Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 17-Apr-2023 | Report No: PIDA35665

BASIC INFORMATION

A. Basic Project Data

Country	Project ID	Project Name	Parent Project ID (if any)
Congo, Democratic Republic of	P178642	DRC Forest and Savanna Restoration Investment Program	
Region	**Estimated Appraisal Date**	**Estimated Board Date**	**Practice Area (Lead)**
EASTERN AND SOUTHERN AFRICA	05-Apr-2023	30-May-2023	Environment, Natural Resources & the Blue Economy
Financing Instrument	**Borrower(s)**	**Implementing Agency**	
Investment Project Financing	Ministry of Finance	Ministry of Environment and Sustainable Development	

Proposed Development Objective(s)

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

Components

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

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

Environmental and Social Risk Classification

High

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

1. **The Democratic Republic of Congo (DRC), Sub-Saharan Africa's largest country at 234 million ha, faces significant development challenges due to political instability, poor governance, and recurring episodes of violence.** Weak institutions and governance challenges have hampered service delivery to its 90 million people.[1] Humanitarian needs persist even 20 years after the official end of the Congo Wars. The recent surge in violence in the east has worsened the situation, resulting in over 5.5 million internally displaced people. Despite its abundant natural resources, including critical minerals for global energy transition, DRC has been unable to build the foundations of a diversified and resilient economy capable of generating economic opportunities for a rapidly growing population.

2. **DRC's poverty rate has decreased since 2005, but the number of poor has increased, with the country now having the world's third-largest population of poor.** While extreme poverty rates have decreased from 94.3% in 2005 to 77.2% in 2012, population growth has resulted in an annual increase of

[1] Population data from World Bank. 2023. Country-by-country Analysis and Projections for the Developing World. Sub-Saharan Africa

about 1.5 million poor people.[2] The latest World Bank projections put extreme poverty at 60.5 percent in 2023, a 1.4 percentage points decrease compared to 2022 due to favorable economic performance.[3] Indigenous peoples (IPs) make up about 1% 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 forests of DRC.

3. **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.[4] 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 natural disasters like floods, droughts, and landslides, leading to deteriorating infrastructure, outputs, and living conditions. Fragility, conflict, and violence (FCV) may also be intensified as climate change worsens contestation over scarce resources, reduces economic opportunities and social cohesion, and strains public institutions and trust in the state.[5]

4. **Notwithstanding these significant and persistent challenges, there are indications that the social contract in DRC may be changing.** The peaceful transfer of power following the December 2018 election was followed by a strained period when the former president's party held a majority in Parliament. To overcome this stalemate, President Tshisekedi held national consultations in October 2020, resulting in a shift in allegiances in Parliament and the creation of a new majority supporting the president. The government that was formed in the spring of 2021, and mostly reconducted in March 2023, is showing commitment to reform and to addressing ongoing challenges to development.

5. **The World Bank Group (WBG) is supporting positive changes initiated by the Government of DRC through a new set of principles.** These principals are based on lessons learned from past engagements and analytical work such as the 2021 Risk and Resilience Analysis (RRA), 2018 Systematic Country Diagnostic, 2020 Country Private Sector Diagnostic (CPSD), and poverty assessments. They focus on supporting critical governance reforms and rebalancing investments towards human development sectors such as education and social protection, targeting poor, vulnerable, and conflict-affected populations, strengthening implementation, and proactively addressing risks. Additionally, all engagements prioritize protecting DRC's large, forested areas and combating gender-based violence (GBV). The WBG's approach aligns with key corporate strategies, including the 2020–2025 WBG FCV Strategy, FY16–23 World Bank Gender Strategy, and Poverty Reduction and Inclusive Growth Strategy.

6. **To support socioeconomic development and maximize impact, the Country Partnership Framework (CPF) for the period FY22–26 focuses the Bank's engagements in the country's areas which are densely populated and home to a high number of poor.** The CPF targets 10 priority provinces (out of a total 26 in the country) in three major basins of the country. These include (i) the Western Basin

[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] Source: https://gain.nd.edu/our-work/country-index/.
[5] Van Bronkhorst, Bernice, and Franck Bousquet. "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.

