance for Development.** The project is in line with key recommendations of the DRC CPSD[45] and aims to maximize finance for development including in coordination with the International Finance Corporation (IFC). Private sector growth and mobilization of private capital are essential to the project's strategy for sustainable development in the forest economy. The project will provide result-based grants to help small private landowners and small and medium-sized enterprises (SMEs) overcome financial barriers that prevent investment in agroforestry and reforestation, complementing IFC's efforts to develop private investment in the agribusiness value chain. Additionally, the project seeks to support the development of innovative and affordable clean cooking technologies in DRC, which, in conjunction with IFC's engagement in the LPG supply chain, will accelerate the country's energy transition away from charcoal. Finally, the project will build the capacity of local market players, including forestry firms, agribusinesses, and local banks, to develop carbon markets in DRC and attract private carbon project promoters, paving the way for future engagement by IFC in this area.

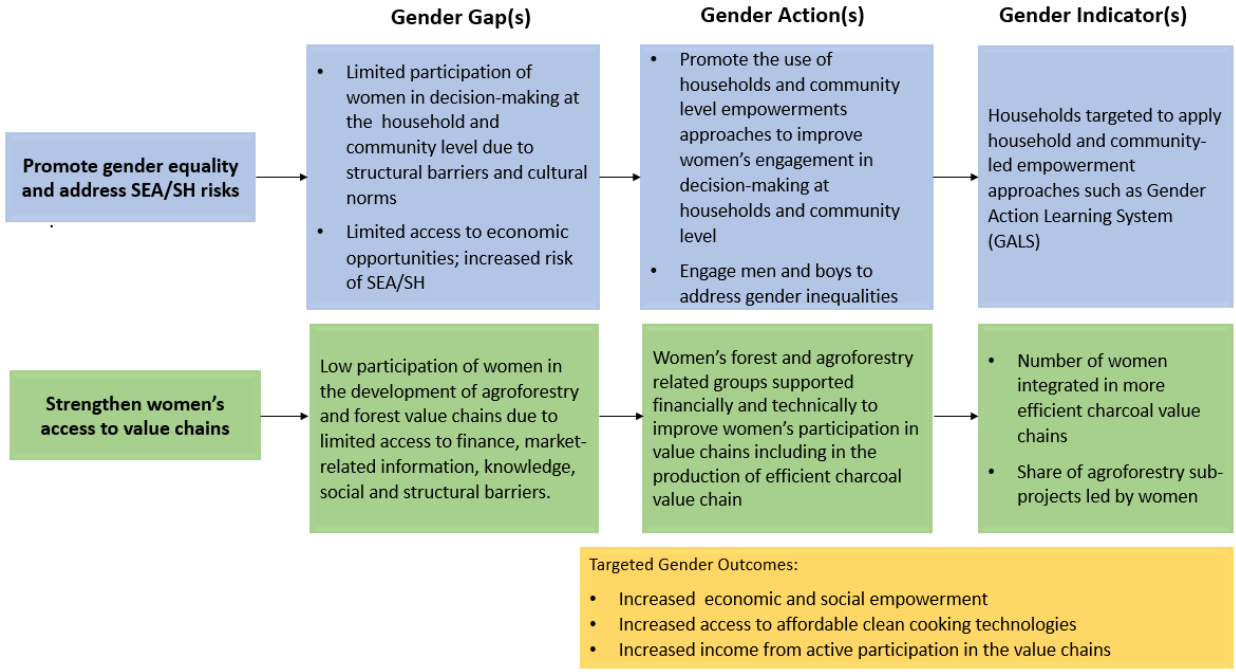
37. **Gender.** DRC ranks 175 out of 178 countries on the 2021 UN Gender Inequality Index, with women's human development at about 84 percent of men. Girls and women in DRC face significant

[44] Schure J., Pinta F., Cerutti P. O., Kasereka-Muvatsi L., 2019. Efficiency of charcoal production in Sub-Saharan Africa: Solutions beyond the kiln. Bois et Forêts des Tropiques, 340: 57-70. Doi : https://doi.org/10.19182/ bft2019.340.a31691. The article explains that improving efficiency of the carbonization process is one of the interventions that can have high potential gains in saving wood input and reducing GHG emissions. Improved Charcoal Production Systems can increase dry basis efficiencies up to 30 to 35%, as compared to average 13-15% of earth kilns, and reduce emissions by up to 75% compared to traditional earth kilns.

[45] IFC. 2022. *Country Private Sector Diagnostic. Creating Market in the Democratic Republic of Congo. Putting Natural Resources to Sustainable Productive Use*.
https://www.ifc.org/wps/wcm/connect/publications_ext_content/ifc_external_publication_site/publications_listing_page/cpsd-democratic-republic-of-congo.

disadvantages in empowerment, health services, education, and employment. Gender-based violence (GBV) is also prevalent, with 52 percent of women aged 15-49 experiencing physical violence and 27 percent experiencing sexual violence, particularly during humanitarian crises. A summarized in Figure 5,[46] the project's Gender Action Plan aims to narrow gender gaps in accessing economic opportunities, natural resource management, and ownership of assets to strengthen women's role and autonomy and increase community resilience. The Gender Action Plan is aligned with the strategic axes of the DRC National Gender Policy.

Figure 5. Gender Gaps Addressed Through Project Activities and Indicators



B. Project Components

38. **The proposed FOREST project builds on the World Bank's extensive experience in supporting and collaborating with DRC in the forest and climate sectors. The project will focus on scaling up agroforestry and other activities that have proven successful in enhancing the institutional and technical capacity for sustainable management of forest resources**. The project considers lessons learned from the ongoing IFLMP (P128887), FDCSP (P149049) and ERPA (P160320). These projects have implemented activities in a diversity of locations, including Mai-Ndombe province, a deforestation hotspot, where activities have focused on protecting existing forests to prevent further deforestation, and highly degraded provinces closer to Kinshasa where activities have focused on landscape restoration and improved cropping methods. These issues reflect many of the challenges faced in the seven provinces targeted by the FOREST project. The proposed implementation arrangements are also based on past and ongoing experience. The project will prioritize decentralized modalities, which means that local community operators and technical services will be leveraged as much as possible in the field. This approach has been shown to be effective in other projects and will help to ensure that the project is

[46] A reference document linked to this PAD is available in the World Bank official records with the full details of the project's Gender Action Plan.

tailored to the specific needs and circumstances of each province. By engaging and empowering local communities, the project can achieve more sustainable and equitable outcomes while building local capacity for forest management and livelihood improvement. The key lessons learned and factors that the project aims to strengthen are summarized in section II. F.

39. **The proposed project will have the components and budget as shown in Table 2.**

Table 2. Components and Costs

Components	Budget (US$, millions)	
	IDA	ESMAP TF
1. Improved Land use Planning and Governance for Natural Resource Management in Selected Project Areas	**17.0**	**0.0**
1.1. Support to enhanced land use planning in targeted Provinces	*8.0*	*0.0*
1.2. Support to land use planning and tenure at the village level	*6.0*	*0.0*
1.3. Capacity Building for Improved Environmental & Social Risk Management	*3.0*	*0.0*
2. Development of Agroforestry and Forest Value Chains for Sustainable Landscape Management and Improved Livelihoods	**215.0**	*0.0*
2.1. Agroforestry and reforestation value chains development in degraded savanna areas	*150.0*	*0.0*
- *2.1.a. Support to smallholder farmer communities*	*100.0*	*0.0*
- *2.1.b. Support to private sector investments*	*50.0*	*0.0*
2.2. Landscape restoration and protection	*20.0*	*0.0*
2.3. Support to sustainable value chains and alternative livelihoods in forested areas including through community forestry	*25.0*	*0.0*
2.4. Road rehabilitation for enhanced market access	*20.0*	*0.0*
3. Development of Sustainable Value Chains for Energy and Efficient Cooking	**15.0**	**10.0**
3.1. Capacity building for transition to more efficient charcoal production	*5.0*	*0.0*
3.2. Support for transition to more efficient energy and cleaner cooking solutions	*10.0*	*10.0*
4. Enhanced and Innovative Approaches to Measurement, Reporting and Verification and Result-Based Climate Financing	**13.0**	*0.0*
4.1. Support for MRV of forest data and GHG results	6.0	*0.0*
4.2. Support for accessing results-based climate finance, carbon finance and other mechanisms for sustainable financing	7.0	*0.0*
5. Project Implementation and Monitoring and Evaluation	**30.0**	***0.0***
	290.0	**10.0**
Total	**300.0**	

Component 1: Improved Land use Planning and Governance for Natural Resource Management in Selected Project Areas (US$17 million)

40. The project aims to support the seven targeted provinces in developing comprehensive land use plans at all administrative levels with a focus on sustainable development and safeguarding forest

ecosystems. This process will involve engaging authorities and communities to collaboratively define a spatial vision for local development that balances economic opportunities, livelihood interests, and conservation of key natural resources. To strengthen local governance and management of natural resources, the administration, its decentralized technical services, and local stakeholder platforms will be supported in monitoring the implementation of the plans throughout the project's lifetime. These activities will also contribute to informing the ongoing land reform in DRC, including the preparation of the National Land Use Plan and the recognition of local customary tenure and rights in national legislation. This component contributes to GCRF Pillars 2: Protecting People and Preserving Jobs, 3: Strengthening Resilience, and 4: Strengthening Policies, Institutions and Investments for Rebuilding Better.

Subcomponent 1.1: Support to land use planning in targeted Provinces (US$8 million)

41. The project aims to provide support to provinces and their decentralized territorial entities[47] in carrying out the technical work and participatory processes necessary for the development of land use plans. With the support of FIP-CU and technical assistance providers, the project will support local authorities, relevant ministries (including Land Use Planning, Environment, Rural Affairs) and work with other development programs active in the same areas to develop seven provincial-level plans and 36 territorial plans. The project will ensure the appropriate representation of all stakeholders throughout the process, including vulnerable groups. The support provided by the project will include:

- Establishment or strengthening of (i) Rural Agricultural Management Councils (CARG) and other collaboration platforms for dialogue between stakeholders; and (ii) provincial level advisory boards, such as Provincial Forest Advisory Councils, to inform decision-making by provincial authorities.
- Macro-zoning and other mapping activities to collect and analyze data on ecosystems (such as vegetation, biodiversity, peatlands, and carbon) and identify land use and related patterns (such as agriculture, forestry, hunting, harvesting) and community conservation areas.
- Prospective studies on development opportunities and challenges in key economic sectors, considering their impacts on ecosystems and long-term climate resilience. Specific analyses will help identify specific priorities on gender and other vulnerable groups.
- Preparation and registration of the land use plans, including stakeholder engagement and awareness activities.
- Strengthening the capacity of the national authorities (including Land Use Planning, Environment, Agriculture and other relevant areas), their decentralized technical services, and Provincial governments to register the plans and monitor their implementation, including the management of overlapping conflicts and other governance issues.
- Providing technical support to national authorities to inform policy developments on land use planning and natural resources governance.

Subcomponent 1.2: Support to land use planning and tenure at the village level (US$6 million)

42. The project aims to provide support for land use planning in around 1,000 villages across the seven provinces. During the preparation phase, priority areas have been identified within a 25km radius of national roads (refer to Figure 7 for detailed pre-screening).[48] These areas are critical sources of firewood, charcoal and foodstuff for the main urban centers of the targeted provinces. The village-level land use

[47] *'Entités Territoriales Décentralisées'* include town, municipality, sector, and chieftaincy.

[48] A reference document linked to this PAD is available in the World Bank official records with the full findings of the analysis on Pre-screening of Potential Village Territories for Land-Use Planning Activities.

plans, known as Simple Land Use Plans (PSAT),[49] will consider local customary practices and governance systems. They will provide a collective vision of sustainable local development and natural resource management over a 10-year timeframe. Local community operators (referred to as Local Implementing Agencies (LIA)) will be recruited to support local communities, technical services, and other stakeholders in developing and monitoring the PSATs over time. To ensure alignment with higher-level plans (such as the provincial plans), the PSATs will be registered with provincial authorities. PSATs will also help identify the most appropriate location for investments under Component 2 in a participatory manner. The following activities will be supported:

- Establishing or strengthening of effective Local Development Committees (CLD) in each village,[50] and conducting awareness activities on natural resources governance with all other relevant local entities, including farmer associations, women's associations, groups supporting IPs, and the private sector.
- Preparation and registration of PSATs, through consultation, obtention of Free Prior and Informed Consent (FPIC), conducting multi-resource inventory (including identification of HCV forests), participatory zoning (including conflict prevention) with identification of different land uses. IPs develop their own plans in agreement with the broader local communities.
- Regular monitoring of PSAT implementation by authorities, local technical services, and the communities themselves.
- Technical assistance to LIAs, including for strengthening their capacity on geo-localization, environmental and social standards, gender, and other aspects crucial to achieving the project's objectives.

43. Additionally, the project will road-test community-based land administration tools promoted under the ongoing land reform—working with the National Commission for Land Reform (CONAREF)[51] — to strengthen the tenure of land and natural resources in one pilot province.[52] Based on the experience generated under the pilot, a rollout to other provinces will be considered. The following activities will be supported:

- Establishment of a land commission within CLDs with due representation of all stakeholders.
- Creation of a land registry held by the commission. The register will record locally critical information for land management, such as land plots (geolocated), land rights, natural resources rights (such as for gathering, fishing, or hunting), rights holders, and the relationships that bind them. The project will aim to establish an operational land registry in 80 percent of the villages supported in the pilot province.

[49] '*Plan Simple d'Aménagement du Territoire*' (PSAT) as further described in the Guide for the Development of Participatory Mapping for Villages and Territorial Entities (Ministry of Land Use Planning 2021).
[50] All adults in the village will be members of the CLD, and main interest groups, especially women and IPs, will be represented on CLD boards.
[51] *Commission Nationale de Réforme Foncière.*
[52] The land sector in DRC is governed by the 1973 Land Law, which has not been revised since 1980. In 2012, the Government launched a land reform process during which broad consultations were conducted in all provinces of the country. The ongoing land reform has produced a national Land Policy approved in 2022 and a draft revision of the Land Law (under review by Parliament) in which the concept of participatory community-based land administration tools has been defined (Draft Land Law, Article 388).

- Preparation of a land charter for natural resources governance, clarifying specific customary rules at the local level regarding the use and protection of natural resources.

Subcomponent 1.3: Capacity building for improved environmental & social risk management (US$3 million)

44. Activities under this subcomponent will provide capacity building to the MESD, its affiliated agencies, and other relevant administrative entities mandated to monitor environmental compliance in key economic sectors in the project area.[53] The objective will be to achieve better protection and management of forest resources by promoting good environmental management practices within these sectors. Activities will support:

- Conducting regulatory and institutional capacity assessments focusing on the gaps in environmental management in relevant institutions and developing comprehensive training programs to promote good practices for the different sectors and institutions targeted.
- These programs will cover capacity building on the review/monitoring of Strategic Environmental and Social Assessment for new sectoral policies; Environmental and Social Impact Assessment (ESIA) and environmental audits and surveys of companies; and the development of tools to mainstream climate change risks and biodiversity aspects into environmental assessment and management.
- Supporting select universities to design and deliver quality short courses, degree-level national learning programs and internships to professionals, students, and faculty members to build capacity in environmental management over the longer term.
- Technical assistance to the Network of Indigenous and Local Populations for the Sustainable Management of Forest Ecosystems (REPALEF) to develop strong practice manuals that fully integrate IPs in the development of national guidelines and instruments for environmental and social impact assessment and management. These manuals will serve as reference materials to ensure the effective participation of IPs in the assessment process.

Component 2: Development of Agroforestry and Forest Value Chains for Sustainable Landscape Management and Improved Livelihoods (US$215 million)

45. Leveraging the experience and results under IFLMP (P128887), this component will facilitate various landscape investments by smallholder farmer communities and the private sector, thereby reducing the pressure on fragile ecosystems of the forest-savanna mosaic areas targeted under the project. Eligible sub-projects under Component 2 will include agroforestry and reforestation (targeting 120,000 ha of new plantations), landscape restoration and protection (270,000 ha), and community forestry (250,000 ha). This component contributes to GCRF Pillars 2: Protecting People and Preserving Jobs, 3: Strengthening Resilience, and 4: Strengthening Policies, Institutions and Investments for Rebuilding Better.

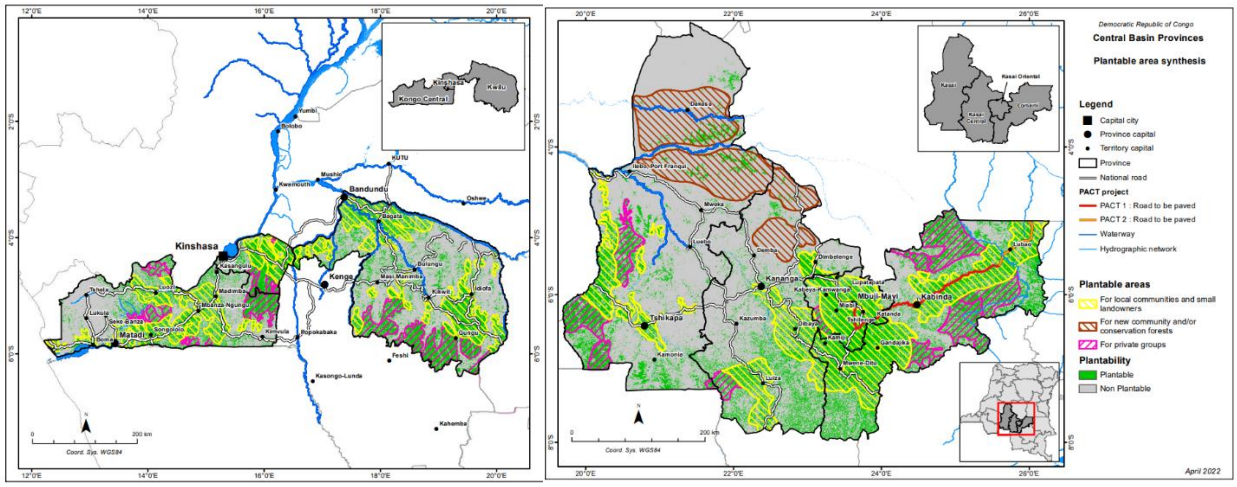
46. A major focus of the project will be to develop value chains for various food and market crops, supporting stakeholders to organize their groups and invest in product processing, conservation, and marketing. Targeted activities for underserved groups, such as women, youth, and indigenous

[53] Including, but not limited to, the Congolese Environmental Agency (*Agence Congolaise de l'Environnement*, ACE), Directorate for the Protection of the Mining Environment (*Direction de la Protection de l'Environnement Minier*), Ministry of Hydrocarbons, the Congolese Institute for Nature Conservation (*Institut Congolais pour la Conservation de la Nature*, ICCN), and Provincial Environmental Committees.

communities, will address existing gaps, particularly in relation to their role in production, processing, or marketing approaches.

47. Figure 6 provides an indicative analysis of the potential for landscape investments in the project area.[54] During the preparation phase, various studies, market surveys, and identification missions were also conducted to identify the most promising value chains and evaluate local community operators that could participate in the implementation.

Figure 6. Potential for landscape investment in the West (left) and Central (right) Basins[55]



Source: World Bank. 2022. Estimates of Cost and Impact for Various Landscape Investments in the Provinces Targeted by the DRC CPF 2022-2026

48. To ensure the long-term sustainability of the support economic models, the project will implement activities through performance-based contracts with all beneficiaries, including communities and the private sector. These contracts will establish clear performance metrics and incentive structures, incorporating both financial and non-financial incentives, as well as the beneficiaries' own contribution. Payment for environmental services (PES) will be utilized to incentivize the continued adoption of improved practices until investments become mature and profitable. The project will collaborate with decentralized technical services, including in the environment and agriculture sectors, to support monitoring and evaluation efforts.

Subcomponent 2.1: Agroforestry and reforestation value chains development in degraded savanna areas (US$150 million)

49. This subcomponent will promote community and private agroforestry and reforestation activities in degraded savanna areas, providing a sustainable alternative to harmful practices such as slash-and-burn agriculture and unsustainable wood collection. By carefully developing sustainable agriculture in these heavily used savanna areas, the project expects to create a reliable source of food and wood products while easing the pressure on surrounding forests and, where applicable, fragile savanna

[54] Determined combining criteria on the availability of the areas (i.e., not assigned to any specific usage, near large cities and major roads and waterways (>25km), with a gentle slope) and their operability (i.e., presence of local NGO operators, number of households likely to be mobilized, etc.).

[55] A reference document linked to this PAD is available in the World Bank official records with the full findings of the study on Estimates of Cost and Impact for Various Landscape Investments in the Provinces Targeted by the DRC CPF 2022-2026.

ecosystems such as the Miombo woodlands. The establishment of plantations is also expected to help create an environment that is more conducive to the return of and non-timber forest products (NTFPs) and game.

50. To achieve these objectives, the project will support a variety of plantation investments, including:

- Intercropping agroforestry systems that involve fast-growing trees such as acacia and/or local species like Maesopsis, in combination with annual crops like cassava and maize. These systems aim to improve soil fertility and rehabilitate degraded soils in savanna lands while providing a sustainable supply of fuelwood for charcoal production.
- Perennial agroforestry systems that promote sedentary farming as an alternative to slash-and-burn itinerant practices. This includes fruit trees such as banana and avocado for food diversification, oil palm, and other oleaginous fruits/seeds to meet the communities' lipid needs. Moreover, cash crops like coffee and cocoa can enhance and diversify income for communities. Caterpillar trees can help restore soil health and biodiversity while increasing the supply of protein for local communities and markets.
- Timber plantations that provide sustainable wood products for local markets. Meeting the population's timber supply needs has become increasingly challenging due to the depletion of dense forests in the two basins, especially in the West. While timber plantations in degraded savannas require significant investments for returns in the medium to long term and are often more suited to the private sector, agroforestry based on teak or Maesopsis can offer communities an alternative with economic benefits in a shorter timeframe.

51. To diversify agroforestry models and promote the use of local, fast-growing tree species to enhance sustainability, the project will support research and development (R&D) programs–including thesis and/or doctorate for selected students–collaborating with local research organizations, such as the National Institutes for Agronomic Studies and Research (INERA), and universities, such as the University of Kinshasa and the Regional Post-Graduate Training School on Integrated Management of Tropical Forests and Lands.

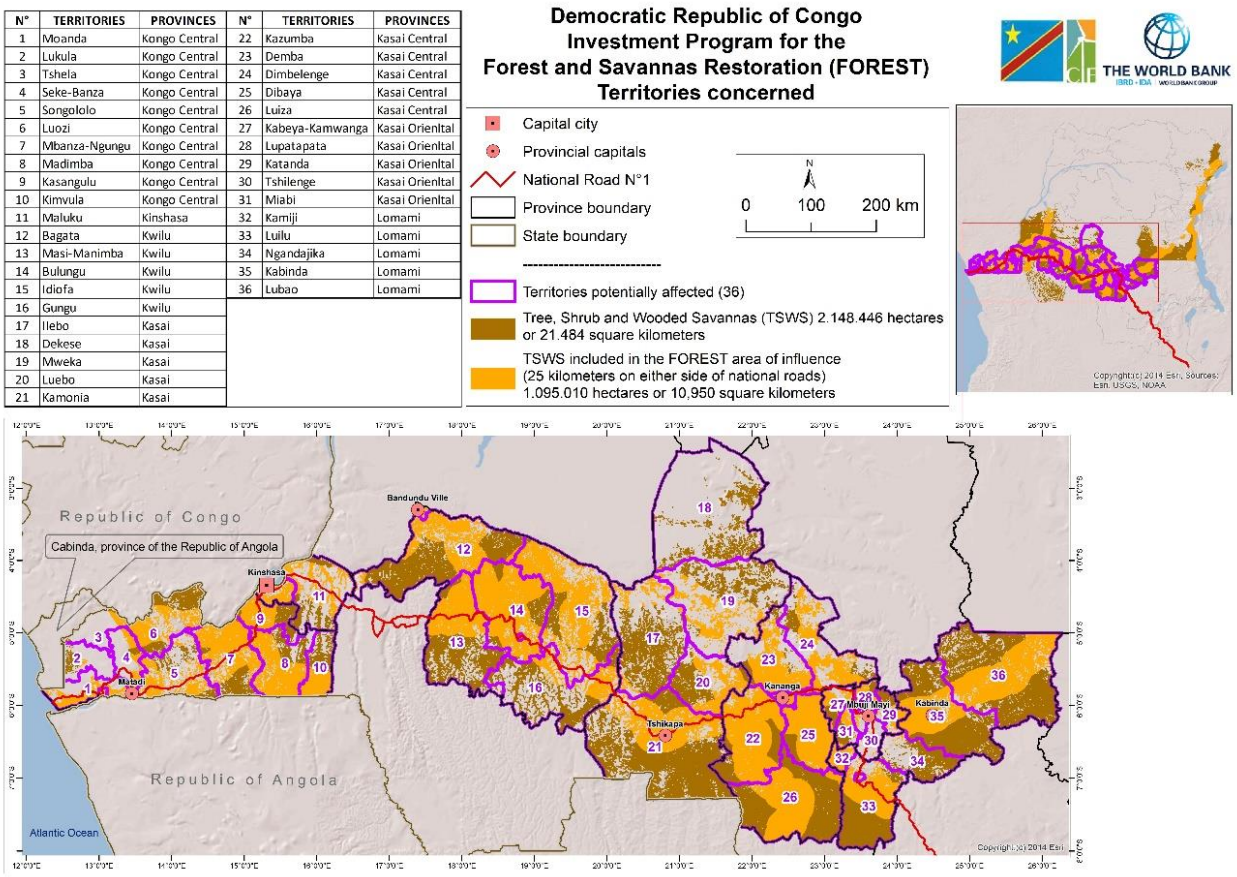
52. In addition to production, the project will support the development of value chains downstream to add value and income and improve sustainability. It will facilitate investments in storage infrastructure and processing equipment—such as oil presses, flour mills and charcoal kilns—seeking to involve both smallholder farmers and private sector buyers downstream from production. This holistic approach will help create sustainable and profitable market opportunities for all stakeholders involved.

2.1.a. Support to smallholder farmer communities (US$100 million)

53. This subcomponent will promote agroforestry and innovative production systems that provide direct benefits to smallholder farmer communities in priority areas identified within a 25km radius of national roads for maximum impact and market access (Figure 7). Building on the improved land use planning and tenure security supported under Component 1, the project will focus on supporting strategic sustainable investments that enhance the livelihoods of these communities.

Figure 7. Savanna Areas Targeted for Landscape Investments

N°	TERRITORIES	PROVINCES	N°	TERRITORIES	PROVINCES
1	Moanda	Kongo Central	22	Kazumba	Kasai Central
2	Lukula	Kongo Central	23	Demba	Kasai Central
3	Tshela	Kongo Central	24	Dimbelenge	Kasai Central
4	Seke-Banza	Kongo Central	25	Dibaya	Kasai Central
5	Songololo	Kongo Central	26	Luiza	Kasai Central
6	Luozi	Kongo Central	27	Kabeya-Kamwanga	Kasai Orientlal
7	Mbanza-Ngungu	Kongo Central	28	Lupatapata	Kasai Orientlal
8	Madimba	Kongo Central	29	Katanda	Kasai Orientlal
9	Kasangulu	Kongo Central	30	Tshilenge	Kasai Orientlal
10	Kimvula	Kongo Central	31	Miabi	Kasai Orientlal
11	Maluku	Kinshasa	32	Kamiji	Lomami
12	Bagata	Kwilu	33	Luilu	Lomami
13	Masi-Manimba	Kwilu	34	Ngandajika	Lomami
14	Bulungu	Kwilu	35	Kabinda	Lomami
15	Idiofa	Kwilu	36	Lubao	Lomami
16	Gungu	Kwilu			
17	Ilebo	Kasai			
18	Dekese	Kasai			
19	Mweka	Kasai			
20	Luebo	Kasai			
21	Kamonia	Kasai			



Source: FIP-CU

54. To support community sub-projects, the project will establish performance-based contracts with CLDs, farmer organizations, and/or associations of vulnerable groups. These contracts will ensure alignment with land use plans developed under Component 1 and clearly outline the expected contributions from the communities in terms of land and labor, and their commitments to establishing and maintaining plantations within the specified areas. In return, the project will provide the following support:

- Provision of inputs and technical assistance for the establishment of nurseries for forest and fruit tree species, as well as woodlots for cassava cuttings, cultivation of other short-cycle crops.
- Farm and transport equipment, such as animal-drawn carts, tractors, and motorcycles.
- Technical assistance and specific services to support mechanical and/or cattle ploughing, structuring of producer and trader groups, contracting with manufacturers, and establishing partnerships with agricultural small and medium-sized enterprises (agri-SMEs).
- Financial incentives in the form of PES to support plantation work and the maintenance of plantations.
- Equipment and training for processing units (such as retting tanks, mills, extractors, kilns) and the establishment of storage facilities (dryers, silos, etc.).
- Capacity-building activities on household empowerment and financial education.
- Awareness activities on the methods and approaches promoted under the project.

55. By providing such comprehensive support, the project will incentivize communities to establish and sustain agroforestry and other innovative production systems. PES will offer a direct financial incentive to maintain plantations until they become profitable investments. Supporting storage and processing will provide communities with new opportunities to add value to their products, increasing income and enhancing the sustainability of livelihoods.

56. Palm tree crops will be cultivated in savanna areas to address critical nutrition needs of communities that lack access to lipids. The community plantations will be located around villages, covering a limited area (less than 6 ha), and will be associated with other crops, especially fruit trees. This will help diversify income streams while awaiting the economic valorization of other tree crops.[56]

57. The project will collaborate with INERA and National Seed Service (SENASEM) to ensure a steady supply of high-quality seeds and the supervision of seed growers. The dissemination of tree crops and improved cassava cuttings will be achieved through first-generation nurseries and woodlots established with LIAs, as well as additional nurseries at the village level to minimize transport costs and plant damage. The project will procure oil palm seeds and seedlings of improved varieties from reliable sources in the market.

58. Building on the IFLMP (P128887) model, the LIAs will play a key role in implementing project activities with communities. The project will recruit about two to three LIAs per province. They will work in partnership with decentralized technical services to ensure the supported investments are aligned with local land-use plans and the provinces' priorities. To ensure effective implementation and monitoring, LIAs will receive training on environmental and social standards, gender, and risk mitigation of Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH), and geo-localization tools for monitoring and evaluation (M&E).

59. The project will encourage subprojects promoted by vulnerable groups, ensure their representation in community and farmer organizations, and that they have equal access to agricultural equipment, technical information, training. To promote women's greater access to productive resources and control over household income, the project will facilitate training to beneficiary households on community-led empowerment approaches, such as through Gender Action Learning for Sustainability (GALS).

2.1.b. Support to private sector investments (US$50 million)

60. The project will provide performance-based grants to select small landowners and SMEs, empowering them to implement innovative and sustainable practices. These grants will help them to overcome a wide range of financial and non-financial obstacles that impede private investment in plantations, including high upfront costs and delayed profitability, limited access to credit, land tenure insecurity, competition with informal activities, high transaction costs for business development and product differentiation (such as certification), and uncompensated benefits of environmental services.

[56] A reference document linked to this PAD is available in the World Bank official records with the full findings of the analysis on Community-driven Palm Oil Development in DRC Savannah Areas.

61. Building on the IFLMP (P128887) model, co-financing will be in the range of 40 to 60 percent of the total sub-project costs, depending on the selected plantation investment type.[57] Beneficiaries will fund the remainder from their own resources (such as equity, working capital, hired labor). The co-financing will be provided in three tranches: 10 percent upfront, with the other tranches triggered after 3 and 18 months based on independent field verification. The longer-term sustainability of the sub-project will be ensured by the revenue generated from the sale of sustainable charcoal, agricultural products, and other sources, which proponents can reinvest in additional projects without subsidies.

62. The performance-based grants will support a wide range of sub-projects, from simple agroforestry intercropping models to more integrated approaches such as introducing perennial crops and high-value forest species, natural regeneration, and land protection. The project will also support investments in processing, storage, and marketing, particularly if proposed in conjunction with the establishment of plantations. Sub-projects will be open to individual small landowners with plantations ranging from 10-50 ha, as well as SMEs for larger plantations of up to 1,000 ha. To foster collaboration and partnership between private actors and smallholder farmers the project will promote models that integrate communities, particularly as supported under Subcomponent 2.1a. In addition, private operators will have the opportunity to establish a shared market plan to collectively implement and manage the flow of goods, services, and information in a way that maximizes the efficiency of the chain, creating competitive advantages for all stakeholders involved.

63. An independent Selection Committee consisting of experts from the administration, research, and academia will evaluate the sub-projects. The Project Implementation Manual (PIM) will provide further details on the selection process and incentive structure.

64. The activities will include financing:

- Performance-based contracts, including (i) provision of upfront subsidies, and (ii) scheduled payment increments triggered upon independent field verifications.
- A Technical Assistance (TA) operator, to be recruited through international procurement, that will support FIP-CU in implementing the performance-based grant scheme, including awareness campaigns and preparation of the call for Expressions of Interest (EOI); support to private operators for the preparation of proposals; assistance to the Selection Committee with evaluation; facilitation of monitoring and verification with technical services (including for the compliance with environmental and social instruments).
- Operational support for the Selection Committee and technical services monitoring project activities in the field.

65. In addition, the project will support comprehensive studies and stakeholder engagement activities, including with industry, investors, and banks, to develop innovative financing models that can help to scale up private investment in agroforestry and reforestation. These activities will explore options such as guaranteed loans and other systems that can support local banks in expanding access to credit for such projects. Based on the results and associated engagement, the project will consider evolving its operating model to ensure that it aligns with market needs and remains effective.

[57] Under the IFLMP (P128887), three main plantation models are supported: (a) Simplified model: association of acacia (or other fast-growing trees) and subsistence food crops, for which 60 percent of project cost would be provided in co-financing; (b) Semi-integrated model: association of acacia, subsistence food crops, and fruit trees, with 50 percent co-financing; and (c) Integrated model: association of acacia, subsistence food crops, fruit trees, and other activities (that is, plantation of forest species, oil palm, cocoa, coffee, set-asides of savanna/forest, beekeeping, and so on), with 40 percent co-financing.

Subcomponent 2.2: Landscape restoration and protection (US$20 million)

66. To further strengthen the landscape investment packages available to communities, the project will integrate focused strategies aimed at restoring degraded ecosystems and protecting ecologically valuable ones. The overarching objective is to preserve the ecological integrity of the forest-savanna mosaic ecosystem and ensure the continued provision of critical ecosystem services. Similar to other community investments, LIAs will work alongside local technical services to support and monitor restoration and conservation investments. These investments will include a range of activities:

- Assisted natural regeneration through savanna areas set aside and protected from grazing, fire, and other disturbances. This model aims to move from degraded fallow land or slash-and-burn practices to a more balanced system with longer fallow periods allowing for the reconstitution of the soil fertility and/or the growth of desirable tree species. To enhance fire management in savanna set asides (as well as around plantations), the project will involve youth in training programs that focus on fire prevention and control techniques. These may include creating firebreaks, using controlled burns, and early detection and suppression of fires.
- Enrichment of degraded forests involving the introduction of new tree species or improving the existing one to restore the ecological functions and values of the forest ecosystem while also meeting the needs of local communities. The process of selecting the appropriate tree species will consider the needs and preferences of local communities including factors such as the species' ability to adapt to local ecological conditions, growth rate, commercial and ecological values to achieve the desired outcome, and potential impact on the local ecosystem.
- Set aside of HCV areas, such as galleries of primary forest or Miombo savanna woodlands, to help maintain biodiversity and ecosystem services and support local livelihoods. These approaches will help advance the consideration of “other effective area-based conservation measures" (OECMs) that empower communities and IPs with tenure and resource rights to achieve effective and equitable conservation.

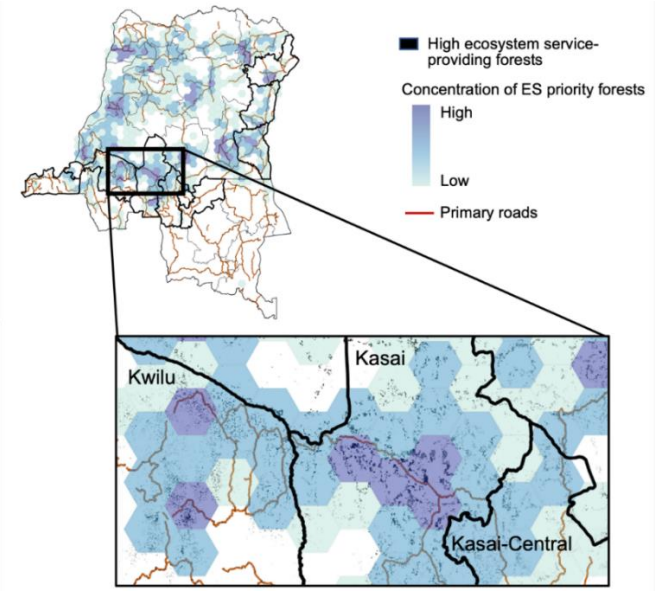
67. The contracts established with communities will be based on results. They will include technical support to enable communities to effectively manage their systems, inputs as necessary (such as tree seedlings) as well as PES. PES will recognize and reward the contributions of local communities and strive to promote sustainable practices that generate long-term ecological and economic benefits. Payments will support these approaches until they yield both economic benefits for the communities, ensuring the long-term sustainability of these practices.

Subcomponent 2.3: Support to sustainable value chains and alternative livelihoods in forested areas, including through community forestry (US$25 million)

68. This subcomponent has a specific focus on the preservation and enhancement of the ecosystem services provided by dense rainforests in the northern regions of Kasaï-Central, Kasaï, and Kwilu provinces. These forests provide the highest levels of ecosystem services with significant importance to forest communities in the project areas, including IPs, who rely heavily on them for their livelihoods, such as food, construction materials, pharmacopoeia, and income generation (Figure 8). [58]

[58] A reference document linked to this PAD is available in the World Bank official records with the full findings of the analysis on Targeting Ecosystem Service-providing Areas in Threatened Forests Edges of DRC.

Figure 8. Priority Areas Where Forests Are Providing High Levels of Ecosystem Services[59]



Source: World Bank. 2022. *Ecosystem Services in Threatened Forests Edges of DRC*.

69. The project aims to bring 250,000 ha of forests under improved forest management while also providing economic opportunities for forest-dependent communities. Like other subcomponents, the project will support participatory land-use planning to ensure that communities have a say in the management and use of their land, as well as secure access to natural resources. The project will identify economic opportunities for these communities and implement them through performance-based contracts, supporting a variety of community forest value chains. The project will finance:

- Technical assistance to small producers (timber, NTFPs)[60] on sustainable harvesting methods and domestication, processing and packaging techniques, administrative literacy, structuring of producers and traders, and marketing of products in urban markets.
- Support to sustainable community value chain investments, including the provision of inputs, processing units and storage equipment, and PES incentives.
- Technical assistance for the development and registration of carbon projects to offer further income prospects for communities through carbon markets.
- Training and operational support for local technical services to monitor project activities on the ground.

70. Additionally, building on the results of the FDCSP (P149049), the project will aim to establish and/or further implement, 10 CFCLs led by IPs in the targeted landscape. The CFCLs are expected to help strengthen the land rights of local communities by providing legal recognition and protection to customary tenure systems, which will help communities to have greater control over their land. The project will support the following activities:

[59] Note: darker colors indicate areas that have a higher concentration of priority ecosystem service-providing forests.
[60] Such as caterpillars, honey, gnetum africanum, mushrooms, and lippia multiflora

- Developing Simple Management Plans (SMPs) for CFCLs, taking into consideration the expectations of IPs regarding the CFCL's role, such as preserving traditional customary activities primarily intended for subsistence or developing economic activities.
- Strengthening the capacities of the CFCLs' local management committees and local development funds, including providing training and support for literacy and other skill, to support the successful implementation of the SMPs.
- Support to CFCL value chain investments, in line with their SMPs, through technical assistance, inputs and PES incentives, to help ensure the sustainability of the CFCLs and their contribution to the conservation of the targeted landscape.