(provinces of Kinshasa, Kongo Central, and Kwilu): Kinshasa in particular is fast-growing and densely populated with high unemployment, social unrest, and more than half the population under the age of 18; (ii) the Central Basin (the three Kasaïs and Lomami): In 2016, Central Kasaï became an epicenter of violent conflict and one of the most serious humanitarian crises globally; and (iii) the Eastern Basin (North and South Kivu and Ituri): these three provinces, where 94 percent of the close to 6,033 conflict-related deaths in 2022 occurred, are subject to ongoing conflict and violence—caused by the aftermath of the Congo Wars.

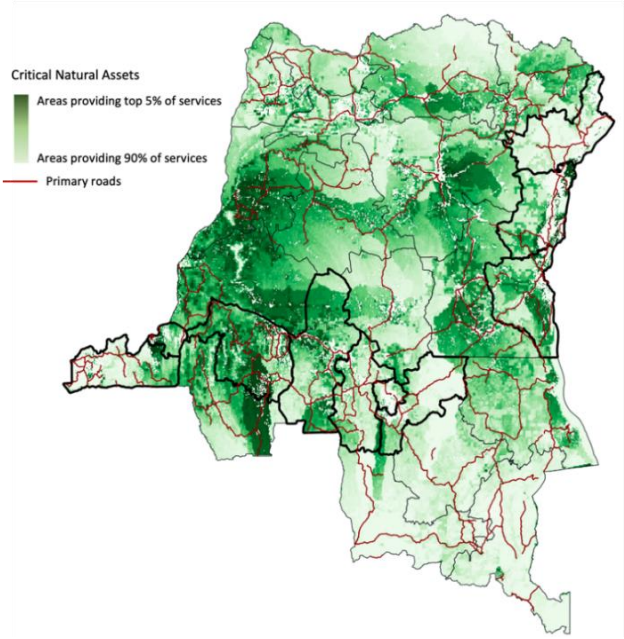
7. **The environment along these corridors is highly degraded, with little or no remaining primary forests, making it essential to promote Green, Resilient, and Inclusive Development (GRID) to ease pressure on the surrounding rainforest and achieve a range of positive environmental impacts.** Socio-economic development is the key to addressing the underlying causes of deforestation in DRC and supporting the forest transition in the long term. By supporting jobs and local private sector development, economic opportunities and alternative sources of income can be created, reducing reliance on informal activities that harm forest resources. Investing in sustainable agriculture can lead to better farming practices and higher yields, thus reducing the amount of land needed for agriculture, and expanding access to electricity can reduce reliance on wood fuel, enable private sector development, and support agro-processing leading to the production of higher-value agricultural products. Improving transportation can boost trade and economic growth in nearby areas and in turn provide livelihood opportunities for local communities. Finally, supporting improved governance and transparency can help better manage the use of land and natural resources, leading to better protection of the forest and the promotion of sustainable development.

Sectoral and Institutional Context

8. **The forests of DRC cover approximately 150 million hectares and play a critical role in providing 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 in the 10 CPF provinces rank very high in the provision of these services (refer to Figure 1 below). In addition, Congolese forests and peatlands are also critical global carbon sequestration assets and provide habitat for endemic species. They store the equivalent of 85 billion tons of CO2, which is approximately equal to three years of global energy-related CO2 emissions.[6] The possible destruction of these forests is a significant threat to the global environment, as they are one of only a few remaining large rainforests in the world.

[6] Source: 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.

Figure 1. Critical Natural Assets in DRC[7]



Source: Chaplin-Kramer, R., R. A. Neugarten, R. P. Sharp, et al. 2022. "Mapping the Planet's Critical Natural Assets." *Nature Ecology and Evolution* 7: 51–61.

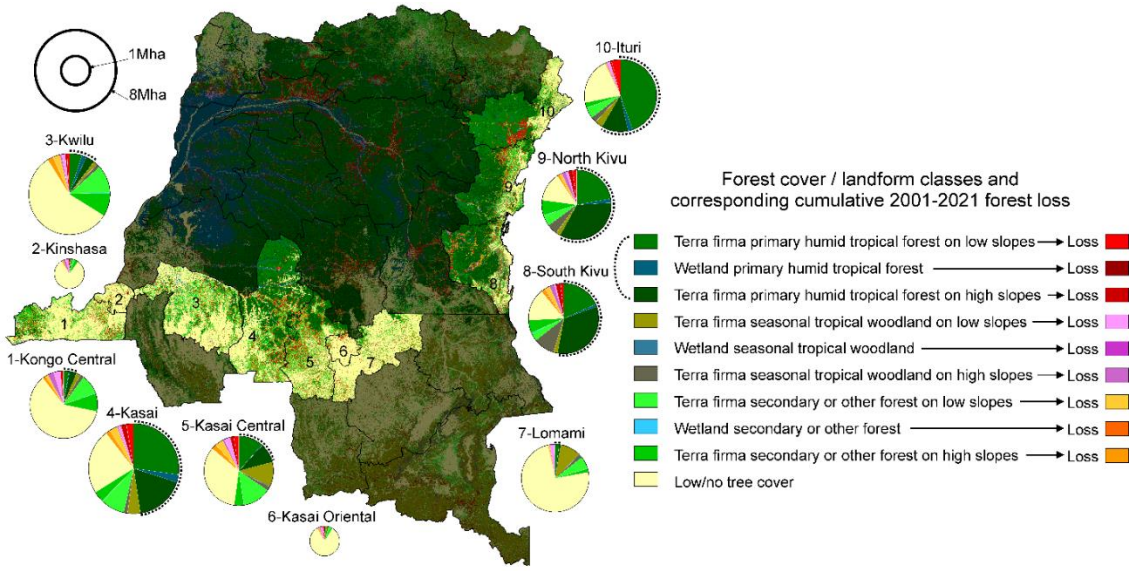
9. **Forest extent and changes in DRC are still highly dynamic: since 2000, DRC has lost approximately 6 million hectares of primary rainforest, which is second only to Brazil.** [8] About 500,000 ha of primary forest have been cleared in 2021 alone. It is estimated that due to population growth, all of it could be lost by 2100.[9] Forest-related greenhouse gas (GHG) emissions, which account for roughly 90 percent of DRC's total GHG emissions,[10] make it the 12th GHG emitter globally. However, the country remains a key net carbon absorber due to its large standing forests.[11] 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 on the environmental service of water regulation. Furthermore, forests offer protection from natural disasters, preventing landslides and flooding and reducing temperatures.

10. **Growing local populations relying on shifting cultivation and harvesting trees for their livelihoods remain the primary driver of deforestation and landscape degradation in DRC.** This includes subsistence and sale of foodstuffs and wood energy, with over 90% of people still depending on firewood

[7] 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.
[8] Global Forest Watch 2022. https://www.globalforestwatch.org/blog/data-and-research/global-tree-cover-loss-data-2021/.
[9] Tyukavina, A., M. C. Hansen, P. Potapov, et al. 2018. "Congo Basin Forest Loss Dominated by Increasing Smallholder Clearing." *Science Advances* 4: eaat2993.
[10] Source: https://www.climatewatchdata.org/ghg-emissions?source=CAIT.
[11] Source: 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.

and charcoal for cooking. Mining, road construction, and oil palm account for less than 5 percent of total primary forest loss, while fire is another minor cause of forest disturbance.[12] 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[13] as primary forests are converted into shifting cultivation systems. Secondary forest dynamics are increasingly important in regions with reduced primary forests, such as the priority provinces of the DRC CFP, which have extensive degraded forest environments in highly populated forest/savanna transition zones like Kongo Central, Kwilu, the Kasaïs, and Lomami provinces. In some provinces, only small patches of primary forest remain, resulting in shorter fallows for secondary forest recovery as populations increase. While some provinces are generally degraded, others have considerable within-province variation. Forest loss hotspots are present 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. Forest Cover and Loss in the CPF Provinces (2001-2021)