Subcomponent 2.4: Road rehabilitation for enhanced market access (US$20 million)

71. The project will improve market access and connectivity in select areas by rehabilitating rural feeder roads. This will involve road maintenance and the construction and/or rehabilitation of crossing infrastructure. To identify priority road sections, intervention plans will be developed in each province, considering land use plans supported under Component 1 and other national or donor programs supporting rural infrastructure.[61] Climate-related risks and resilience aspects, such as floods, erosion, and landslides, will be considered. Activities will include, among others:

- Preparing diagnostic and assessment reports (including on E&S risks and climate resilience).
- Rehabilitating/constructing bridges, culverts, and other small infrastructure. The project will sign a framework agreement with the Office of Roads (ODR), which will carry out the work based on purchase orders.
- Preparing preliminary design studies and other technical assessments.
- Providing engineering consultancy and technical assistance/training.
- Implementing community-based road rehabilitation and maintenance through Labor-Intensive Public Works (LIPW) and provision of relevant materials, tools and equipment.
- Monitoring the work by local technical services and engineering consultants.

Component 3: Development of Sustainable Value Chain for Energy and Efficient Cooking [US$25 million, including a US$10 million grant from the Energy Sector Management Assistance Program (ESMAP)]

72. Building upon Component 2's support for fuelwood plantations and sustainable charcoal production, Component 3 will provide training to charcoal producers to improve their product's quality and reduce wood consumption. This additional effort aims to further address the high demand for charcoal in urban areas of the provinces included in the project, which contributes to the degradation of natural forest ecosystems. Furthermore, the project will take a demand-side approach to promote the adoption of efficient cooking technologies and alternative fuels, supporting DRC's transition away from traditional wood-based fuels. This component contributes to GCRF Pillars 2: Protecting People and Preserving Jobs, 3: Strengthening Resilience, and 4: Strengthening Policies, Institutions and Investments for Rebuilding Better.

[61] In particular, the PNDA (P169021) that includes a US$ 110 million component supporting rural transport infrastructure.

Subcomponent 3.1: Capacity building for transition to more efficient charcoal production **(US$5 million)**

73. Charcoal production is a key economic activity in DRC, especially in areas where forests and human settlements intersect.[62] Although the long-term goal is to transition away from using charcoal as an energy source, improving its production and marketing can provide a bridge towards a more sustainable energy value chain. This subcomponent will support community-level charcoal producers through the following activities:

- Enhanced carbonization techniques: the project will aim to improve traditional carbonization techniques by promoting better working conditions, increasing production yields, and ensuring optimal use of raw materials. The project will provide capacity building on improved carbonization techniques to 20 master charcoal makers per province, who will then train 1,000 charcoal makers each. Practical guides on enhanced carbonization will be disseminated in local languages to promote awareness and knowledge sharing. These activities aim to improve the quality of charcoal produced, reduce wood consumption, and create a more sustainable value chain for charcoal in DRC. The project will also support the testing and dissemination of valorization techniques for charcoal residues in agricultural plots to increase crop yields, such as the use of biochar.[63]
- Analysis of wood energy value chains in targeted areas: comprehensive analyses of wood energy value chains will be conducted in the provinces of Kwilu, Kasaï, Kasaï Central, Kasaï Oriental, and Lomami in DRC, which have been comparatively less studied. The analysis will cover various aspects of the value chain, including prices for charcoal, traders and consumers, supply and demand of wood energy, and fuel consumption patterns of urban households. Data collection will be conducted through a combination of surveys, focus groups, and remote sensing technologies. The findings will establish evidence-based understanding of the energy needs and consumption patterns of households and develop tailored policies and project activities that will have the greatest impact in reducing reliance on unsustainable energy sources.
- Support for the structuring and marketing practices: the project will provide support for the structuring and marketing practices of charcoal makers in the targeted areas, with a focus on enhancing their sales and income. This will involve facilitating linkages between charcoal makers and traders, as well as providing training in financial literacy to groups of charcoal makers who volunteer to participate in the project's support for collective organization. The training will include simplified operating accounts to help assess profits, including gains from collective organization. The support provided will ultimately lead to the improvement of the organization and marketing practices of charcoal makers, resulting in a more sustainable value chain for charcoal.

74. The activities are expected to benefit 190,000 rural community members, including 50,000 women who play crucial roles in retail and wholesale marketing, and 35,000 youth who are frequently involved in charcoal production. Given that most charcoal makers are also primarily farmers, the project will leverage strong operational synergies with activities under Component 2 to provide additional support to these groups.

[62] Cibemba, A. 2021. “How the Charcoal Industry Threatens DRC’s Forests.” World Resources Institute. https://www.wri.org/insights/how-charcoal-industry-threatens-drcs-forests/

[63] Biochar is a form of charcoal that is produced through a pyrolysis process and can be used as a soil amendment to improve soil quality and increase crop yields.

Subcomponent 3.2: Support for transition to more efficient energy and cleaner cooking solutions (US$20 million, including a US$10 million grant from ESMAP)

75. DRC is significantly behind in its transition to clean cooking, with over 95 percent of households relying on biomass for cooking. Improved and clean stoves are primarily available in Kinshasa, where nearly 70 percent of households use multiple stove-and-fuel cooking combinations.[64] Improved cookstoves are generally more expensive than traditional ones, and financing solutions for consumers are limited. Additionally, production capacity by local operators is limited and the formal LPG industry has only recently been established in the country. The project aims to support DRC's transition to clean cooking by addressing supply constraints and stimulating user demand for more efficient and cleaner stoves, as well as alternative clean cooking fuels, in the project's targeted provinces.[65]

76. The project will provide technical assistance (US$4 million) to improve the enabling environment for clean cooking in DRC. Activities will include the following:

- Providing innovation grants to local firms to support them with upfront costs associated with market setup and R&D activities. The grants will target companies with the potential to scale up production and product quality, and will focus on innovative technologies, business models, and financing approaches.
- Upgrading the stove testing, evaluation, and certification capacities of the Center for Studies and Research on Renewable Energies Kitsisa-Khonde (CERERK/ISTA) to improve industry quality standards.
- Supporting policy design and regulations in line with the provisional National Energy Policy (2022). To achieve the long-term objective of shifting urban households to LPG as primary cooking fuel, the project will look at policies and measures supporting the LPG value chain, including the development of storage, retail, and distribution infrastructure in coordination with IFC.
- Implementing a communication campaign to increase consumer awareness, acceptance, and uptake of clean cooking technologies and alternative fuels. This component will also facilitate stakeholder engagement to support policy and technical dialogue between authorities, private sector associations, and partners active in the field.[66]

77. In addition, the project will implement a results-based financing (RBF) program (US$ 16 million) aimed at scaling up commercialization and uptake of affordable and quality cookstoves. The program is designed to support long-term sustainable market development by monetizing public goods not currently priced in by the market, subsidizing market actors' costs to build consumer awareness and market adoption, and developing the evidence base to attract commercial finance. The program will have the following features:

- It will support a tiered approach with higher incentives given to firms that offer cleaner cooking technologies, reach underserved areas, and target marginalized and/or low-income groups – such as women-headed households.
- Incentives (cash subsidies) will be disbursed upon independent verification of companies' performance and deliverables.

[64] The domestic energy sources primarily used in Kinshasa are charcoal ("*Makala*") (98% of households) and LPG (2%). Electricity is also used as a supplementary cooking fuel for 60% households.
[65] A reference document linked to this PAD is available in the World Bank official records with the full details of Clean Cooking Fund (CCF) and Detailed Description of Clean Cooking Interventions.
[66] Partners include UNDP/CAFI, USAID, GIZ, Sweden, and IFC, among others.

- RBF funding commitments to the companies will be based on the appraisal of companies' business and financial capacity, including their track record, and will be adjusted based on the periodic review of actual performance of delivering results.
- Eligibility criteria will be set on the participating companies and technologies to be supported. In particular, eligible cooking technologies will be pre-approved using both ISO Voluntary Performance Targets and the Multi-Tier Framework for cooking as key references.
- The incentive structure will be adjusted regularly depending on market conditions to ensure it supports an effective transition toward cleaner solutions and fuels in DRC. The design of RBF will allow for flexibility to balance market priorities, such as developing the supply of locally produced improved biomass stoves, and opportunities, such as operators importing LPG cylinders/stoves that meet performance and safety standards, which contribute to building the domestic LPG market and creating jobs in distribution.

78. Subcomponent 3.2 will be implemented by the National Agency of Electrification and Energy Services in Rural and Peri-Urban Areas (ANSER). ANSER also implements an RBF program for off-grid electrification support through the Access Governance and Reform for the Electricity and Water Sectors (AGREE) Program (P173506). By integrating clean cooking solutions into broader electricity access operations and strategies, the project takes a more comprehensive approach to sustainable energy development. A TA operator will support ANSER in managing the RBF for clean cooking, including developing the calls for EOIs, assessing project proposals from clean cooking operators, monitoring project implementation including compliance with environmental and social standards, and facilitating independent verification. Consultants will also be hired to provide market facilitation and support companies with lower capacity to effectively participate in the RBF program, including through technical advice on product design, testing/certification, and preparation of business plans.

Component 4. Enhanced and Innovative Approaches to Measurement, Reporting and Verification and Result-Based Climate Financing (US$13 million)

79. Component 4 is designed to strengthen the country's capacity and expertise in using MRV to monitor emissions reductions and other outcomes from climate action. It will also support the development of comprehensive national frameworks for engaging in innovative RBCF and carbon finance opportunities. These developments will help the country to scale up sustainable incentives for land management practices aligned with a climate-resilient development pathway. This component contributes to GCRF Pillars 3: Strengthening Resilience, and 4: Strengthening Policies, Institutions and Investments for Rebuilding Better.

Subcomponent 4.1: Support for MRV of forest data and climate results (US$6 million)

80. Building on DRC's National Forest Monitoring System, activities will support high-quality and reliable monitoring of land management activities and investments in the seven targeted provinces and their impact on forest cover, carbon storage, and avoided CO_2 emissions as well as other ecological outcomes such as biodiversity. Robust accounting methodologies will be developed to set credible baselines and ensure alignment between site-scale projects and subnational or national programs. DRC's Technical Platform for Consultation will be used to monitor activities and engage with stakeholders. The project will finance the following:

- Development of a MRV system, including through (i) conducting multi-resource inventories in the seven targeted provinces; (ii) developing processes for data integration, analysis, and reporting; and (iii) acquisition and/or development of the supporting equipment and IT systems.

- Technical assistance for establishing baselines, monitoring, and verifying results of various investments, including those supported under the FOREST program itself. Monitoring reports will be prepared following best practices and requirements under different international carbon standards and programs. The reports will undergo third-party verification as appropriate.
- Capacity building on MRV, including training, site visits, and exchanges to boost capacities within technical agencies (Directorate of Forest Inventories and Management (DIAF)[67] in particular) and with universities to support the emergence of local MRV practitioners.

Subcomponent 4.2: Support for accessing results-based climate finance, carbon finance, and other mechanisms for sustainable financing (US$7 million)

81. With growing clarity from COP26 and COP27 on Article 6 of the Paris Agreement and strong growth in the voluntary carbon markets due to net-zero commitments from governments and corporations, RBCF and carbon finance have become increasingly attractive mechanisms for sustainable financing. However, DRC's limited policy framework makes it challenging for the country to monetize its carbon sinks, particularly from private investors. To address this, DRC has initiated the development of national-level frameworks and launched pilot initiatives for accessing RBCF and carbon finance.[68,69] This subcomponent will support the continued and further development of these mechanisms, focusing on the associated technical, regulatory, and institutional building blocks and their implementation on the ground. Activities will include:

- Compiling a strategic roadmap, in coordination with development partners, to prepare the country for RBCF and international carbon markets and providing technical assistance on underlying regulatory frameworks.
- Supporting the definition of institutional and governance arrangements on RBCF and carbon finance, including links to NDC implementation and monitoring.
- Developing procedures and training for private sector participation.
- Developing approaches for equitable benefit sharing of Emission Reductions payments.
- Determining the accounting methodologies, standards, and technical approaches that are locally appropriate.
- Supporting the development of a national registry or link to an external registry for emission reductions tracking across sectors.
- Conducting studies and analytical activities on exploring biodiversity crediting and PES schemes as potential revenue streams for conservation and restoration outcomes.

82. The FOREST program is well-suited to attract sustainable sources of finance and achieve large-scale impact. The project aims to (a) generate high-quality, high-integrity emissions reductions from various activities, such as carbon sequestration from forest landscapes and emission reductions from improved and clean cooking, while also unlocking additional private sector finance; (b) establish

[67] *Direction Inventaire et Aménagement Forestiers*.
[68] In April 2023, DRC's parliament approved a revised Environmental Law introducing a CMRA to organize the carbon market in DRC and an approval and certification procedure for programs or projects that generate carbon credits.
[69] World Bank-supported carbon finance operations in DRC include the US$55 million ERPA under the Mai-Ndombe Emissions Reductions Program signed with the World Bank in 2018 (P160320) and related US$5 million Technical Assistance on Support to the Operationalization of the ERPA (OPERPA, P170835) approved in 2022. The World Bank is developing a new umbrella trust fund called Scaling Climate Action by Lowering Emissions which aims to deliver climate finance to select countries and support broader engagement to incentivize low-carbon development.

operational and equitable benefit sharing channels on the ground, recognizing the role of all people, including IPs and local communities, in reducing emissions; and (c) provide a significant opportunity for scaling up financing over time, leveraging its seven-year implementation timeframe.

Component 5. Project Implementation and Monitoring & Evaluation (US$30 million)

83. The main goal of this component is to ensure the effective management of project activities that are aligned with the project's objectives and fiduciary procedures for achieving desired outcomes. To achieve cost-effective project management, this component will leverage economies of scale based on the ongoing management of other World Bank-financed operations by FIP-CU, while pursuing opportunities for streamlining project management. This component will finance:

- Operating expenses of FIP-CU and ANSER, including staff hiring, goods, consultant services, workshops, and training.
- M&E of project activities, including baseline studies, impact evaluations, and the establishment of an independent M&E mechanism for national Civil Society Organization (CSO) platforms.
- Citizen engagement, project communications, and stakeholder coordination, including implementing the stakeholder engagement plan and feedback mechanism to inform project implementation; implementation of the project-level Grievance Redress Mechanism (GRM) established to address project grievances, with an IP-specific component supported by REPALEF; and targeted communication and dissemination of project activities and results.

C. Project Beneficiaries

84. **The project aims to reach approximately 3.7 million people across the seven targeted provinces (approximately nine percent of the total population), including:**

- **An estimated 1.2 million direct beneficiaries in rural communities (about 200,000 households)—including 400,000 women and 50,000 indigenous peoples—providing them with opportunities for alternative economic activities.** The project will have positive impacts on social and environmental aspects at local, national, and global levels. At the local level, the project is expected to provide people with improved benefits from forested landscapes, including monetary and non-monetary including income, goods, land tenure security, reduced land use conflicts, increased resilience to climate chance, and increased awareness on natural resources management governance. Additionally, the project will rehabilitate 1,400 km of community and feeder roads to improve market access and economic resilience in project sites. A critical indirect benefit to communities living in the targeted areas will be the value derived from increased quality of the natural resource base; and
- **Approximately 2.5 million individuals (about 500,000 households), primarily in urban and peri-urban regions, who will be provided with clean cooking access.** The use of clean cooking solutions is expected to support enhanced community livelihoods through improving health, increasing productivity (especially for women), and providing new income-generating opportunities.

85. **The project will also have significant institutional beneficiaries.** It will strengthen institutional capacity at the central and provincial levels through training and direct involvement in implementing and monitoring project activities. This includes various technical services, at both the local and national level, in charge of environment, agriculture, rural affairs, land, and other sectors. Stakeholder platforms such as CARGs, which bring together local institutions, producers and manufacturers, and civil society, will also benefit. The project will significantly benefit MESD, including the Congolese Environmental Agency

(ACE), Congolese Institute for Nature Conservation (ICCN), DIAF, the new Carbon Market Regulation Authority, and other of its departments, as well as the Ministry of Finance and other line ministries through activities that support environmental compliance, MRV development, and climate finance mobilization. Universities and their students will also be trained and/or involved in research activities supported under the project with the objective to build long-term capacity on key issues, including environmental management and agroforestry systems.

86. **Private sector.** The private sector will also benefit from the project through various interventions. Around 500 small private landowners and SMEs will have the opportunity to participate in the result-based grant mechanism supporting agroforestry investments. Manufacturers and distributors of clean cooking solutions will receive technical assistance and subsidies to help boost business, improve their production processes, and enhance the quality of their products. Capacity-building efforts on carbon finance will be targeted toward potential local market players, such as forestry firms, agribusinesses, and local banks, and other carbon project promoters to encourage their engagement and investment in similar projects.

87. **Vulnerable groups.** The project aims to ensure the inclusion and empowerment of several vulnerable groups, including women, IPs, youth, and internally displaced persons (IDPs). These groups face tremendous challenges that can make it difficult for them to fully participate in and benefit from the project's activities.

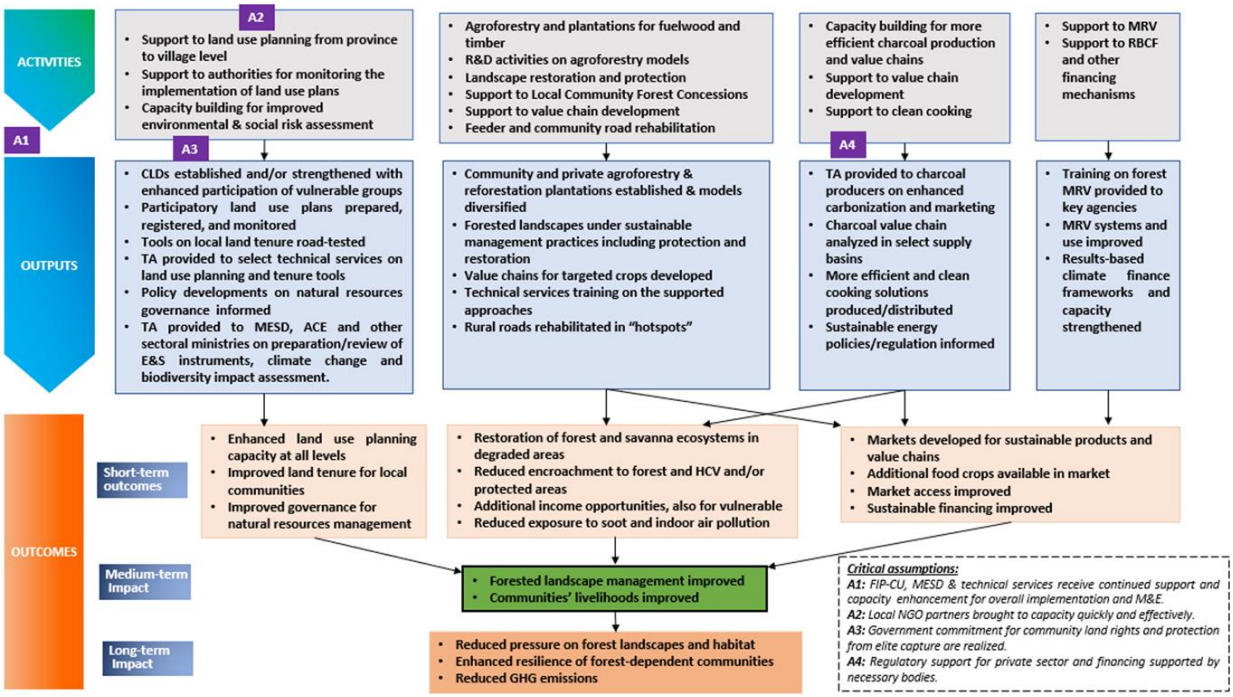
- **Gender inequality is a significant issue in DRC, where women often lack access to education, land, and economic opportunities.** The project includes a comprehensive set of interventions that aim to empower women and address gender gaps in economic opportunities, natural resource management, and asset ownership. The Gender Action Plan, which has been prepared as part of the project outlines specific activities to improve women's voice and agency in decision-making around livelihood, land use planning, and natural resource management choices. The plan also includes measures to increase adoption of clean cookstoves by female-headed households and provide access to vocational and entrepreneur training programs targeting women and women entrepreneurs.
- **IPs represent approximately one percent of DRC's population and are the most vulnerable forest-dependent community in the country,** with a history of marginalization and exploitation. Their access to forests and croplands is increasingly threatened by deforestation, logging, mining, shifting cultivation, and insecurity. The project will be implemented in provinces that are home to IPs, notably in the Central Basin (Kasaï, Kasaï Central, Kasaï Oriental, and Lomami). The project's Indigenous Peoples Planning Framework provides guidance on meaningful consultation to ensure inclusion of IPs in these provinces. The project will support participation of IPs in land use planning and forest activities to strengthen access to natural resources and forest value chain development. Innovative approaches, such as IP-led community forests, will be supported to secure rights and formally recognize traditional governance systems.
- **Youth in DRC face several challenges, including limited access to resources, employment, and information.** The project aims to engage young people throughout the components to ensure their participation in project-supported community structures, capacity building on natural resources management (for example, fire prevention), and employment/livelihoods opportunities throughout the supported value chains.