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

11. **Although the country has faced challenges related to weak governance structures, it has demonstrated a strong commitment to combating deforestation and addressing climate change through a combination of national programs and international cooperation.**[14] In 2012, the country adopted a National Strategy for Reducing Emissions from Deforestation and Forest Degradation (REDD+) supported by an investment plan. The objective of this strategy 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

12. **Noteworthy efforts have been made towards mainstreaming REDD+ into the national policy framework.** These efforts include the adoption of a National Land Use Planning Policy in 2020, which

[12] Forthcoming research by the University of Maryland (GLAD) and DRC's Directorate of Forest Inventories and Management (DIAF).
[13] Rural complex is defined as inhabited cropland/fallow/secondary forest landscapes.
[14] Source: IMF. 2023. *Democratic Republic of the Congo: Technical Assistance Report on Public Investment Management Assessment*.

promotes a more coordinated approach to land use planning and management and recognizes the importance of sustainable land use practices and the protection of the country's natural resources.[15] The adoption of a National Land Policy in 2021 further advances the governance of land resources by promoting a comprehensive and secure land tenure system which ensures that land use is sustainable and respects the rights of local communities. A revision of the 1973 Land Law is currently under way.[16] To address deforestation caused by agriculture, a National Sustainable Agricultural Policy was recently adopted in February 2023. This policy aims to promote sustainable agriculture in degraded savannah areas while conserving high conservation value (HCV) forests.[17] The government has also recognized the customary rights of IPs by adopting a new law on the Promotion and Protection of the Rights of the Indigenous Pygmy Peoples in 2022. To strengthen the implementation of forest protection and management laws and transparency of the forestry sector, in 2022 the government established a commission to review all forest concession contracts. In March 2023, the commission its preliminary conclusions including a timeline to complete the review. To place government reform and action within a solid and consultative framework the government revised the mandate, constituency, and functioning of National Forestry Advisory Council with the objective to enhance transparency, representation and efficiency in decision making.[18] In addition, a National Energy Policy, which is 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 NDC objectives, the government has prepared an amendment bill to the 2011 Environmental Law ratified by Parliament in April 2023.[19] The amendment bill specifically introduces a Carbon Market Regulatory Authority (CMRA) to organize the carbon market in DRC.

13. **DRC has also made significant international commitments to address climate change and conservation issues.** In December 2021, DRC submitted a revised Nationally Determined Contribution (NDC) to the Paris Agreement, increasing its 2030 GHG emissions reduction target to 21% and setting a specific reduction target for forest and other land use sectors, which account for 86% of the country's emissions.[20] However, the NDC target does not align with that formulated under the National REDD+ Strategy. DRC has also committed to restoring 8 million hectares of degraded and deforested land by 2030 under the Bonn Challenge and protecting at least 30% 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 position itself as a solution country for climate change, with vast forest resources and hydropower generation potential for carbon sequestration and clean energy transition minerals.

14. **However, implementing REDD+ in DRC is still a challenging task that requires various reforms, improved governance, and significantly more 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 providing affordable clean energy access to reduce reliance on charcoal and other forms of wood energy. Additionally,

[15] The Land Use Planning Law, which will translate the policy's principles and tools into primary regulation, is under consideration in Parliament.
[16] 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 (PRA) for DRC.
[17] Prior Action #7 under the Bank's $500 million Development Policy Operation (DPO) approved in March 2023 in support of critical economic governance reforms in DRC (P179141).
[18] Prior Action #6 under DPO P179141.
[19] Prior Action #8 under DPO P179141.
[20] Democratic Republic of Congo. 2021. Revised Nationally Determined Contribution.

increased sectoral 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 sustainably managing forests. This balancing act is particularly important as the country works to develop land for agriculture, extractive activities, and infrastructure while also safeguarding its forested landscapes. The recent auctioning of 30 oil and gas blocks by the government has raised concerns in the international community about potential overlap with the country's peatland protected areas,[21] highlighting the need for risk-informed and concerted development planning to achieve sustainable development goals while preserving natural resources.

15. **The National REDD+ Investment Plan has attracted several interventions for mitigating deforestation across different areas in the country,** which are being supported by a range of development partners:

- **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) implemented by MESD, through its Forest Investment Program Coordination Unit (FIP-CU), in several Western DRC provinces since 2015.[22] IFLMP has achieved several milestones in DRC, including the support of over 20,000 ha of community and private agroforestry plantations, the preparation of nearly 600 local land use plans, the rehabilitation of over 450 km of feeder roads to restore connectivity in rural areas, and the distribution of over 85,000 more efficient cookstoves.[23] In addition, IFLMP implemented the first Integrated REDD+ Programs (PIREDD) in DRC in Mai-Ndombe Province in partnership with the World Wildlife Fund (WWF). The Forest Dependent Communities Support Project (FDCSP)[24] has also been playing a n important role in supporting Indigenous Peoples and Local Communities (IPLC) representation in the national policy dialogue on REDD+ and the development of five Local Community Forest Concessions (CFCL) in the Kasai 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 the emissions reductions achieved by IFLMP's investments in Mai-Ndombe Province. This large-scale transaction builds on a first pilot carbon deal between the World Bank's BioCarbon Fund (BioCF) and the Congo Ibi Batéké Carbon Sink Plantation Project (P096414).
- **The Central African Forest Initiative (CAFI), a multi-donor organization, has played a crucial role in supporting the National REDD+ Fund (FONAREDD) by mobilizing nearly US$250 million since 2016.** CAFI-financed programs have supported PIREDDs at the subnational level in several provinces, including Equateur, Kwilu, Maniema, Mongala, Sud-Ubangi, Province Orientale (Bas-Uélé, Ituri, and

[21] 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.
[22] IFLMP implements activities in the provinces of Kinshasa, Kongo Central, Kwango, and Maï-Ndombe. It will close in May 2024.
[23] See World Bank's video clip (2023) on IFLMP's activities in Mai-Ndombe Province "*People-Centered Solutions to Forest Degradation in the Democratic Republic of Congo*" at https://youtu.be/2IDWvwR_ojQ
[24] FDCSP 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.

Tshopo), and Mai-Ndombe.[25] 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 (FAO), German Agency for International Cooperation (GIZ), Japan International Cooperation Agency (JICA), The United Nations Development Programme, United Nations Human Settlements Programme (UN-Habitat), UN Office for Project Services (UNOPS), and the World Bank.

- **Other key partners of DRC in this area** include the African Development Bank (AfDB), which supports another PIREDD in the Mbuji-Mayi/Kananga and Kisangani Basins. Like IFLMP, the project is funded by FIP and implemented by FIP-CU, and its results and anchorage in the central provinces will also be leveraged in the proposed scale-up. WWF implements activities in North and South Kivu, addressing the issue of illegal exploitation of forests while also supporting local farmers in establishing fast-growing woodlots. GIZ finances the Biodiversity Conservation and Sustainable Forest Management Project (BCSFM), which supports community-based forest management and conservation in Maniema and Sud Kivu.

16. **In addition to financing on-the-ground investment, CAFI has been a key supporter of DRC's reform agenda on forests.** Its first a Letter of Intent (LOI) with DRC for the period 2016-2020 committed the DRC Government to various policy milestones across different sectors including agriculture, wood energy, forests, mining and oil, land use planning, land tenure, population, and governance. A new LOI signed in 2021 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.

17. **The World Bank's Development Policy Operation (DPO)[26] series approved in June 2022 (US$250 million**) **and March 2023 (US$500 million) supports DRC's program of reforms on forest and climate change.** Through its third pillar, the DPO series is backing reforms and measures that are critical in 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, particularly CAFI's new LOI.

18. **DRC is expected to receive additional support from the IMF's Resilience and Sustainability Trust (RST) in 2023,** as the country has been chosen as a pilot for the RST. 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. Proposed Development Objective(s)

Development Objective(s) (From PAD)

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

19. **The Project Development Objective (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 service, and GHG mitigation must be undertaken under a larger landscape approach, which recognize the range of forces at work, including

[25] PIREDD Mai-Ndombe is implemented under IFLMP.
[26] DRC Foundational Economic Governance Reforms (P177460, P179141).

agriculture 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 safeguard and, where possible, improve livelihoods.