- **Internal displacement is a significant problem in DRC, with about 5.6 million people displaced due to internal conflicts.** The project will ensure the consideration of IDPs in the supported community structures, activities, and employment/livelihoods opportunities.

D. Results Chain

88. **FOREST relies on a series of proven strategies, plans, and actions to improve the management of forested landscapes thereby improving the livelihoods of forest-adjacent and dependent communities in the seven targeted provinces.** FOREST's multipronged approach has the long-term aim of reducing pressure on forested landscapes, thereby reducing deforestation, forest degradation, and the GHG emissions that result from forest loss. The landscape approach used in FOREST (already piloted successfully within the IFLMP (P128887)) considers the complex, integrated nature of forests, soils, and the needs of communities who depend on these resources. The project designed follows the results chain presented in Figure 9.

Figure 9. Theory of Change for FOREST



E. Rationale for Bank Involvement and Role of Partners

89. **Public sector financing is justified** given (i) market failures that constrain the valuation of natural resources, ecosystem services and other public good benefits such as reduced GHG emissions and carbon sequestration; (ii) the need to support capacity building and risk mitigation for smallholder farmers to implement innovative agroforestry systems an alternative to slash-and-burn agriculture and a source of sustainable fuel wood; (iii) financial barriers preventing the private sector from investing in sustainable plantation systems; (iv) the broader agriculture market failures that constrain private sector investments in the agriculture sector; (v) the need to strengthen governance in these sectors to promote investment in rural areas; (vi) the critical nature of agricultural and forest products to the country's growth and

employment, climate resilience, poverty reduction, and nutrition and food security; (vii) the need to support the design and operationalization of national frameworks for RBCF and emerging carbon markets and (viii) the need to support market actors' cost to build market adoption for clean cooking, and to develop the evidence base and track progress.

90. **The World Bank's value added is high given the knowledge and expertise generated under other programs supporting forest and natural resources management in DRC as presented earlier**. The proposed project builds on implementation experience, ongoing government dialogue, World Bank staff expertise, and global best practices. More broadly, the multisector challenge for addressing natural resources management in DRC makes the World Bank uniquely placed to support the Government through a multi-Global Practice team, which will include experts from environment, energy, agriculture, climate change, FCV, land administration, transport, and private sector.

91. **FOREST will operate in the same provinces as other large projects in the World Bank portfolio, with opportunities for economies of scale and leveraging partnerships.**[70] The project will support specific actions for sustainable landscape management and alternative livelihoods in seven provinces, further enhancing the portfolio's impact on GRID. Table 3 presents some operational synergies that will also be leveraged during implementation.

Table 3. Main Synergies with Other World Bank Operations

Bank operations	Activities relevant to FOREST
Mai-Ndombe Emission Reductions Program (P160320) (US$55 million)	Piloting of carbon payments at the jurisdictional scale
National Agriculture Development Program (PNDA, P169021) (US$ 440 million)	Direct smallholder farmer support to sustainable agriculture productivity, and market access support to smallholder farmers (Kongo Central, Kwilu, Kasaï, Kasaï Central)
Access Governance & Reform for the Electricity and Water Sectors Project (AGREE, P173506) (US$ 600 million)	RBF mechanism for off-grid electrification implemented through ANSER
DRC Transport and Connectivity Support Project (PACT, P161877) (US$ 500 million)	Sustainable forest management and preservation along the National Road 2 (Kasaï Oriental, Lomami)

92. **FOREST will benefit from policies and measures supported by the DPO Series on Foundational Economic Governance Reforms (P177460, P179141).** Specifically, the DPO's third pillar supports the government's reform program on improved forest governance, sustainable agriculture development, and climate finance, which align with the approaches implemented under FOREST.

93. **The project will also both benefit from and inform the Bank's ongoing Advisory Services & Analytics (ASA), which aim to scale up forest action through partnerships at both the regional and global levels.** These include (i) *Leveraging Natural Capital Accounting and Climate Finance for the Congo Basin Forests* (P18076), which supports the six Congo Basin countries on natural capital accounting for carbon markets and climate financing; and (ii) *Catalyzing the Trilateral Tropical Forest Partnership for Climate and People* (P180939) which promotes cooperation between the three largest rainforest nations (Brazil, Indonesia, and DRC) on sustainable management and conservation of tropical forests.

[70] A reference document linked to this PAD is available in the World Bank official records with the full details of WBG-Financed Operations in Provinces Targeted by FOREST.

94. **The project will support IFC's work in private sector development areas in DRC**, such as agribusiness value chains and clean cooking and LPG infrastructure development. It will also aid in the development of carbon markets in DRC, creating an opportunity for future involvement by IFC in this field.

95. **The project will work alongside other donor programs that support REDD+ action both on the ground and at the policy level, as detailed in Table 4.** It will aim to leverage synergies with various CAFI-financed programs that are implemented by different agencies and coordinated by FONAREDD. Notably, CAFI launched an EOI process in May 2022 as part of its new US$500 million LOI with DRC for the period 2021-2031. As the selection process continues, the project will seek to identify opportunities for collaboration and coordination with the selected programs. This will be essential for FOREST to support DRC in meeting key 2031 policy milestones of the CAFI LOI, including those related to energy, agriculture, forests, land, restoration, and governance.

Table 4. Main Synergies with Other On-going Donor Programs

Donors	Programs	Areas for coordination
AFD	Sustainable Development of Savanna and Degraded Forests	Landscape investments in Kwilu.
ENABEL	PIREDD KOLOMAMI	Land use planning activities and landscape investments in Kasaï Oriental and Lomami.
GIZ	Biodiversity Conservation and Sustainable Forest Management Project (BCSFM)	Policy support for community-based conservation and sustainable forest management (CFCL).
JICA	PIREDD KWILU	Land use planning activities and landscape investments in Kwilu.
NEFCO	Modern Cooking Facility for Africa	RBF for access to higher tier clean cooking solutions.
UNDP	Program on Sustainable Consumption and Substitution for Wood Energy	Support to market for cleaner cooking solutions and fuels, policy developments on sustainable energy.
USAID	Central Africa Regional Program for the Environment (CARPE)	Policy and capacity building components of CARPE including Forest Resource Management (U.S. Forest Service) on MRV issues, USAID's Forest and Biodiversity Support Activity (FABS) on clean cooking, and Support Hub for Forest Finance and Landscape Engagement (SHUFFLE) on national and subnational carbon crediting and results-based payments.

F. Lessons Learned and Reflected in the Project Design

96. **Key lessons from World Bank-financed Forest operations in DRC** have been considered to strengthen project design, including lessons drawn from the World Bank's experience in the clean cooking sector, especially through ESMAP.[71]

[71] A reference document linked to this PAD is available in the World Bank official records with the full findings of the Lessons Learned from World Bank-financed Forest projects in DRC. On-going forest operations include the Improved Forested Landscape Management Project (IFLMP, P128887), the Forest Dependent Communities Support Project (FDCSP, P149049), and the Mai-Ndombe Emission Reductions Program (ERPA, P160320).

- **Decentralized implementation has proven effective in achieving more sustainable results, but it requires consistent technical approaches and efficient fiduciary systems**. When qualified local community operators are available, it is cost-effective and sustainable to involve them in project implementation alongside technical services. However, the success of these arrangements depends on strong central-level monitoring, with a PIU providing technical and organizational support, monitoring compliance with socio-environmental standards, and ensuring solid fiduciary channels for continuous funding flows on the ground. In remote locations, logistical support should also be provided.
- **The strengths of a community-driven development approach are found in the focus on representation, community mobilization in accordance with customary practices, and conflict management.** However, the approach also carries some risks, including the potential for isolated management committees, difficulty in managing power-related crises or inefficiencies, and lack of dynamism. Greater involvement of rural development agents in critical community processes, such as convening general elective meetings, can help mitigate these risks. Similarly, supporting committee animation and communication with other community members can limit the risks of questioning.
- **To improve local governance of natural resources, it's important to support land use planning not only at the local community level, but also at higher levels** such as the provincial level, to capture the political vision of spatial development. Effective governance requires monitoring of plan implementation over time, with updates or supplements made as needed. Continuous dialogue between authorities, communities, and other stakeholders is crucial to identify positive and negative natural resource management practices, and to update plans accordingly.
- **Investments in savanna landscapes, such as agroforestry plantations and set asides of savanna, are exposed to significant risks, including the possibility of fires, until their underlying economic models become mature.** To bridge the incentive gap and encourage the adoption of enhanced practices, such as maintaining firebreaks, PES can be utilized until the plantation generates sufficient cash crops, for example. In the case of savanna set asides, it can also be used until soil fertility or stock of caterpillar is restored. Therefore, extending the project implementation period beyond the conventional 5-year timeline is essential to ensure sustainable outcomes.
- **The advantages of the agroforestry model of acacia-food crops have been clearly demonstrated,** including reduced cost, easily manageable technical expertise, high charcoal productivity due to rapid growth, soil fertilization, and the development of alternative income such as beekeeping. However, to limit the risks associated with monoculture, it is important to diversify sectors and adapt to ecological and market contexts by promoting other models. Prior research and development should be undertaken with on-the-ground piloting to avoid excessive risks to communities.
- **Donor-supported carbon finance approaches should provide the right incentives to facilitate private sector participation.** Public funds should not substitute private finance, especially when private demand exists from international carbon markets. To encourage private sector engagement, the public sector could consider options such as guaranteeing a minimum price for carbon credits. This could mitigate the risk for private sector actors in situations where market conditions may not be ideal.
- **A comprehensive approach is required to promote access to clean cooking services,** including consideration of cooking technologies, human behavior, and housing conditions. Localized solutions and innovations are critical for sustainability. Results-based financing (RBF) can incentivize the market

and unify key interventions, but technical assistance and capacity building for both public and private actors are required for sustained progress.

III. IMPLEMENTATION ARRANGEMENTS

A. Institutional and Implementation Arrangements

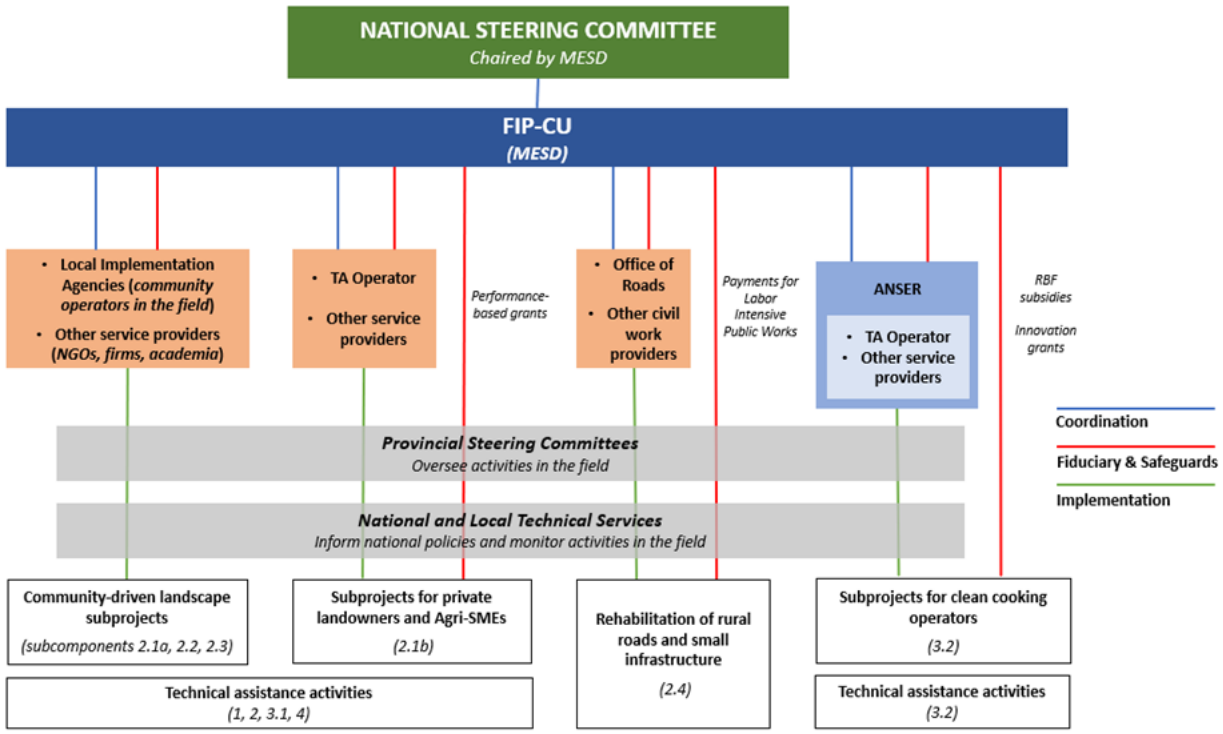
97. **The project will be managed by MESD with solid decentralized implementation, leveraging provincial governments, local technical services, and operators in the field.** Implementation arrangements are detailed in annex 1.

98. **The FIP-CU, located within MESD, will serve as the main coordinating body for overall project implementation.** FIP-CU coordinates landscape projects funded by the World Bank in DRC, including IFLMP (P128887), Mai-Ndombe Emission Reductions Program (P160320), and Support to the Operationalization of the ERPA (OPERPA, P170835). As such, it has solid technical expertise in agroforestry, forestation, land use planning, and carbon finance. It also has strong operational track record working with diverse operators under different contractual setups. Based the performance of FIP-CU in recent projects, the need for capacity strengthening in project management, financial management, procurement, and environmental and social standards have been identified for managing FOREST. FIP-CU will hire new staff for key functions, including environmental and social risk management, procurement, financial management, and M&E. It will also establish small teams in each province responsible for coordinating activities in the field, monitoring compliance with environmental and social instruments, and engaging with local authorities and stakeholders.

99. **National and Provincial Steering Committees will provide oversight and guidance for project activities.** The National Steering Committee, chaired by MESD, will include representatives from relevant ministries, the private sector, and civil society, and will approve and control the project's Annual Work Plans and Budgets (AWPB). Provincial Steering Committees, chaired by provincial governors and facilitated by MESD, will monitor local implementation at the provincial level. They will include representatives from provincial governments, relevant ministries, the private sector, and civil society. The project will sign collaboration agreements with each participating province to set out arrangements for local-level oversight of project activities.

100. **The execution of project activities will involve various authorities at both the central and local levels, as well as contractors, to ensure efficient and effective execution of the project.** A visual representation of the implementation arrangements is provided in Figure 10.

Figure 10. Implementation Arrangements



101. **The governmental entities that will sign implementation agreements with the project to carry out activities include:**

- **ODR** will be responsible for implementing civil works for road rehabilitation, including small bridges, culverts, and other minor public infrastructure, under Subcomponent 2.4. The project will benefit from the experience of FIP-CU working with ODR to implement similar activities under IFLMP (P128887).
- **ANSER** will implement activities related to clean cooking under Subcomponent 3.2. The project will benefit from ANSER's experience in implementing a US$70 million RBF subsidy scheme for off-grid electrification under AGREE (P173506).

102. **The execution of the project will also involve various contractors to augment the operational capacity in the field and provide specialized expertise and knowledge transfer.** Main contractors include the following:

- **Field operators will facilitate implementation of land use planning activities and community investments under Components 1 and 2.** Based on the IFLMP (P128887) model, local NGOs known as LIAs will be selected based on their strong local connections and technical track record. These LIAs will be responsible for executing project activities at the community level and will prepare annual work plans with provisional budgets that will be reviewed and monitored by FIP-CU on a quarterly basis. FIP-CU has already collaborated with several such community operators through IFLMP (P128887), and other projects implemented in the western and central provinces, and additional LIAs have been identified through a screening process during project preparation. By involving LIAs, the project can build on local knowledge and expertise, increase community engagement and ownership, and promote sustainable development outcomes. For

Subcomponent 2.4, which includes community forestry activities, delegated arrangements will be made to a firm or international NGO, considering the remote locations and specific technical needs and logistical requirements.

- **TA operators will be contracted to provide specialized technical support for the implementation of the private sector RBF mechanisms in Subcomponent 2.1.b (plantations) and Subcomponent 3.2 (clean cooking).** The TA operators will play a crucial role in assessing and selecting subprojects, providing capacity building to subproject proponents, and offering other technical support to ensure the effective running of RBF mechanisms. Specifically for Subcomponent 3.2, the project will leverage the TA operator hired under AGREE to support ANSER with its RBF scheme for off-grid electrification.

103. **The involvement of central and local services will be essential for effective monitoring of project implementation.** To ensure adequate monitoring and support for beneficiaries on the ground, the project will allocate operating resources based on agreed work plans and specific TORs for various services, such as environment, agriculture, rural affairs, land, and others as deemed necessary. These resources will be provided to support the effective monitoring and evaluation of project activities at both the central and local levels.

104. **The PIM** will be periodically updated as necessary and serve as a key reference document for all project stakeholders to ensure consistency and transparency in project implementation. The manuals will provide guidance on specific subcomponents, including procedures for selecting beneficiaries, disbursement of funds, reporting, and monitoring. Specific manuals, to be annexed to the PIM, will be prepared for the different types of subprojects (community and private plantations, innovation grants and RBF subsidies for clean cooking) and established as disbursement conditions.

B. Results Monitoring and Evaluation Arrangements

105. **FIP-CU will coordinate and oversee the overall monitoring and reporting of project progress with inputs from other agencies and operators.** The Results Framework will be incorporated into the project's M&E system developed under Project Preparation Advance funding to provide robust data, templates, and guidance to track outputs and results (including disaggregation by sex). M&E will concentrate on collecting data and reporting on key performance inputs, outputs, and outcome indicators using various methods such as targeted data collection, surveys, participatory assessments, and midterm and end-of-project evaluations. Data collection procedures will range from reviewing official records and registries obtained after fieldwork to satellite data and surveys. As part of their role as specialized suppliers to be contracted by the Government, different operators and agencies will be responsible for data collection and reporting to the FIP-CU. ANSER will monitor implementation progress on Subcomponents 3.2. FIP-CU will collate and aggregate the entities' reports into comprehensive implementation progress reports that will be communicated quarterly to the World Bank.

106. **Local CSO platforms will provide support for independent M&E.** The main local CSO platforms, such as the Reformed Climate Working Group on REDD+ and REPALEF will leverage their membership in the field to offer regular assessments of project activities. Assessment outcomes will be presented at Steering Committees meetings and disseminated to various stakeholders.

107. **Information and communication technologies will be employed for project monitoring.** Under the IFLMP (P128887), FIP-CU has been a leader in using the Geo-Enabling method for Monitoring and Supervision (GEMS) to maintain the database and enhance the capacity of the PIU and local stakeholders

in digital data collection and analysis. GEMS will continue to provide support for the PIUs using cost-effective and field-appropriate open-source technology to boost project M&E, supervision, real-time risk monitoring, and portfolio mapping coordination. The system is also expected to be utilized by all contractors, agencies, and NGOs contracted to support project activities. The collected data will be fed into the project database in real-time. The project will finance the purchase of hand-held devices (tablets and smartphones) and the training cost. Given the size of the project and the amount of data collected, additional server capacity may also be financed by the project.