20. **The proposed project components illustrate 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 in the meantime can accelerate the country's transition away from wood energy, while also providing livelihood benefits such as improved health, increased productivity, and new income-generating opportunities.

Key Results

PDO Level Indicators

21. The progress toward the PDO will be measured through the outcome indicators as shown in Table 1.

Table 1. Outcome Indicators

No.	Indicator	Baseline	End Target
To monitor forested landscapes 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 (including women) (including IPs)	0	1,200,000 (400,000; 50,000)
3	People provided with new or improved access to clean cooking solutions (Number)	0	2,500,000

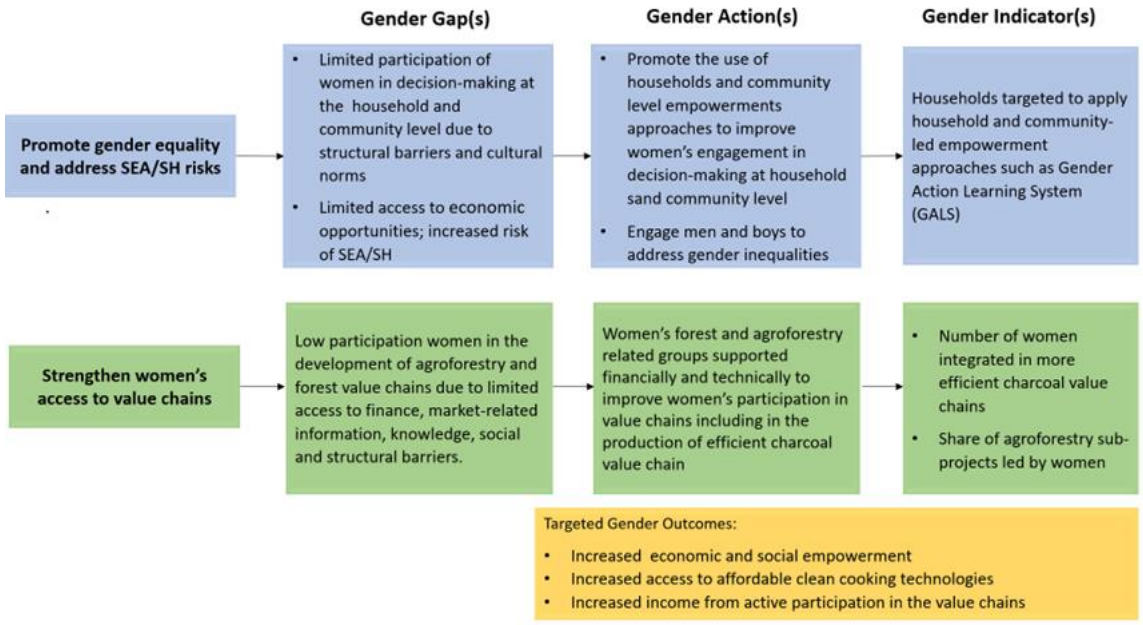
Cross-cutting considerations

22. **Climate and nature.** Climate, biodiversity, and ecosystem health are closely interconnected Global Public Goods (GPGs). Climate change is projected to become the primary driver of biodiversity loss by 2070, and the loss of biological diversity can lead to the impairment of ecosystem functions and resilience, exacerbating CO2 emissions and reducing carbon sequestration. This project aims to address these concerns by strengthening the management of natural forests and developing interventions in degraded savannas and forest zones, reducing pressure on forest ecosystems and the dependent biodiversity. Thriving ecosystems provide essential services such as flood control and soil erosion, vital for adaptation and resilience to climate change. Healthy forests contribute to healthy soils that enhance carbon sequestration. The project will support the implementation of NDCs for land use and the forest sector, providing opportunities to enhance the health and effectiveness of forests and their contributions to rural communities. Actions under the project will reduce deforestation and forest degradation while promoting reforestation and restoration, enhancing GHG mitigation and increasing access to jobs and food security for vulnerable populations.

23. **Maximizing Finance for Development (MFD) and coordination with IFC.** The project is in line with the key recommendations of the DRC CPSD[27] and aims to maximize finance for development while coordinating with 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 overcome financial barriers for small landowners and SMEs to invest 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 climate markets in DRC and attract private carbon project promoters, paving the way for future engagement by IFC in this area.

24. **Gender.** DRC ranks 175 out of 178 countries on the 2021 UN Gender Inequality Index, with women's human development at about 84% of men. Girls and women in DRC face significant disadvantages in empowerment, health services, education, and employment. GBV is also prevalent, with 52% of women aged 15-49 experiencing physical violence and 27% experiencing sexual violence, particularly during humanitarian crises. A summarized in Figure 3, the project's Gender Action Plan aims to narrow gender gaps in economic opportunities, natural resource management, and assets to strengthen women's role and autonomy and increase community resilience. The Gender Action Plan aligns with the strategic axes of the DRC National Gender Policy.

Figure 3. Gender gaps addressed through project activities and indicators

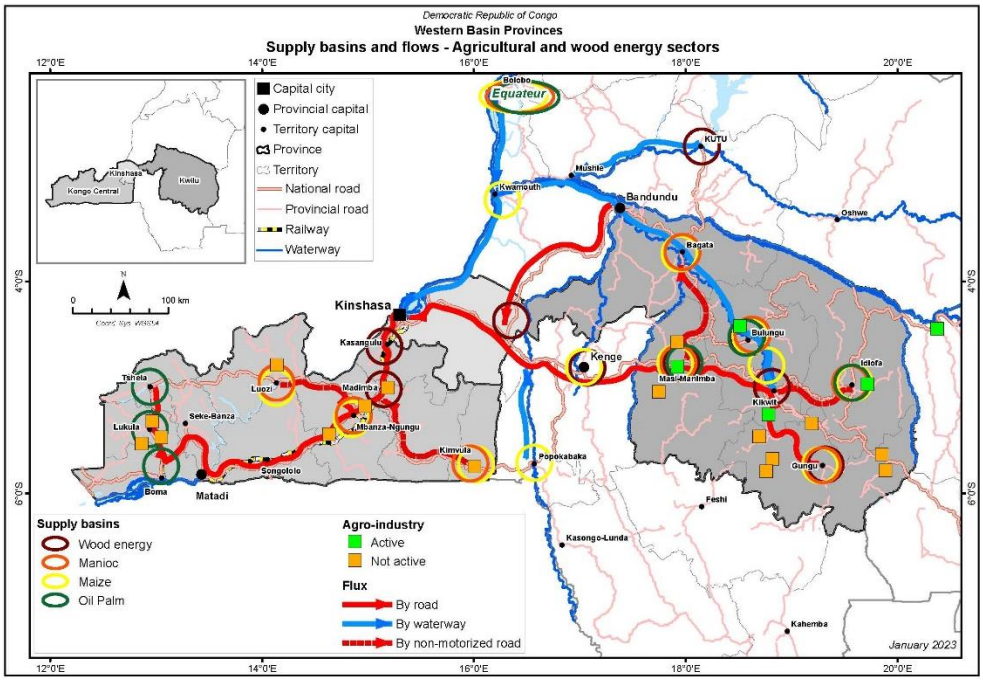


[27] IFC (International Finance Corporation). 2022. *Country Private Sector Diagnostic. Creating Market in the Democratic Republic of Congo. Putting Natural Resources to Sustainable Productive Use*. https://www.ifc.org/wps/wcm/connect/publications_ext_content/ifc_external_publication_site/publications_listing_page/cpsd-democratic-republic-of-congo.