C. Sustainability

108. **Building on proven strategies.** The project design is based on tested and proven activities that have achieved positive results, such as the work under the IFLMP (P128887), which has shown that the implementation modalities and result-based incentive programs are effective in promoting behavior change—a key aspect of sustainability of results when it comes to forest management and conservation of natural resources. The project also involves communities and stakeholders in each step of the process, from design to implementation, and their local knowledge and commitment to results will be a critical aspect of both well-designed activities and long-term sustainability of results. The project design also includes the key role of LIAs who will place emphasis on implementing activities focused on land use planning as well as investments in smallholder farms and provision of technical services. This model allows the project to take advantage of both local expertise and connections for improved adoption of new technologies and approaches (for example, agroforestry) with smallholder farmers. By involving LIAs in the project, the project is better able to build trust and commitment among local communities, which is essential for ensuring sustainability of the project results.

109. **Creating financial sustainability.** The project design incorporates a variety of approaches to improve the economic return on actions for different beneficiaries, from smallholder farmers to private sector partners, with the aim of creating financial sustainability. These investments also aim to transform the value chains for products, such as charcoal and cassava, which should lead to benefits over the medium and long term and encourage sustainable behavior change. The project design includes promoting private investment with a focus on results-based incentives in most components, developing sustainable value chains through community-based models, providing carbon finance, and bringing in private sector financing to diversify and regularize investments. Involving LIAs and strengthening their capacity in financial and fiduciary aspects further builds local capacity for sustainability. On the agroforestry side, providing result-based subsidies to private farmers and SMEs improves the financial viability of initial investments, allowing farms to move forward more quickly and generate revenues from the sale of sustainable charcoal and agricultural products, which can be reinvested in additional initiatives over time.

110. **Enhancing environmental and social sustainability.** The project design aims to support the sustainability of positive environmental and social change by creating and enhancing the enabling environment for land use planning and natural resource and landscape management, and by building institutional capacity at the local, provincial, and central levels. Strengthening all three levels of governance will promote the better functioning of entities responsible for upholding the results with improved environmental management and governance after the direct support of the project comes to an end. Additionally, the benefits stemming from improved management are expected to create long-term returns for the effective provision of ecosystem services from the regenerated and better managed forests, which will benefit local and regional communities. From a social perspective, the project design aims to contribute to sustainability by generating new employment opportunities through increased

investments in agroforestry and plantations, improving the enabling environment for the participation of local communities in the management of natural resources, incorporating land tenure arrangements in rural areas, and including PES to finance collective investments.

111. **Building long-term operational capacity.** To strengthen operational systems and create strong government capacity in the long term, the project execution will be fully integrated into existing administrative structures and decentralized entities. This integration will be supported with capacity-building activities and technical assistance to strengthen the capacity of government bodies.

IV. PROJECT APPRAISAL SUMMARY

A. Technical, Economic and Financial Analysis

112. **FOREST's technical design is guided by proven strategies to improve natural resources management and the livelihoods of adjacent communities in seven provinces.** The landscape approach considers the integrated nature of forests, soils, and community needs. Planning and agroforestry activities restore soil quality and diversify income, while perennial crop development meets food security needs and increases cash income, reducing itinerant agriculture. Developing value chains for efficient charcoal and cleaner cooking address demand for wood energy and indoor air pollution. Technical assistance on climate finance supports institutional capacity for incentives and long-term management of ecosystem services.

113. **An economic analysis was conducted to evaluate the feasibility of the program using cost-benefit analysis methodology.**[72] This approach allows for an estimation of the project's incremental impact by comparing it to a scenario without the project. The economic analysis only considers project activities that generate direct and quantifiable benefits with an identifiable and measurable economic value. These include Subcomponents 2.1, 2.3, 2.4, and 3.2, which account for nearly 70 percent of the project allocation. Subcomponent 2.1 is expected to yield significant economic benefits by addressing the drivers of deforestation and forest degradation, resulting in positive impacts on livelihoods, gender, health, and environment. Improved forest management under Subcomponent 2.3 will provide several benefits, including watershed protection services, fuelwood, bushmeat, and soil erosion control. Subcomponent 2.4 will bring benefits in terms of lower agricultural input costs and reduced travel expenses, among others. Only the benefits stemming from lower agricultural input costs were included for simplicity. For the clean cooking component, benefits arise from fuel switching, with strong evidence of health and gender impacts resulting from access to clean cooking solutions. Only benefits arising from fuel switching were considered for this assessment. Additionally, the project generates global benefits in terms of reduced greenhouse gas emissions, as estimated through the EX-Ante Carbon-balance Tool.

114. **Based on the economic analysis, the project interventions are found to be economically feasible and are expected to generate significant benefits.** The overall economic net present value (NPV) of the project over 25 years, without accounting for carbon and road-related benefits, is estimated to be US$167.0 million with a 6 percent discount rate. In particular, Subcomponents 2.1 and 2.3 show an economic NPV of US$166.1 million and an economic internal rate of return (EIRR) of 21 percent, while Subcomponent 3.2 has an economic NPV of US$0.89 million and an EIRR of 7.7 percent. When considering the lower agricultural costs related to road improvements (Subcomponent 2.4) but still without accounting for carbon benefits, the overall NPV of the project over 25 years increases to US$181.5 million.

[72] A reference document linked to this PAD is available in the World Bank official records with the full findings of the project's Economic and Financial Analysis.

Moreover, when considering the shadow price of carbon, the NPV of the project increases significantly. The project's land-based activities are estimated to mitigate 519,588,334 tCO2e over the analysis period of 25 years through EX-Ante Carbon-balance Tool,[73] resulting in a stream of benefits valued at US$11.2 billion at the 2025 low shadow price of carbon and without any increments over time, at a discount rate of 6 percent and for 25 years.[74] If the shadow price of carbon is set at US$45/tCO2 for 2025 (low scenario) with an annual increase of 2.3 percent, as recommended by the World Bank guidance, the NPV of Component 2 including GHG emission reductions increases further to US$14.5 billion. The clean cooking component also shows a higher NPV and EIRR when accounting for GHG mitigation benefits. Using the low shadow price with an annual increase of 2.25 percent, the NPV of subcomponent 3.2 is US$ 151.1 million with an EIRR of 129.1 percent.

115. **Based on the financial analysis, the project is deemed financially viable as it has a positive financial NPV of U$138.7 million, and US$150.0 million with road-related benefits.** Without accounting for road-related benefits, subcomponents 2.1 and 2.3 have a financial NPV of US$130.5 million and a financial internal rate of return (FIRR) of 22 percent, indicating a positive investment. The clean cooking subcomponent also has a positive financial NPV of US$8.1 million, with a FIRR of 30.8 percent. These results suggest that the project will generate enough revenue to cover its initial costs and provide a return on investment.

B. Fiduciary

(i) Financial Management

116. **The DRC public finance management (PFM) system has undergone significant improvements over the past 10 years but remains weak and cannot be fully utilized for the implementation of World Bank projects.** The Public Finances Law of 2011 included important reforms aimed at strengthening the country's PFM, such as the use of Single Treasury Account, the implementation of multi-year programmatic budgeting, the establishment of a national network of public accountants, and the deconcentrating of the expenditure process. Despite some improvements, particularly in internal and external control, strengthening the PFM system remains a challenge and is a top priority identified in the FY2022-26 CPF for DRC.

117. **A Financial Management (FM) assessment of FIP-CU, the project implementing unit, was carried out** in accordance with the World Bank Guidance - Financial Management Manual for World Bank Investments Project Financing Operations, issued on September 7, 2021 (OPS5.05-GUID. 180). It was concluded that the proposed FM arrangements will meet the World Bank's minimum fiduciary requirements once the proposed mitigation measures are undertaken and the action plan implemented. The residual FM risk rating is Substantial.

118. **The key risks identified include:** (i) the complexity of the project involving multiple sectors (environment, transport, agriculture, energy) and several governmental institutions (including LIAs, DIAs, and SMEs); (ii) the use of the newly created Mwinda Fund within ANSER (which has no previous experience in project implementation of World Bank-funded operations) once it its governance arrangements will have been established and assessed satisfactory by the World Bank; (iii) an increased workload for current

[73] A reference document linked to this PAD is available in the World Bank official records with the full findings of the project's Assessment of the Net Carbon Balance.
[74] This figure does not consider road-rehabilitation.

FM staff within FIP-CU that may result in slowing down the financial transaction processing and related disbursements; and (vi) increased susceptibility to fraud and corruption.

119. **The proposed mitigation measures and action plan are described in annex 1 and summarize below:**

- FIP-CU will prepare the project's AWPB with the contribution of relevant stakeholders and ensure appropriate monitoring at implementation.
- The project's accounts will be maintained on an accrual basis through an acceptable accounting software and the accounting system of the Organization for the Harmonization of Business Law in Africa (OHADA) will be used.
- The internal audit team within FIP-CU will be reinforced by staff from the MESD's Directorate of Administration and Finance (DAF) and quarterly report will be prepared.
- FIP-CU will prepare quarterly unaudited Interim Financial Reports (IFRs) submitted to the World Bank within 45 days of the end of each quarter. The following disbursement method will apply: (a) reimbursement, (b) advances, (c) direct payments, (d) special commitments. Disbursements into the project's Designated Account (DA) will be made based on forecasts included in the unaudited IFRs.
- The project's funds will not go through the Mwinda Fund until the World Bank has assessed FM arrangements and conditions as appropriate. The use of the Mwinda Fund would then require a restructuring of the project's implementation arrangements including the Financing Agreement.
- Annual financial statement audits will be carried out by an independent external auditor hired by FIP-CU based on ToRs acceptable to the World Bank. The financial statements audit reports together with the management letter will be submitted to the World Bank within six months after the end of each fiscal year.

(ii) Procurement

120. **General.** Procurement activities will be carried out in accordance with the World Bank Procurement Regulations for IPF Borrowers (fourth edition issued in November 2020)[75] and Guidelines on Preventing and Combating Fraud and Corruption.[76] The project's procurement strategy and arrangements are described in annex 1 and summarized below.

121. **Procurement strategy.** The Project Procurement Strategy for Development (PPSD) describes the overall project operational context, market situations, implementing agencies' capacity, and possible procurement risks. The main risks are related to the delays in project implementation, the poor quality of deliveries, GBV, the increase of insecurity in the project area, and the reputation of the country regarding fraud and corruption. The main value markets are identified as follows: activities under Subcomponents 2.1.a and 2.2 are related to contracts with LIAs that will be recruited through single source or competitive process to carry out the implementation of agroforestry activities in project provinces concerned. Activities under Subcomponent 2.3 relating to the establishment of CFCL will be implemented with the support of DIAs selected competitively. Few activities under Subcomponent 2.1.a relate to procurement for the supply of equipment, goods, and materials for LIAs (vehicles, agricultural tools, bags, tractors, and other machines) and recruitment of consultants. Some civil engineering works in Subcomponents 2.3 and

[75] Procurement in Investment Project Financing: Goods, Works, Non-Consulting and Consulting Services, Fourth Edition November 2020. Washington, D.C.: World Bank Group.
[76] Guidelines on preventing and combating fraud and corruption in projects financed by IBRD loans and IDA credits and grants. Washington, D.C.: World Bank Group.

2.4 relate to the rehabilitation and maintenance of roads as well as the construction of storage warehouses for agricultural products. Other activities are small and low-complexity contracts. Appropriate and proportional market approach and procurement methods have been identified in the PPSD and the initial Procurement Plan has been prepared. The underlying Procurement Plan will be updated at least annually or as required to reflect the actual project implementation needs and improvements in institutional capacity. The proposed project uses Systematic Tracking of Exchanges in Procurement (STEP), a planning and tracking system that provides data on procurement activities, establishes benchmarks, monitors delays, and measures procurement performance. Sub-component 3.1 includes contracts for technical assistance contracts and goods to support capacity building on improved carbonization techniques and sustainable charcoal value chains. Under Sub-component 3.2, the Technical Operator selected under the AGREE project will also support ANSER in setting up an RBF subsidy mechanism for clean cooking. Other contracts for services and goods will be signed to support the structuring of the improved clean cooking sector and capacity building for stove testing (CERERK/ISTA laboratory).

122. **Procurement arrangements.** Procurement activities will be carried out by FIP-CU. The Procurement Unit of FIP-CU will be responsible for planning, procurement process, management of contracts and other grants, and reporting of all procurement-related activities. FIP-CU includes a senior procurement officer, two procurement specialists, and three procurement assistants. FIP-CU will also deal with the implementation of the IFLMP (P128887), ERPA (P160320) and the OPERPA (P170835) project also financed by the World Bank. FIP-CU maintains a large database of actors and operators active in the sectors of forest conservation and REDD+. The project will capitalize on achievements of previous projects managed by FIP-CU and consider the award of contracts in a spirit of continuity to achieve the objectives of the project while streamlining the disbursement in compliance with the rules. FIP-CU will be responsible for all procurement activities under Component 3, while ANSER will only be responsible for the technical implementation of Subcomponent 3.2. An implementation agreement will be signed with ANSER to define its collaboration framework with FIP-CU.

C. Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

D. Environmental and Social

123. **The following Environmental and Social Standards (ESS) apply to the project:**

- **ESS1: Assessment and Management of Environmental and Social Risks and Impacts.** ESS1 is relevant due to impacts and risks that may be caused by various project activities to be implemented in the project areas. Components 1, 2, and 3, with TA activities embedded, will finance improved land use planning and natural resource management in targeted areas, agroforestry development and CFCL for sustainable forest management and improved food security, and support for the development of sustainable value chain for energy and efficient cooking, respectively. Component 4 supports enhanced and innovative approaches to MRV RBF while Component 5 shall focus on project implementation and M&E.
- **ESS2: Labor and Working Conditions.** The project will likely employ different types of workers, including direct workers, contracted workers, community workers, and primary supply workers. Given the nature of the activities, most workers are likely to be community workers involved in Components 2 and 3. Labor Management Procedures (LMP) have been developed and a stand-alone worker specific GRM (for direct and contracted workers) will be established with specific procedures to report Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH) complaints, and in addition, an appropriate GRM arrangement shall be made for community workers.
- **ESS3: Resource Efficiency and Pollution Prevention and Management.** According to the nature and relatively small- to medium-scale civil works, the risks and impacts related to resource efficiency and pollution will be minor, short-lived, localized, and confined to the area immediately surrounding the construction/rehabilitation sites.
- **ESS4: Community Health and Safety.** Potential adverse health and safety risks and impacts posed by project activities to communities are mainly associated with community exposure to project-related traffic and road safety risks, water pollution resulting from palm oil and food crops and development of their markets and value chains, community exposure to waterborne and vector-borne diseases due to poor sanitation and drainage, community exposure to natural hazards such as extreme weather events, forest fire safety issues from activities inside forest areas, and limited life and fire safety risks for minor works for small-scale roads and bridges.
- **ESS5: Land Acquisition, Restrictions on Land Use, and Involuntary Resettlement.** Activities under Component 2 related to plantation development and transition to efficient charcoal production are likely to cause physical and economic displacement/restriction of access to collective resources. A Resettlement Policy Framework (RPF) has been prepared to address these risks and provide guidelines for the elaboration of eventual Resettlement Action Plans when required.
- **ESS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources.** The project will be implemented in degraded natural habitats (savannah areas) in seven provinces across the country. However, it will be near potential critical habitats (buffer zones), including nationally recognized protected areas (Salonga National Park, waterfalls on the Congo River, Luki Biosphere Reserve, and mangrove natural reserves) and there is presence of species with HCVs such as elephants, which will be considered as part of the screening and edibility criteria based on the land use planning support under the project.
- **ESS7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities.** The project will be implemented in provinces known to host IPs notably in the Central

Basin (Kasaï, Kasaï Central, Kasaï Oriental, and Lomami). The project activities could disproportionately affect IPs, as some activities might displace them from their ancestral lands or restrict their access to shared resources. An Indigenous Peoples Planning Framework (IPPF) has been prepared to ensure that the IPs benefit from the project in a culturally appropriate manner.

- **ESS8: Cultural Heritage.** Some areas within the targeted provinces may be considered sacred by involved local communities, while other sites may have the presence of tangible and/or intangible cultural heritage.
- **ESS10: Stakeholder Engagement and Information Disclosure**. The client has prepared and will implement an inclusive Stakeholder Engagement Plan (SEP), which will ensure to seek stakeholder feedback and identify opportunities for proposed future engagement, ensuring that all public consultations are inclusive and accessible to all project basin residents, respecting the scope and local specificities through suitable channels.

124. **The environmental risk is considered High.** This rating is based on the activities to be funded by the project, particularly related to biodiversity, pollution, and health and safety risks and impacts related to site selection, management, and harvesting operations for agroforestry and plantations for fuelwood and timber and the wide range of small- and medium-scale interventions in different sectors and multiple areas with different particularities, which can be critical especially for the implementation phase of the project. In addition, potential environmental risks and impacts are likely to be permanent, cumulative, and irreversible (increased rates of natural resources exploitation, small-scale plantations under sustainable management standards and associated biodiversity and ecosystem services, illegal logging, and poaching; changes in land use pattern; impacts on biodiversity due to the expansion of agroforestry activities, and increased use of agrochemicals in community agroforestry). Identified environmental risks and impacts are anticipated to result mainly from activities under Components 1, 2 , 3, 4, and 5. They include loss of biodiversity or conversion of natural and seminatural vegetated land to other types of land cover classes if good practices in land restoration are not applied correctly under Components 1 and 2. Other risks include water overuse for seedling production in nurseries, introduction of invasive species through reforestation and/or agroforestry activities, potential contamination due to the use of agrochemicals and pesticides, improper waste management of cleared vegetation, occupational health and safety hazards for the workforce due to the careless use of machinery and equipment. Distribution of clean and efficient cooking solutions (Component 3) will have potential environmental risks and impacts related to the storage and final disposal of used clean and efficient cooking solutions containing hazardous waste, and disposal/recycling of solar panels in case solar panels are promoted. Support for small roads and bridges rehabilitation/maintenance activities may include air, noise, and water pollution, erosion, soil contamination, deforestation, land degradation, generation of hazardous waste during small-scale construction, forest and ecosystem services degradation, community and worker's health and safety risks, downstream effects from the conclusion of the TA and capacity-building activities, impacts on water quality and quantity and aquatic ecology due to landscape restoration activities, risk of forest/savannah fire, and soil erosion due to earthworks and runoff. In addition, there might be impacts related to occupational and community health and safety such as fire safety, construction safety, transportation, and pesticide exposure. The project is also exposed to exogenous climate risks/natural disasters such as floods, intense rainfalls, and landslides. Because communities in these basins are largely dependent on natural resources for livelihoods, adverse impacts on ecosystems and associated ecosystem services would present an environmental risk for communities as well.

125. **The Social risk under the project is rated High.** Activities under Component 1 (land use planning) might carry downstream impacts and the project will have to ensure that terms of reference related to those

activities are consistent with the ESF. Likewise, all technical assistance activities carry social risks, which will have to be mitigated. Activities under Component 2 related to plantation development and under Component 3 related to transition to efficient charcoal production carry a range of potential negative social risks, that include physical and economic displacement/restriction of access to resources and inadequate compensation for those impacted. This is particularly relevant to potential activities in the center basin (Kasaïs), that is known to host IPs and where there's a potential for FPIC to be triggered under some sub-projects. The project also presents risks of increased social conflicts, risk of land legacy issues, risk of complex ownership structures etc. Mitigation measures for these risks are also included in the RPF. Community-led civil works initiatives for fire prevention, agricultural secondary roads, and small bridges rehabilitation carry risks that include those related to labor (child labor, forced labor, labor disputes, etc.), SEA/SH, and social exclusion, particularly during the recruitment of community workers. The project has prepared LMPs to address these risks. In addition, some of the targeted provinces host internally displaced persons and have been identified by the Bank's own quarterly country wide Security Risk Assessment as hotspots for violent conflicts, kidnappings, harassment, etc. The project might make use of security personnel (such as private security firms) to safeguard some of the newly established plantations, which might also pose risks to the surrounding communities. The client will prepare a Security Personnel Management Plan to address this risk. Because of the above-mentioned risks and the wide geographical scope of the project, with some areas posing issues of accessibility for supervision.

126. **A risk screening has determined that the SEA/SH risk level for the project is Substantial.** The following factors contribute to this risk: (i) the project will operate in areas of the country experiencing a humanitarian emergency and conflict, increasing the risk of SEA/SH incidents and limiting access to GBV survivor support services; (ii) the project will operate in remote areas that are difficult to supervise due to insecurity and inaccessibility, presenting challenges in supervising both female and male workers who work in close proximity; (iii) the likelihood of contracting security personnel (private security company) increases the risk of SEA/SH incidents; (iv) the targeted provinces are in the lowest poverty quartile of the country, with economic vulnerability being a high risk factor for SEA/SH incidents, particularly for women and girls; (v) remote areas of intervention with a lack of health services, including GBV services providers, increase the level of risk of SEA/SH; and (vi) some of the project's anticipated activities will require the hiring of community male and female workers, with the latter being more vulnerable to SEA/SH incidents. Per the SEA/SH Action Plan in annex 11 of the Environmental and Social Management Framework (ESMF), proposed mitigation and response measures include but not limited to : (i) signing of codes of conduct, prohibiting SEA/SH and outlining sanctions in case of non-compliance, which will be signed by all workers, including FIP-CU personnel; (ii) regular worker trainings in local languages conducted by the contractor on labor provisions, codes of conduct, GBV, including SEA/SH risks and consequences, and the GRM sensitive to SEA/SH; (iii) mapping of services providers, including a quality evaluation of services offered in the areas of intervention; (iv) links with GBV service providers to which GBV survivors, including SEA/SH survivors, will be referred, which will include, at a minimum, quality medical services, psychosocial assistance, and legal support; (v) awareness-raising strategies describing how workers and local communities will be sensitized to GBV, including SEA/SH risks, and worker responsibilities under the codes of conduct; and (vi) accountability and response mechanism to report SEA/SH incidents in an ethical and confidential manner, following a survivor-centered approach. The project will ensure that the sensitization measures are correctly directed towards the communities, that they are well informed about the GRM that will manage SEA/SH complaints, and that this mechanism is safe, confidential, and accessible to the workers and the neighboring communities. The SEA/SH action plan will be implemented by the borrower in accordance with the SEA/SH Good Practice Note and will also be aligned with the SEP for the implementation of SEA/SH aspects.

127. **To mitigate the above potential risks and impacts,** the ESF instruments listed in Table 5 have been prepared, consulted upon, and disclosed both in DRC and on the World Bank site

Table 5. ESF instruments prepared, consulted upon, and disclosed

Relevant standards	Instruments	Disclosure in DRC	Disclosure on the World Bank website
ESS1	Draft ESMF including a SEA/SH Action Plan and a Pest Management Plan (PMP)	December 13, 2022	December 15, 2022
	Final ESMF including a SEA/SH Prevention and Response Action Plan (AP) and a PMP	March 29, 2023	March 29, 2023
	Environmental and Social Commitment Plan (ESCP) including an exclusion list of activities that are ineligible for funding under the project	May 3, 2023	April 8, 2023, and May 3, 2023
ESS2	LMP	March 26, 2023	March 28, 2023
ESS3	PMP included in the ESMF	December 13, 2022	December 13, 2022, and March 29, 2023
ESS4	SEA/SH AP annexed to the ESMF	December 13, 2022	December 15, 2022, and March 29, 2023
ESS5	RPF	March 26, 2023	March 28, 2023
ESS7	IPPF	March 26, 2023	March 28, 2023
ESS10	SEP	March 26, 2023	March 28, 2023

128. **The ESMF** includes guidance on screening, and minimizing impacts on environmental sensitive areas, an exclusion list, cumulative impact assessment, inventory of ecosystem services and guidance on environmentally and socially sustainable agroforestry practices for small producers. It also outlines the strategy and timeline for identifying actions to address biodiversity conservation threats and includes a prevention and response action plan for SEA/SH based on the project's risk level. As required by the ESMF, subprojects rated Low and Moderate will be governed by a standard Environmental and Social Management Plan (ESMP) while subprojects rated Substantial or High will be governed by a site-specific ESIA/ESMP. The project will prepare a limited number of ESIAs to cover all the anticipated 500+ subprojects (including rural roads to be rehabilitated or upgraded) through geographic and sectoral clustering for subprojects that are Substantial or High risk. The full ESIAs will assess all risks and impacts relevant to the ESSs within the area of the project, including on ecosystem services as outlined in the ESMF. PES to beneficiaries under the project are not anticipated to result from any formal ecosystem services assessment. ESIAs/ESMPs for agroforestry plantations, land restoration, and palm oil plantations, including small producers and oil palm fruit trees, will include standards for environmentally and socially sustainable practices. ToRs used for the preparation of the E&S instruments shall be acceptable to the World Bank and consistent with ESS6 requirements on preparation of a Biodiversity Management Plan.

129. **Institutional capacity.** Given the project's scale and client's limited capacity in E&S management, the monitoring and capacity building arrangements for the project have been defined as follows. The ESCP requires quarterly reports and other entities (contractors, ODR, LIAs), and supervising firms) to provide monthly monitoring reports on Environment Social Health and Safety performance in accordance with the metrics specified in the respective bidding documents and contracts and submit such reports to the World

Bank. The implementing agency will develop and implement an environmental and social training plan within 90 days after the Project Effective Date. The training plan covers implementation of participatory monitoring and evaluation for the projects and a tracking system of E&S aspects during project implementation. The implementing agency will set up within 90 days after the Project Effective Date the provincial branches staffed with E&S specialists with national coordination from Kinshasa to support supervision of the project. The above listed actions are reflected in the ESCP, and it will be the first control mechanism and the project team will meet every six months to take stock and monitor progress. The project has a dedicated subcomponent 1.3 to build the necessary capacity for improved environmental & social risk management. Participatory monitoring will be caried out through stakeholder engagement with communities. Additional support for monitoring will be provided through outreach and engagement with several CSO that represent community groups, including vulnerable and indigenous people in the project area.

130. **Citizen engagement.** Citizen engagement is a fundamental element of the proposed project to ensure that the needs and priorities of beneficiaries are at the forefront of project implementation. The project will facilitate the establishment and/or strengthening of CARG and other local stakeholder platforms and CLDs at the village level to support land use planning. This will ensure that communities and local stakeholders have a say in the management and use of their land and identify economic opportunities for project support. Before commencing any activities, focused group discussions will be conducted to obtain feedback on the most effective ways to communicate and implement the activities to encourage full participation from targeted beneficiaries. FPIC will be fully integrated into the approach. The communication strategy will ensure that beneficiaries receive sufficient information about the project and know how and where to obtain further information about the project. A beneficiary survey will be conducted annually, with the results reported and implementation adjusted accordingly. The Results Framework of the proposed project includes an indicator that captures beneficiary feedback.

131. **Project-Level Grievance Redress Mechanism (GRM)**. The project will establish a Project-Level Grievance Redress Mechanism (GRM) that builds upon the existing GRM operated by FIP-CU for the IFLMP (P128887). The project-level GRM will ensure the safe and confidential management of SEA/SH claims with a response protocol that ensures timely referrals to appropriate support services. To ensure accessibility of these redress mechanisms, the provincial representatives of FIP-CU will collect data from MGP focal points at the village level. Grievance redress will also be available through additional means including email, phone, or SMS, for citizens to ask questions, or express problems or concerns, thus allowing for the same complaint to be submitted through multiple channels. FIP-CU will prepare quarterly reports on the MGP. Building on the GRM established by the FDCSP (P149049) for forest communities, a specific component of the GRM supported by REPALEF will be accessible to IPs. The particularity of this stakeholder group necessitates an adapted GRM to ensure effective and efficient resolution of grievances. An indicator in the proposed project's Results framework will track the percentage of grievances addressed within a specified amount of time.

V. GRIEVANCE REDRESS SERVICES

132. **Grievance redress.** Communities and individuals who believe that they are adversely affected by a project supported by the World Bank may submit complaints to existing project-level grievance mechanisms or the Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the Bank's independent Accountability Mechanism (AM). The AM houses the Inspection Panel, which determines whether harm occurred, or could occur, as a result of Bank non-

compliance with its policies and procedures, and the Dispute Resolution Service, which provides communities and borrowers with the opportunity to address complaints through dispute resolution. Complaints may be submitted to the AM at any time after concerns have been brought directly to the attention of Bank Management and after Management has been given an opportunity to respond. For information on how to submit complaints to the Bank's Grievance Redress Service (GRS), please visit http://www.worldbank.org/GRS. For information on how to submit complaints to the Bank's Accountability Mechanism, please visit https://accountability.worldbank.org.

VI. KEY RISKS

133. **The project's overall risk rating is categorized as High.** The following paragraphs outline the risks associated with the successful implementation of the project, as well as the proposed measures to mitigate them.

- **Political and Governance – High.** The overall country environment is characterized by volatile political context, lack of transparency, and weak governance. These are significant issues that contribute to vulnerability and insecurity within the country, which can hinder the effectiveness of the project. Presidential elections are scheduled at the end of 2023 and may bring periods of instability and result in a reshuffling of government structures and responsibilities, with potentially negative consequences for the administration and on-going program of reforms. The project is supported by the highest levels of political commitment to the forest and climate agenda and is anchored in the country's international pledges, such as the Paris Agreement and CAFI LOI. Specific activities will be implemented to support the national policy and regulatory environments, ensuring continuous policy dialogue with authorities and adaptive management. The project will also involve a strong partnership approach with local communities, NGO operators, the private sector, local authorities, and various technical services from the national and local administration, with a strong capacity building component, to ensure informed interventions and ownership at the local level.
- **Macroeconomic – Substantial.** DRC has maintained low levels of debt and fiscal and Balance of Payments deficits, with economic growth estimated at 8.6% in 2022. However, the country remains vulnerable to commodity price volatility and local and international conflicts, which may limit social and economic investment opportunities. Domestic revenue mobilization and foreign exchange reserves have improved, and engagement with the IMF under the Extended Credit Facility aims to mitigate macroeconomic risks. The Bank's DPO series in DRC supports the government's program of reforms to address governance challenges in public finances. For risk mitigation, the project aims to maximize the use of locally available materials and expertise and does not require co-financing from government counterpart funds.
- **Sector Strategies and Policies – Substantial.** Oversight, implementation, and institutional coordination are weak across the entire administration, and decision-making tends to be centralized, with low levels of participation and poor communication with decentralized entities. However, since the adoption of its National REDD+ Strategy and significant donor backing for its Investment Plan, DRC has been implementing several cross-sectoral programs supporting land use planning, land tenure, agroforestry plantations for food and wood energy, and sustainable forestry. This has enabled collaboration across sectors, informed the development of relevant strategies and policies, and improved institutional implementation capacity to address these issues at different levels. The project's design includes mitigation measures across components, providing guidance, technical assistance, and capacity-

building support for all institutions and operators responsible for achieving PDO indicators. The project will also support policy developments on forest and climate change, ensuring feedback and coherence between national-level policies and approaches promoted in the field.

- **Technical Design of Project – High.** Activities in the forest sector are typically characterized by longer implementation timelines, such as the establishment of plantations, and are exposed to significant risks, including the possibility of fires, until their underlying economic models become mature. This may pose challenges in maintaining beneficiary support within the World Bank's standard five-year project cycle. To address this risk, the project proposes a seven-year implementation period to provide longer-term support and cover the entire business cycle for the supported activities. In addition, PES will be used to incentivize the maintenance of investments in the meantime, and capacity building in fire management will be provided with the youth as specific target audience. The project will use a participatory approach during the early stages of implementation to develop appropriate natural resource management plans, which will require significant on-the-ground capacity and expertise. Technical implementation risks will be mitigated to some extent by scaling up existing activities and leveraging experienced actors with strong networks in local communities and throughout the provinces.
- **Institutional Capacity for Implementation and Sustainability – High.** MESD, through its FIP-CU, has significant experience in implementing Bank-financed projects. However, there is still a need for additional capacity and support for the successful delivery of project activities and management of associated risks. To mitigate this risk, the project design will build upon past and existing projects and leverage and build upon existing mitigation measures. FIP-CU will also be reinforced with additional sectoral experts and the recruitment of several technical operators to support operations. To enhance project sustainability, particularly regarding landscape investments that are subject to significant risks if not adequately maintained by beneficiaries and/or overseen by authorities, the project will support the involvement of authorities at all levels, from MESD and other national and provincial agencies to local community development authorities. The project will also utilize various result-based financing approaches and support the development of value chains beyond production to ensure long-term sustainability.
- **Fiduciary – High.** Fraud and corruption are widespread in DRC, despite the Government's commitment to combat corruption, and pose a high fiduciary risk to the World Bank DRC portfolio, including this project. In addition, there are concerns about low financial management and procurement capacity at the provincial level. To mitigate these risks, the project will strengthen FIP-CU by hiring additional staff for procurement, accounting, and FM. The PIM will define a clear process for capacitating implementing partners, particularly LIAs. Continuity in implementation responsibility and FIP-CU staffing will be crucial. If necessary, the project will hire an independent consultant to conduct annual procurement and contract compliance verification, focusing on identified or perceived high-risk contracts and informed by incoming complaints and grievances.
- **Environment and Social – High.** The development of plantations, even in degraded areas, can pose environmental risks. It is important to carefully select crops to avoid introducing invasive species and ensure that necessary infrastructure development does not harm biodiversity or water quality. The project will conduct environmental impact studies to ensure that the placement of plantations and agroforestry initiatives minimizes environmental impact. The approach will be tailored to specific zones and conditions to avoid a 'one size fits all' approach, which could have negative impacts on fragile water bodies, remnant forests, or unique species. The development of plantations and the transition

to efficient charcoal production carry the risk of negative social impacts, such as involuntary land acquisition, loss of livelihoods, social and environmental risks, and inadequate compensation, which could affect the project beneficiaries and raise concerns. To mitigate these risks, the project will incorporate environmental and social mitigation measures and specific actions per the ESF standards into the activity design, with particular attention to the rights of women and IPs. To mitigate SEA/SH risks, which are rated Substantial under this project, an action plan has been prepared which outlines the identified risks and mitigation measures. Additionally, the project's GRM will be designed to facilitate easy access for local stakeholders, including those in vulnerable communities.

- **Stakeholders – Substantial.** The success of the proposed activities will rely on the strong involvement and commitment of communities and local stakeholders, such as NGOs and authorities. The activities, which include developing participatory natural resource management plans, promoting small-scale plantations, and establishing community forest concessions, require a high level of cooperation and commitment from stakeholders. To ensure that vulnerable populations, such as refugees, indigenous people, women, and marginalized groups, are included, careful attention must be paid to stakeholder engagement. Engaging with state and non-state actors at the decentralized level, including customary, local, and provincial authorities, will be crucial to effectively manage issues such as land ownership. The proposed project will draw on lessons learned from the IFLMP (P128887) work in the western provinces and will include early intervention by a social specialist to ensure that stakeholder engagement covering diverse groups is carried out in a timely manner.
- **Other: Security – Substantial.** The risk and impact of conflict is high throughout many areas of DRC, including the provinces covered by the project. The Kasaï for example, experienced high-intensity violence between 2016 and 2018—during the Kamwina Nsapu conflict—and can now be classified as a post conflict region of the country, where triggers for low-intensity conflict remain. These triggers include conflicts over access to land, pressures upon host communities from large number of people displaced during the 2016–2018 violence and who have not been able (or willing) to return to their areas of origin and increasing poverty and lack of economic opportunity. In other parts of the country (Mai-Ndombe, for example) sporadic outbreaks of violence occur with little warning, over ethnic and tribal issues. The Bank ensures constant and in-depth monitoring of the security situation, including through close collaboration with security sectors partners, including United Nations Organization Stabilization Mission in DRC. In addition, the project's design includes elements that respond to all six drivers of the DRC RRA with specific resilience factors in the West and Kasaï Regions,[77] including reinforcing links between national- and provincial-level sectoral development committees, engaging community level and civil society through permanent forums, creating inclusive economic opportunities for communities and the private sectors, and empowering women and youth in value chain activities and private sector development opportunities.

[77] A reference document linked to this PAD is available in the World Bank official records with the full details of the Drivers of Fragility and Project Design.

VII. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY: Congo, Democratic Republic of

Forest and Savanna Restoration Investment Program

Project Development Objectives(s)

To improve forested landscape management and enhance community livelihoods in selected project areas.

Project Development Objective Indicators

Indicator Name	PBC	Baseline	Intermediate Targets						End Target
			1	2	3	4	5	6	
Improved forested landscape management									
Land area under sustainable landscape management practices (CRI, Hectare(Ha))		0.00	20,000.00	215,000.00	425,000.00	535,000.00	640,000.00	640,000.00	640,000.00
Enhanced community livelihoods									
People with improved benefits from forested landscapes (Number)		0.00			600,000.00			1,200,000.00	1,200,000.00
Women (Number)		0.00			200,000.00			400,000.00	400,000.00
Youth (Number)		0.00			200,000.00			400,000.00	400,000.00
Indigenous People (Number)		0.00			25,000.00			50,000.00	50,000.00
People provided with		0.00	500,000.00	1,000,000.00	1,500,000.00	2,500,000.00	2,500,000.00	2,500,000.00	2,500,000.00

Indicator Name	PBC	Baseline	Intermediate Targets						End Target
			1	2	3	4	5	6	
new or improved access to clean cooking solutions (Number)									

Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	Intermediate Targets						End Target
			1	2	3	4	5	6	
1: Improved Land use Planning and Governance for NRM in Selected Project Areas									
Area under participatory land use management planning and monitoring (Hectare(Ha))		0.00	0.00	3,000,000.00	6,000,000.00	8,000,000.00	10,000,000.00	12,400,000.00	12,400,000.00
Supported villages in the pilot province with an operational land registry (Percentage)		0.00	0.00	5.00	25.00	50.00	75.00	80.00	80.00
Beneficiary households trained to apply households and community-led empowerment approaches to promote gender equality and address SEA/SH risks (Percentage)		0.00	0.00	40.00	80.00	100.00	100.00	100.00	100.00
Technical Services supporting improved governance of natural resources (Number)		0.00	5.00	8.00	10.00	10.00	10.00	10.00	10.00

Indicator Name	PBC	Baseline	Intermediate Targets						End Target
			1	2	3	4	5	6	
Public entities with improved capacity on E&S risk management (Number)		0.00	0.00	2.00	4.00	6.00	10.00	10.00	10.00
2: Development of Agroforestry and Forest Value Chains for Sustainable Landscape Management									
Area under agroforestry and re-/afforestation systems (Hectare(Ha))		0.00	5,000.00	35,000.00	85,000.00	105,000.00	120,000.00	120,000.00	120,000.00
Community led plantations (Hectare(Ha))		0.00	3,500.00	25,000.00	60,000.00	75,000.00	85,000.00	85,000.00	85,000.00
Private plantations (Hectare(Ha))		0.00	1,500.00	11,000.00	25,000.00	32,000.00	36,000.00	36,000.00	35,000.00
Agroforestry sub-projects led by women (Percentage)		0.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Agroforestry sub-projects led by youth (Percentage)		0.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Area of savanna and forest set asides (Hectare(Ha))		0.00	15,000.00	80,000.00	190,000.00	230,000.00	270,000.00	270,000.00	270,000.00
Area under improved forest management (Hectare(Ha))		0.00	0.00	100,000.00	150,000.00	200,000.00	250,000.00	250,000.00	250,000.00
IP-led community forests (Number)		0.00	0.00	4.00	5.00	7.00	10.00	10.00	10.00
Roads rehablitated (CRI, Kilometers)		0.00	0.00	300.00	700.00	1,000.00	1,400.00	1,400.00	1,400.00
Roads rehabilitated - rural (CRI, Kilometers)		0.00							1,400.00
Roads rehabilitated -		0.00							0.00

Indicator Name	PBC	Baseline	Intermediate Targets						End Target
			1	2	3	4	5	6	
non-rural (CRI, Kilometers)									
3: Development of Sustainable Value Chain for Energy and Efficient Cooking									
Beneficiaries involved in more efficient charcoal value chains (Number)		0.00	0.00	20,000.00	80,000.00	120,000.00	150,000.00	190,000.00	190,000.00
Women (Number)		0.00	0.00	5,000.00	20,000.00	30,000.00	40,000.00	50,000.00	50,000.00
Youth (Number)		0.00	0.00	3,500.00	15,000.00	20,000.00	30,000.00	35,000.00	35,000.00
Studies on wood energy value chains in main supply basins (Yes/No)		No	No	No	Yes	Yes	Yes	Yes	Yes
Households provided with clean and efficient cooking solutions (Number)		0.00	100,000.00	200,000.00	300,000.00	500,000.00	500,000.00	500,000.00	500,000.00
Female-headed households (Percentage)		0.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00
Amount of investments mobilized through RBF (private financing) (Amount(USD))		0.00	3,200,000.00	6,400,000.00	8,600,000.00	16,000,000.00	16,000,000.00	16,000,000.00	16,000,000.00
Additional jobs created locally by supported clean cooking operators (Number)		0.00	400.00	800.00	1,200.00	2,000.00	2,000.00	2,000.00	2,000.00
Policies and regulations adopted by the government to support clean cooking market development (Number)		0.00	0.00	1.00	2.00	2.00	2.00	2.00	2.00
Share of female workers		0.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00

Indicator Name	PBC	Baseline	Intermediate Targets						End Target
			1	2	3	4	5	6	
in supported enterprises (Percentage)									
4: Enhanced and Innovative Approaches to MRV and Result-Based Climate Financing									
MRV system established and operational (Yes/No)		No	No	No	Yes	Yes	Yes	Yes	Yes
GHG Monitoring Reports prepared (Yes/No)		No	No	No	Yes	Yes	Yes	Yes	Yes
National frameworks for RBCF established and operational (Yes/No)		No	No	No	Yes	Yes	Yes	Yes	Yes
5: Project Implementation and Monitoring and Evaluation									
Grievances registered related to delivery of project benefits effectively addressed. (Percentage)		0.00	90.00	90.00	90.00	90.00	90.00	90.00	90.00
Grievances from IPs (Percentage)		0.00	90.00	90.00	90.00	90.00	90.00	90.00	90.00
Greenhouse gas (GHG) emissions reduced, sequestered and avoided (Metric tons/year)		0.00	2,000,000.00	12,000,000.00	27,000,000.00	33,000,000.00	38,500,000.00	38,500,000.00	38,500,000.00
Share of beneficiaries in the project areas satisfied with the project support and services (Percentage)		0.00	40.00	50.00	60.00	65.00	70.00	70.00	70.00

Monitoring & Evaluation Plan: PDO Indicators					
Indicator Name	**Definition/Description**	**Frequency**	**Datasource**	**Methodology for Data Collection**	**Responsibility for Data Collection**
Land area under sustainable landscape management practices	The indicator measures, in hectares, the land area for which new and/or improved sustainable landscape management practices have been introduced. Land is the terrestrial biologically productive system comprising soil, vegetation, and the associated ecological and hydrological processes; Adoption refers to change of practice or change in the use of a technology promoted or introduced by the project; Sustainable landscape management (SLM) practices refers to a combination of at least two technologies and approaches to increase land quality and restore degraded lands for example, agronomic, vegetative, structural, and management measures that, applied as a combination, increase the connectivity between	Annual	Implementation partners (LIAs, TA Operator, DIA)	Improved sustainable landscape management practices include the introduction of agroforestry systems and re-/afforestation (120,000 ha) (C.2.1), savanna and forest set asides (270,000 ha) (C.2.2) and improved forest management (250,000 ha) (C.2.3).	FIP-CU

	protected areas, forest land, rangeland, and agriculture land.				
People with improved benefits from forested landscapes	Beneficiaries with an improvement in monetary benefits (at least 20%) and non monetary benefits from forested landscapes	First year (baseline data collection) and (at least) mid-term and last year	Field surveys	Field surveys to determine baseline data and improvement in monetary and non monetary benefits over time. A methodology to be adopted based on IFLMP. Monetary and non monetary benefits include (but are not be limited to) income, dependency ratio, livelihoods conditions, land tenure, land use conflicts, awareness level on natural resources management governance.	FIP-CU with support from academia and research organization
Women					
Youth					
Indigenous People					
People provided with new or improved access to clean cooking solutions	Households provided with new or improved solutions access to clean cooking	Annual	Clean cooking operators	Verified reports from clean cooking operators	FIP-CU through ANSER

Monitoring & Evaluation Plan: Intermediate Results Indicators					
Indicator Name	**Definition/Description**	**Frequency**	**Datasource**	**Methodology for Data Collection**	**Responsibility for Data Collection**
Area under participatory land use management planning and monitoring	Areas under land use plans that cover all administrative levels (village to province), are approved and registered, and are monitored by local technical services on a regular basis	Annual	Local authorities and implementation partners	Project M&E data. Includes provincial level (7 plans), territories (36), and villages (910)	FIP-CU
Supported villages in the pilot province with an operational land registry	Share of the supported villages in the pilot province in which a land register is established and maintained by the CLD.	Annual	Implementation partners	Project M&E data	FIP-CU
Beneficiary households trained to apply households and community-led empowerment approaches to promote gender equality and address SEA/SH risks	Share of beneficiary households with gender gap reduction after receiving community-led empowerment approaches, such as GALS.	Annual	Implementation partners	Project M&E data	FIP-CU
Technical Services supporting improved governance of natural resources	Institutional support indicator measuring the involvement of technical services in project implementation and monitoring in the field.	Annual	Local and central authorities	Project M&E data. Sectoral ministries, agencies, local services involved in project activities during the year. May include Environment, Agriculture, Rural	FIP-CU

				Development, Land Affairs, Land Use Planning, Mining, Health, Justice, ACE, ICCN.	
Public entities with improved capacity on E&S risk management	Number of sectoral ministries/agencies and universities benefiting from technical assistance on E&S	Annual	FIP-CU, implementation partners	May include ministries for Environment (incl. ACE, ICCN) Agriculture, Mining, Transport, Hydrocarbon, and Universities (such as Kinshasa, Lubumbashi)	FIP-CU
Area under agroforestry and re-/afforestation systems	Area of agroforestry and re-/afforestation plantations in place	Annual	Implementation partners	Project M&E data	FIP-CU
Community led plantations	Community subprojects (C2.1.a)		LIAs		
Private plantations	Private subprojects (C2.1.b)		TA Operator		
Agroforestry sub-projects led by women					
Agroforestry sub-projects led by youth					
Area of savanna and forest set asides	Area where savanna and forest set asides are in place (C2.3)	Annual	Implementation partners (LIAs)	Project M&E data	FIP-CU
Area under improved forest management	Community-led forests under sustainable management	Annual	Implementation partners (DIA)	Project M&E and data. Areas of forest for which a management	FIP-CU

				plan has been development, validated and is under implementation. May include Local Community Forest Concessions (CFCL) and Other Effective Area-Based Conservation Measures (OECM).	
IP-led community forests	IP-led forests with endorsed management plans and under implementation.				
Roads rehablitated		Annual	ODR and FIP-CU for LIPW	Project M&E data	FIP-CU
Roads rehabilitated - rural					
Roads rehabilitated - non-rural					
Beneficiaries involved in more efficient charcoal value chains	Engagement of beneficiary communities in enhanced carbonization and marketing techniques for the charcoal value chain	Annual	Implementation partners	Project M&E data. Assumptions: For enhanced carbonization, 20 master charcoal makers per province train 1000 charcoal makers each (140,000) incl. 25% of youth. For marketing	FIP-CU

				techniques, women groups (50 people) trained in each CLD.	
Women					
Youth					
Studies on wood energy value chains in main supply basins	Studies and dissemination activities completed. Main supply basins in the provinces of Kwilu, Kasaï, Kasaï Central, Kasaï Oriental, and Lomami.	Annual	Implementation partners	Projet M&E data	FIP-CU
Households provided with clean and efficient cooking solutions	Households provided with clean and efficient cooking solutions	Annual	Clean cooking operators	Verified reports from clean cooking operators	FIP-CU through ANSER
Female-headed households					
Amount of investments mobilized through RBF (private financing)	Amount of private financing leveraged through the RBF mechanism	Annually	Reports from clean cooking operators	Project M&E data. Target assumes a 1:1 co-investment ratio	FIP-CU through ANSER
Additional jobs created locally by supported clean cooking operators	This indicator intends to count the total number of full time-jobs the project contributed to creating locally. Given the assumption that employment generated through the project could be on a seasonal part-time basis, working hours will be	Annual.	Reports from clean cooking operators.	Projet M&E data.	FIP-CU through ANSER.

	accumulated to calculate the equivalent full-time jobs.				
Policies and regulations adopted by the government to support clean cooking market development	Policies and regulations adopted by the government to support clean cooking market development	Annual	Official Journal, Government's website	Supported policies and regulations adopted	FIP-CU through ANSER
Share of female workers in supported enterprises	Assesses if clean cooking operators participating in the RBF employ a minimum specified percentage of female workers.	Annual	Clean cooking operators	Reports from clean cooking operators	FIP-CU through ANSER
MRV system established and operational	Measures progress against setting up the MRV system of the program	Annual	FIP-CU/MESD	MRV system established when 1) Land Use data on project activities are routinely produced and processed; 2) Multi-Resources Inventories are completed; 3) IT system/tool developed and supports reporting, 4) Standard Operating Procedures are developed for the system, and 4) Users trained and manage the MRV system.	FIP-CU

GHG Monitoring Reports prepared	Monitoring Reports at the jurisdictional level and also account for results from project-level activities as appropriate.	Biennially	Program's MRV system	Monitoring Reports	FIP-CU
National frameworks for RBCF established and operational	National RBCF/carbon finance frameworks considered established and operational when 1) An authority is mandated and operational to administer mechanisms at the national level; 2) The regulatory basis is in place to approve and authorize investments and enable transfer of carbon titles, and 3) A carbon accounting/tracking registry is operational.	Annual	National authorities (MESD)	Project M&E data	FIP-CU
Grievances registered related to delivery of project benefits effectively addressed.	Measures GRM efficiency.	Annual	Project's GRM	Project M&E data	FIP-CU, in collaboration with REPALEF for IP-specific component
Grievances from IPs					
Greenhouse gas (GHG) emissions reduced, sequestered and avoided	The indicator measures the volume of CO2 emissions reduced, avoided, and sequestered as a result of project activities in target areas.	Annual	Program's MRV system	Carbon accounting methodologies established to estimate CO2 emission reduction, sequestration and avoidance generated by the supported	FIP-CU

				investments (landscape and clean cooking) and improved governance of natural resources.	
Share of beneficiaries in the project areas satisfied with the project support and services	Measures satisfaction of beneficiary population receiving support across component saying that they are satisfied with the support and services received by the project.	Annual	Field surveys.	Survey of a sample of project beneficiaries, carried out by national CSO platforms as part of the independent M&E mechanism.	FIP-CU in collaboration with National CSO platforms

Annex 1. Implementation Arrangements and Support Plan

1. **The project will be managed by MESD, and its FIP-CU will serve as the main coordinating body for project implementation.** Since 2015, FIP-CU has been involved in various environmental projects funded by the World Bank, including the IFLMP (P128887), Mai-Ndombe Emission Reduction Program (P160320), and OPERPA (P170835). FIP-CU has demonstrated a solid technical track record in community and private sector agroforestry, land use planning, and carbon finance. Additionally, FIP-CU has extensive experience working with various operators, ranging from community operators to NGOs and commercial firms, and under a variety of contractual setups, including delegated management contracts. To strengthen its core project management functions, FIP-CU plans to hire new staff, with a focus on environmental and social risk management, procurement, financial management, and monitoring and evaluation. FIP-CU will establish small provincial teams consisting of a representative, a specialist in charge of environmental and social risk management and M&E, an accountant, and a representative to ensure effective communication with local authorities and stakeholders.

2. **A National Steering Committee will be established to govern the project.** The National Steering Committee will be chaired by MESD and will include representatives from relevant ministries, the private sector, and civil society. The National Steering Committee will provide strategic guidance to project activities and approve and monitor the AWPB. Provincial Steering Committees will also be established to oversee the implementation of project activities at the local level. These committees will be chaired by provincial governors, with technical coordination from MESD. They will include representatives from provincial governments, the territorial administration, decentralized services of relevant ministries, private sector representatives and civil society. The specific composition of the committees will be detailed in the PIM.

3. **The execution of project activities will involve the participation of various authorities at both the central and local levels, as well as contractors, to ensure efficient and effective execution of the project.** Figure 10 in Section III.A. provides a visual overview of implementation arrangements which are further explained below.

4. **Implementation agreements will be signed with specific governmental entities to carry out activities under different subcomponents.** The entities and subcomponents are as follows:

- **ANSER will implement clean cooking activities under Subcomponent 3.2.** ANSER already implements a US$70 million RBF subsidy scheme for off-grid electricity under the AGREE Project (P173506). ANSER established the Mwinda Fund in 2020 to support the government's energy access efforts and an international fund manager is under recruitment to facilitate the implementation of AGREE's RBF scheme. FOREST will leverage ANSER's experience with RBF under AGREE and expertise in energy access for an effective implementation of clean cooking activities. The project will recruit a senior clean cooking expert hosted at ANSER to coordinate these activities. The flow of funds through the Mwinda fund will be considered during implementation, subject to satisfactory assessment by the Bank, and will require a restructuring of the implementation arrangements of the Project, including of the Financing Agreement.
- **Subcomponent 2.4 will involve civil works for road rehabilitation which will be implemented by ODR.** The project will leverage the positive results achieved under the IFLMP (P128887) project under which ODR supports rural road rehabilitation in the Mai-Ndombe Province, through the construction of 37 bridges and 8 road culverts. An implementation agreement will be signed with ODR to outline their responsibilities and obligations in line with the project's PIM and

environmental and social risk management instruments. Specific purchase orders will be issued by FIP-CU, based on the intervention plan developed for each province, and ODR will carry out the work accordingly.

5. **In addition, several contractors will be hired to support the implementation of project activities.** The main ones include the following:

- **Local NGO operators, referred to as LIAs, in the field will implement land use planning (Subcomponents 1.1 and 1.2) and related landscape investments for local communities (Subcomponents 2.1.a and 2.3).** A number of these NGO operators in the project areas have experience implementing similar activities—through the IFLMP (P128887) in the West and other projects run by FIP-CU in the Central Provinces—and a detailed screening was carried out during project preparation to identify potential additional LIAs. DRC's new Sustainable Agriculture Policy (2023) emphasizes the importance of these NGO operators in rural areas to consolidate technical expertise, supply agricultural inputs, and provide operational support to farmer communities, small private owners, and technical services. The selection of LIAs will be based on local anchoring and track record in implementing agroforestry and agricultural activities with communities. LIAs will prepare work plans and provisional budgets and be subject to quarterly control by FIP-CU. FIP-CU, with support from specialized consultants as needed, will provide capacity building to LIAs on key functions (such as financial management, environmental and social, M&E) and expertise areas (such as gender issues).
- **A Delegated Implementation Agency (DIA) will implement Subcomponent 2.3 which involves supporting community forestry activities in remote locations**. An international NGO and/or firm (or consortium) will be recruited through an international competitive selection process to serve as the DIA for implementing Subcomponent 2.3. A Partnership Agreement will be signed for the selected DIA to put in place the material and human resources needed to implement activities.
- **A TA operator will assist FIP-CU in managing subcomponent 2.1.b (private sector plantations).** Based on FIP-CU's experience implementing performance-based grants to for private sector plantation activities under IFLMP (P128887), it is recognized that additional support is necessary given the larger scale of the proposed mechanism. Therefore, a TA operator with a proven track record in supporting investment in agroforestry and forestry value chains will be recruited through an international competitive process. The TA operator will assist FIP-CU in managing the mechanism, which involves various tasks such preparing a call for EOI, conducting awareness-raising activities to encourage participation in the field, supporting project proponents interested in submitting proposals, assisting with the assessment of proposals by the selection committee, monitoring project implementation for compliance with environmental and social risk management instruments, and facilitating independent verification in the field.
- **A TA operator will assist ANSER in managing the RBF subsidy mechanism for clean cooking operators under subcomponent 3.2.** A TA operator will support through developing the calls for EOIs, assessing project proposals from clean cooking operators, monitoring project implementation including compliance with environmental and social standards, and facilitating independent verification.

6. **Project Implementation Manual (PIM).** The PIM will describe the general purpose of the project as well as its objectives, components, implementation timeline, institutional arrangements, beneficiaries, project locations' description, budget. It will provide guidance on operating, administrative and financial procedures and systems, procurement, monitoring and evaluation, management of fixed assets, and environmental and social risk management procedures and tools. To ensure effective implementation of the project, the PIM will include annexes with specific manuals on the implementation of subprojects for community landscape investments (subcomponents 2.1a, 2.2, 2.3), private plantations (subcomponent 2.1.b) and innovation grants and RBF subsidies for clean cooking under subcomponent 3.2, including procedures for selecting beneficiaries, disbursement of funds, reporting, and monitoring and verification. The PIM will be updated periodically as necessary to reflect changes in project implementation, institutional arrangements, and other relevant factors. The PIM will serve as a key reference document for all project stakeholders, including the project management team, implementing agencies, and donors. It will ensure consistency and transparency in project implementation and facilitate effective communication among project stakeholders.

7. **Overall implementation support plan.** As shown in Table 1.1, the complex and innovative nature of the project requires intensive implementation support from the World Bank, especially during the first two years. The project will have Task Team Leaders based both in the WB Headquarters and Country Office (Kinshasa). They will be supported by Agriculture and Energy specialists based in Kinshasa. Other WB staff will provide support in technical areas such as land, clean cooking, and carbon finance. To ensure effective implementation, these specialists will receive critical support from staff in environmental and social risk management, SEA/SH, procurement, FM, and financial sectors. The project anticipates at least three full team missions every year. Additional technical and thematic missions may be organized to support the PIUs and associated agencies on new areas such as carbon finance. Table 1.2 outlines the expected skills mix, staff weeks, and travel required to ensure that actions and schedules are appropriately resourced.

Table 1.1. Overall Implementation Support Plan

Time	Focus for Task Team	Skills Needed	Annual Budget Estimate (US$)
Year 1–2	- Establishing of working arrangements with PIU - Support to overall project planning - Investments' design and finalization of specific PIM annexes - Preparation of ToRs for main contracts and the procurement process - Implementation of the E&S framework - Operationalization of Gender and SEA/SH Action Plans - Capacity building to PIU and main operators (environmental and social standards, FM, procurement)	- Forestry, agriculture, land, energy and clean cooking, transport, climate change, private sector, carbon finance and accounting, gender - E&S (including SEA/SH specialist), procurement, FM	300,000

Time	Focus for Task Team	Skills Needed	Annual Budget Estimate (US$)
Years 3–7	- General supervision and technical support - Continued technical assistance on specific topics and activities (land tenure, clean cooking, carbon finance, transport) - E&S supervision including SEA/SH - FM and procurement - M&E implementation support	- Forestry, agriculture, energy, carbon finance, transport - E&S (including SEA/SH specialist), procurement, FM	250,000

Table 1.2. Task Team Skills Mix

Skills Needed	Annual Number of Staff Weeks	Annual Number of International Trips	Comments[78]
Senior environmental specialist (task team leader)	12	5	IRS based in Kinshasa or HQ
Senior forestry specialist (co-task team leader)	12	0	IRS - Kinshasa
Senior agricultural specialist	5	0	IRS - Kinshasa
Energy specialist	5	0	LRS - Kinshasa
Senior land specialist	3	2	IRS - HQ
Senior carbon finance specialist	5	3	IRS - HQ
Senior transport specialist	3	0	IRS - Kinshasa
Private sector specialist	5	2	IRS - HQ or LRS - Kinshasa
GHG accounting/MRV consultant	4	2	Consultant - HQ
Senior clean cooking specialist	3	2	IRS - HQ
Senior financial sector specialist	8	0	IRS - Kinshasa
Procurement specialist	10	0	LRS - Kinshasa
FM specialist	5	0	LRS - Kinshasa
Senior Social specialist	5	0	IRS/LRS - Kinshasa
Senior Environmental specialist	5	0	IRS/LRS - Kinshasa
Gender consultant	5	0	Consultant - Kinshasa
SEA/SH consultant	5	0	Consultant - Kinshasa

Financial Management

8. The overall coordination of the project, including FM, will be managed by FIP-CU which was established by Ministerial Order No. 008/CAB/MIN/ECN DD/01/00/RBM/2015 of November 19, 2015. FIP-CU has wide experience in managing projects in the environment sector with various donors, including the following ongoing World Bank's projects: DRC IFLMP (P128887) including its CAFI (P162837) and Global Environment Facility (P160182) Additional Financing, the Mai-Ndombe Emissions Reduction Program (P160320), and the TA OPERPA (P170835).

[78] *Note:* IRS = Internationally recruited staff; LRS = Locally recruited staff.

9. **The overall FM risk is considered High.** The rating is mainly driven by the high inherent risk at the country level; the size of the project as it represents almost five times the highest project financing monitored by FIP-CU to date; the increase in the number of projects managed by FIP-CU; the complexity of the project with activities that include the intervention of many stakeholders such as governmental institutions, LIAs, and DIA; and the involvement of the new MWINDA Fund within ANSER once its governance arrangements will be fully established and assessed by the Bank as satisfactory.

10. **The proposed FM risk mitigation measures for this project are considered adequate to reduce the residual risk to Substantial** and comply with the provisions of World Bank Directive: Financial Management Manual for World Bank Investment Project Financing Operations.

11. **Country PFM situation and use of country systems.** The latest 2020 DRC Public Expenditure and Financial Accountability (PEFA) assessment conducted highlights weak PFM performance in budget reliability and predictability and management of assets and liabilities, while the performance for the other pillars (budget transparency and comprehensiveness, budget cycle, predictability and control, accounting and reporting, and external and internal audit) is basic. There have been some improvements on provisions of the 2011 Public Finances Law. A Medium-Term Budget Framework (MTBF) is developed and published every year by the Ministry of Budget. In addition, a Medium-Term Expenditure Framework (MTEF) is published as part of the MTBF. The General Finance Inspectorate (IGF) conducts regular investigations in public institutions, at the national and regional level. The Supreme Audit Institution (SAI) has been reinforced through more robust staffing and continues to review the State's execution of budget. Despite these key improvements, several provisions of the 2011 Public Financial Law have not yet been implemented, such as the adoption of program budgeting and the Treasury Single Account. Other main weaknesses of the PFM country system are related to redundant and lengthy steps in budget execution processes; the abuse in the use of exceptional or emergency procedures in the expenditures chain; the excessive centralization of budget execution authority at the central government, through the Ministry of Finance and the Ministry of the Budget. Overall, PFM system strengthening remains a challenge and is one of the top priorities of the World Bank FY2022-26 CPF in DRC.

12. **Based on the assessment, the main FM risks include:**

- Poor governance resulting from low rate on key PFM pillars and delay on reform implementation can lead to the deterioration of overall PFM environment.
- The high amount of financing of the project which is almost five times that usually monitored by FIP-CU.
- Project complexity due to the involvement of multiple actors in implementation.
- Limited experience on monitoring clean cooking activities.
- Request to finance operating costs of the line Ministry.
- Risk of confusion between activities of projects implemented and double dipping of expenditures.
- Prefinancing transactions with other projects that may lead to ineligible expenditures.
- Lack of capacity of the Interim Financial Report (IFR) used as basis of disbursing.
- Unreliable external audit reports and/or external auditors.

13. **To mitigate the fiduciary risk, the following measures will be considered:**

- Supporting various PFM reforms through World Bank-financed projects or project components.
- Strengthening the FIP-CU's existing PIM with additional control measures, especially on (i) coordination between projects under implementation; (ii) prefinancing, (iii) additional procedures for new activities; and (iv) preparation and review of common operating costs.

- Strengthening capacity building of FIP-CU staff, DAF, and other relevant actors on issues critical to facilitating project implementation.
- Reinforcing the World Bank's technical review during the hiring process of the external auditor and ensuring the participation of the World Bank in the audit kick-off meetings.

14. **Effectiveness conditions**: the PIM should be prepared and adopted.

15. **Covenant Dates:**

- No later than one month after effectiveness, the FIP–CU should recruit FM additional staff (chief accountant and accountant, FM assistant).
- No later than three months after effectiveness, the FIP–CU should: (i) recruit a junior auditor, and (ii) assign the MESD DAF staff to be involved in the project as FM assistant.
- No later than six months after effectiveness, the FIP–CU should recruit an independent external auditor (financial audit) in line with the ToRs approved by the World Bank.

16. **Details of the FM arrangements are as follows:**

- **Budgeting.** FIP-CU will prepare the project's AWPB. The budget shall receive the approval of the Steering Committee and the 'no objection' of the World Bank no later than November 30 of the fiscal year concerned. FIP-CU's existing manual of procedures will be strengthened by including specific information on budget planning for the new project.
- **Staffing**. FIP-CU already has an FM specialist, an accountant, and an accountant assistant. To strengthen the team, a chief accountant and an additional accountant will be hired. In addition, the MESD DAF staff will assign two of its collaborators as FM assistants who will help to strengthen capacity within MESD to better understand the World Bank's FM rules and procedures that apply under a project. The designation of the FM assistants and their work program will be subject to the approval of the Programs and Projects Monitoring Unit[79] of the Ministry of Finance and to the World Bank's 'no objection' before their engagement in the project. The maximum duration of their assignment should be two years, at the end of which they will be replaced by new MESD DAF staff. FIP-CU is to recruit additional FM experts shortly after project effectiveness as detailed above in the dated covenants.
- **Accounting policies and procedures.** FIP-CU already has accounting policies and procedures documented in their existing PIM. However, the PIM will be strengthened to consider the specificities of the new project's activities. There will be a migration to the OHADA accounting system for non-profit entities (SYCEBNL) once it becomes effective in January 2024. FIP-CU is already using the TOMPRO software and new window will be created for the project.
- **Internal control.** FIP-CU already has a financial manual in the context of the projects currently under management. This manual will be updated to (a) consider aspects specific to the new project activities, (b) strengthen the monitoring of common expenditures among all the projects under management, and (c) describe the roles and responsibilities of new stakeholders involved.
- **Internal audit.** FIP-CU already has an internal auditor who will oversee the project's internal audit. To strengthen the team, an additional internal auditor will be recruited at a junior position. The internal auditor will prepare an annual risk-based work plan which will be validated at the level of FIP-CU and

[79] *Cellule de Suivi des Programmes et Projets.*

will also receive the World Bank's 'no objection'. Quarterly reports will be produced and validated by FIP-CU and shared with the MESD DAF and World Bank no later than 30 days after their approval. A specific report will be provided on the review of activities implemented by the LIAs and the DIA. Such reports will be cosigned by the internal auditor and the MESD DAF staff. The PIM will provide guidance on the scope of internal audits and the team to be involved.

17. **Disbursement and fund flow arrangements are as follow**s:

- Disbursements will be made in accordance with the World Disbursement Guidelines for Investment Project Financing (IPF), dated February 1, 2017. The World Bank will disburse the proceeds using advance, reimbursement, direct payment, and special commitment methods.
- The loan funds will only be managed by FIP-CU. The project will disburse advances in the Designated Account (DA), based on the unaudited IFRs. A DA in US$ will be opened at a commercial bank, on terms and conditions acceptable to the Association, to receive funds from the World Bank. The advance in the DA will represent six months of forecasted expenditures in the IFRs. The DA will be replenished through withdrawal applications supported with quarterly unaudited IFRs. The PIM will provide details on management of the DA.
- For the implementation of clean cooking activities (Subcomponent 3.2), the transfer of funds to the project beneficiaries will be made directly by FIP-CU from the project's DA (as shown in Figure1.1). However, the implementation agreement with ANSER will provide for the possibility to transfer the funds through the Mwinda Fund (as shown in Figure1.2) once (i) conditions will have been assessed as acceptable by the World Bank, and (ii) the project's implementation arrangement, including the Financing Agreement, will have been restructured accordingly.

Figure 1.1. Default Arrangements for Funds Transfer and Documentation Flows

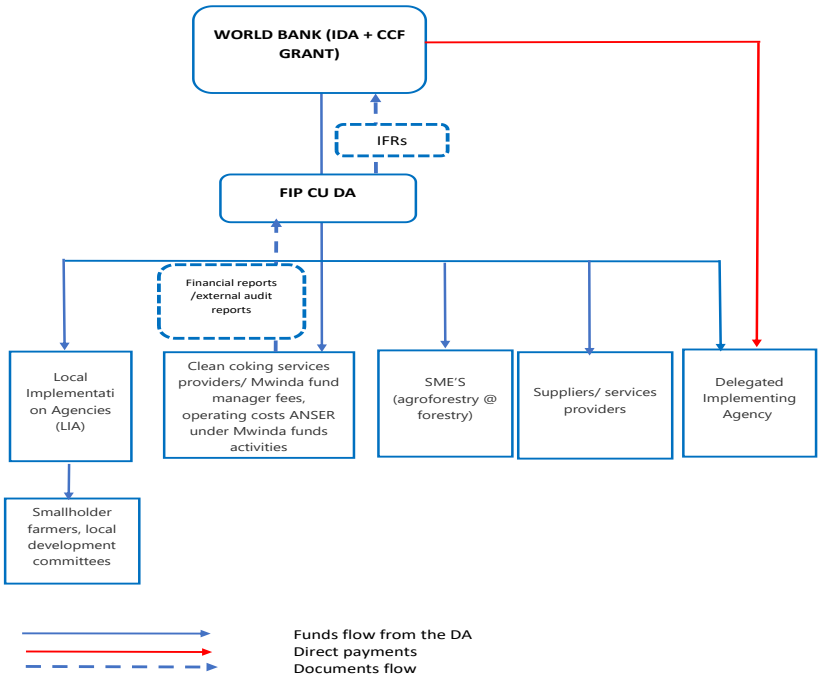
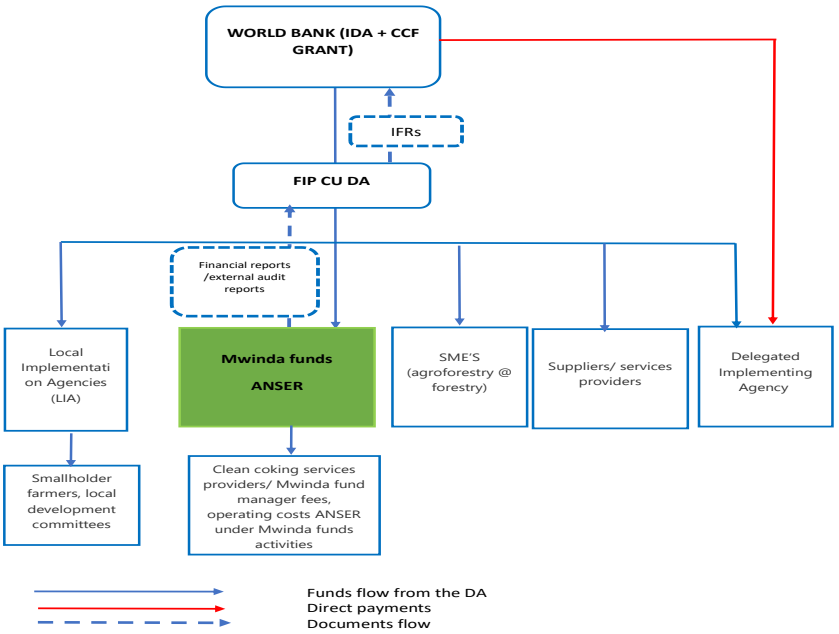


Figure 1.2. Arrangements for Funds Transfer and Documentation Flows once Requirements are Satisfactory to the Association



- **Unaudited IFRs.** The FM team of FIP-CU will be required to prepare an IFR on a quarterly basis. The format and contents of the IFRs have been agreed upon between the World Bank and the implementing agencies during the project negotiations. The IFRs will be submitted to the World Bank 45 days after the end of each quarter. The IFRs will provide relevant financial management information on the use of funds, progress on activities and result achieved and information on contract management. The DFIL includes relevant tables for the preparation of the IFR. The FM manual will describe the IFR preparation procedure. To ensure capacity building of the MESD DAF on FM procedures, a copy of the IFR will be shared with them for information and analysis.
- **External financial audit.** The external audit of the project will cover financial statements. The audit will be carried out by the auditors appointed according to ToRs priorly agreed upon by the World Bank. In addition, the World Bank will conduct the technical review of the overall recruitment process for the external auditor. The audit will comply with the International Standards on Auditing. In line with the World Bank's access to information policy, the audit reports will be disclosed. The audit report, including the Management Letter on the internal control, will be submitted to the World Bank no later than six months following the end of the fiscal year.
- **The following governance and anticorruption measures will contribute to enhancing transparency and accountability during project implementation:** (a) the internal audit; (b) the external audit with the possibility to include additional specific verification if needed; and (c) the PIM that will include anticorruption measures with a specific safety mechanism allowing individual persons and NGOs to denounce abuses or irregularities.
- **Implementation support and supervision plan.** FM implementation support missions will be consistent with a risk-based approach. The implementation support missions will take place at a minimum twice per year and will be potentially more frequent during the first 18 months of implementation. Moreover, additional implementation support will consist in (i) reviewing IFRs,

internal audit reports, audited financial statements, and reports produced by the MESD DAF team; (ii) applying control systems and governance arrangements described in this assessment; and (ii) providing training and guidance.

Procurement

18. **Procurement risk assessment**. The Procurement Risk Assessment and Management System will be updated and finalized. Based on the previous assessment and taking note of the roles and responsibilities of the agencies responsible for procurement, the residual procurement risk is rated 'High'. The prevailing risk can be improved to substantial if the corrective measures identified in Table1.3 are implemented.

Table 1.3. Procurement Action Plan and Corrective Measures

	Issue/Risk	Recommendations and Mitigation Measures	Responsible Entity and Timeframe
1	The ministry in line has no procurement capacity to carry out some of the procurement activities.	• FIP-CU will carry out procurement for the PPA and the project financing. • DIA will carry out procurement for Subcomponent 2.3. • Hiring procurement consultants to support provincial administrations in the first stage of project implementation and procurement consultant to provide comprehensive training to provincial administrations on the New Procurement Framework and contract management.	FIP-CU: immediately Three months after effectiveness
2	FIP-CU is already implementing several projects financed by the World Bank and other donors. The workload may result in delays in the procurement process.	Procurement of additional resources for FIP-CU: one procurement specialist and one procurement officer.	FIP-CU Three months after effectiveness
3	Procurement staff have limited experience with the World Bank Regulations. Staff from DRC administrations have limited experience with the World Bank procedures.	Training and familiarizing with the World Bank's Procurement Regulations and training on the use of STEP.	World Bank/FIP-CU Three months after effectiveness
4	Provincial implementation support lacks adequate experience in designing and procuring bidding documents, technical documents, contracting with bidders, and so on.	Hiring consultants to support the team to prepare bidding documents, conduct some studies, and provide TA during the process.	FIP-CU Six months after effectiveness

	Issue/Risk	Recommendations and Mitigation Measures	Responsible Entity and Timeframe
5	Project areas are complex to attract international firms	Design the procurement package and documents based on the local market knowledge and capacity.	All implementation units (FIP-CU and ANSER) Continuously
6	Limited capacity of implementation units in contracts management	Training on contracts management	All implementation units (FIP-CU and ANSER)
8	GBV	Use the World Bank SPD with clauses on GBV.	FIP-CU
9	Increase of insecurity in the project geographic area	Describe security issues in procurement documents and ask the bidders/consultants to propose a plan to manage it. Increase collaboration with local authorities.	All implementation units (FIP-CU and ANSER)
10	Fraud and corruption	Training on identification and mitigation of fraud and corruption in World Bank-financed operations	World Bank/all implementation units (FIP-CU and ANSER) Six months after effectiveness

19. **Operating costs.** Incremental recurrent expenditures incurred on account of project implementation, based on periodic budgets acceptable to the World Bank, Operational costs financed by the Project would be incremental expenses, including office supplies, vehicles operation and maintenance cost, maintenance of equipment, communication costs, rental expenses, utilities expenses, consumables, transport, and accommodation, per diem, supervision costs, and salaries of locally contracted support staff. Such services' needs will be procured using the procurement procedures specified in the PIM accepted and approved by the Bank. Operating cost will not include salaries of civil servants.

20. **Filing and records keeping.** All records pertaining to award of tenders, including bid notification, register pertaining to sale and receipt of bids, bid opening minutes, bid evaluation reports and all correspondence pertaining to bid evaluation, communication sent to/with the World Bank in the process, bid securities, and approval of invitation/evaluation of bids will be retained by respective agencies and uploaded in STEP.

21. **Procurement Plan.** A Procurement Plan has been prepared for the first 18 months of the project. The Procurement Plan includes the various procurement methods, the estimated costs, prior review requirements, and timeframes.

22. **World Bank's Standard Procurement Documents.** The World Bank's Standard Procurement Documents shall be used for all contracts subject to international and national competitive procurement.

23. **Fiduciary oversight by the World Bank.** The World Bank shall prior review contracts according to prior review thresholds set in the PPSD/Procurement Plan. All contracts not covered under prior review by the World Bank shall be subject to post review during implementation support missions and/or special post review missions, including missions by consultants hired by the World Bank. To avoid doubts, the

World Bank may conduct, at any time, independent procurement reviews of all the contracts financed under the credit/grant.

24. **Summary of the PPSD**. The client prepared the initial Procurement Plan resulting from the PPSD (Table 1.4). This plan was reviewed by the World Bank and approved during project negotiations.

Table 1.4. Summary of the initial Procurement Plan

	Description	Contract Category	Estimated Amount (US$)	Procurement Approach
1	Small-scale agroforestry and reforestation activities to be implemented with the TA of LIAs supporting communities and local authorities	Consultant services or technical services	110,000,000	Single source/Competitive selection (RFQ)
2	Selection of a DIA in charge of Subcomponent 2.3 relating to the implementation of CFCL	Consultant services/technical services	25,000,000	Open International
3	Supply of tractors for LIAs (2 tractors per LIA assuming 34 potential project LIAs as part of agroforestry activities)	Goods	10,200,000	Open International
10	Rehabilitation and maintenance of agricultural service roads (bridges and so on)	Works	10,000,000	Open National
11	Supply of trucks and 4x4 vehicles for LIAs	Goods	7,310,000	Open International
12	Construction of storage warehouses for agricultural products (as part of the establishment of value chains)	Goods	3,400,000	RFQ - National
13	Supply of specialized equipment for processing and storage (as part of the value chain)	Goods	3,000,000	Open National
14	Supply of tillage tools for the establishment of 5 nurseries (for the project's 34 potential LIAs as part of agroforestry activities)	Goods	1,800,000	Open National
15	Supply of motorcycles and tricycles for the LIAs	Goods	1,156,000	Open National
16	Acquisition of biodegradable nursery bags (for the project's 34 potential LIAs in agroforestry activities)	Goods	900,000	Single source
17	Purchase of GPS drone mapping hardware and other reprography equipment for LIAs	Goods	850,000	Open National
18	AMO in charge of private sector TA for the Western provinces	Consultant services	800,000	Open National
19	Technical assistant for the monitoring, support, and verification of the results of the various reduction programs	Consultant services	700,000	Open International
20	Recruitment of a firm in charge of reference studies on the socioeconomic situation of households in the project area	Consultant services	600,000	Open National
21	Supply of HIMO works tools and equipment for road maintenance	Goods	600,000	Open National
24	Standard ESIA development of private and community sector plantations	Consultant services	500,000	Open National

	Description	Contract Category	Estimated Amount (US$)	Procurement Approach
25	Technical assistant in charge of the development and monitoring of a wood value chain clean energy	Consultant services	500,000	Open National
26	Technical assistant consultant for the implementation of activities related to the improvement of land use planning and land rights in targeted provinces	Consultant services	500,000	Open National
27	International independent firm in charge of the verification and certification of monitoring reports	Consultant services	500,000	Open International
28	Consultant in charge of standard ESIAs for agricultural feeder roads	Consultant services	450,000	Open National
29	Recruitment of a firm in charge of assessing the monetary and non-monetary situation of households	Consultant services	400,000	Single source
30	Prospective studies on spatial development planning in key economic sectors considering long-term climate resilience	Consultant	300,000	Open National
31	Technical assistant to support public sector capacity building on national environmental policies	Consultant	300,000	Open International