D. Project Description

25. **DRC's forests in the provinces targeted by the DRC CPF are affected by a range of complex issues that cut across sectors.** These regions are home to important urban centers which are part of a growing demand for agricultural and forest commodities such as cassava, maize, or palm oil and for wood (energy and timber) that in turn are driving an increasingly unsustainable production model. This increasing demand from urban centers is one of the main drivers of deforestation and degradation of forests and forest habitats. While demand from urban centers is a strong driver, poverty and lack of economic opportunity in the more remote provinces contribute to the unsustainable rates of extraction and production as well. Products come mainly from the provinces of Mai-Ndombe and Equateur (for Kinshasa) and Sankuru (for Mbuji-Mayi). The basins are also sources of supply for other 'outer' provinces. For example, part of the palm oil produced in the Central Basin supplies both Lubumbashi and Kinshasa. Figure 4 below illustrates the flow of products in the Western basin. Given the pressures from both 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 heavily affect the forest and savanna environments and contribute to their unsustainable extraction. An overarching concern and major challenge are to also ensure food security in the region while modifying production models.

Figure 4. Flow of Agricultural and Fuelwood Products in the West Basin



Source: World Bank (2023)

26. **The focus of the CPF on these provinces offers an opportunity to expand current agroforestry and forestry investments, supplying high-demand local markets with more sustainably produced goods.** To improve agricultural productivity sustainably, the DRC's REDD+ national strategy and new National Sustainable Agricultural Policy promote relocating agricultural activities to vast degraded savanna areas with significant potential for intensive agriculture, particularly near urban centers and main roads. Agroforestry is encouraged as a means of improving the fertility of degraded savanna soils and diversifying income streams, including producing fuelwood and timber for construction. However, developing agroforestry in these areas faces several obstacles, such as unclear land use and tenure and limited market access. The lack of awareness and technical expertise of communities is also a barrier, where modifying production models can be perceived as a threat to food security. Accessing financial and non-financial business support

services poses widespread and systemic challenges for MSMEs in the sector. Agroforestry and reforestation projects require a deferred profitability of around six years and at least ten years to break even, respectively, while commercial loans in DRC usually have a three-year limit with high interest rates. Additionally, a lack of awareness of the scale and nature of forest enterprises limits the willingness or interest of business development service providers in developing and marketing appropriate services to them. To create more sustainability for food and wood value chains, it is essential to develop new economic models that integrate communities, small landowners, and private operators throughout the supply chains, including tree nurseries, agroforestry fields, 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, Local Community Forest Concessions (CFCL) and designating certain areas as high conservation value (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. **An assessment conducted during project preparation shows large areas of degraded savanna in the CPF provinces which could be used for sustainably grown and sourced products (see annex 2).** Nearly 700,000 ha of agroforestry and reforestation plantations could be established focusing on the degraded savanna in the supply basins of the larger cities. In addition, approximately 1 million ha of savanna could be protected for restoration purposes. A total of 1 million ha of forested landscape could also be developed as community-managed forests such as CFCLs. These investments could cover nearly 20 percent of current charcoal consumption in these areas and directly benefit to 12 million people, including 120,0000 members of indigenous group. Almost 25 percent of current deforestation in the area would be addressed, resulting in nearly 200 million tCO_2e sequestrated and 12 million CO_2e emissions avoided.

28. **To complement these efforts, a demand-side approach is also required to support the country's transition to more efficient and cleaner cooking fuels and technologies**. Currently, over 95% of households in the country rely on biomass for cooking,[28] and many businesses, including bakeries, breweries, and restaurants, also rely on firewood and/or charcoal to meet their energy needs.[29] Improved and clean stoves are primarily available in Kinshasa, where 12% of households use them. They are generally more expensive than traditional ones, 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. LPG is currently not a viable cooking 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 such as deforestation and the substantial disease burden associated with household air pollution (HAP).

29. **Concurrently, authorities require support in implementing sustainable natural resource management at both the policy and ground levels and mobilizing resources to sustain and expedite these efforts.** The all-inclusive reforms initiated under the broader National REDD+ Strategy framework are still a work in progress, and various key policies and measures require further development at the local level, along with road testing and capacity building on the ground. 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 comprehending and effectively addressing the trade-offs between economic growth, improved livelihoods, and conservation of such resources. On the financing front,

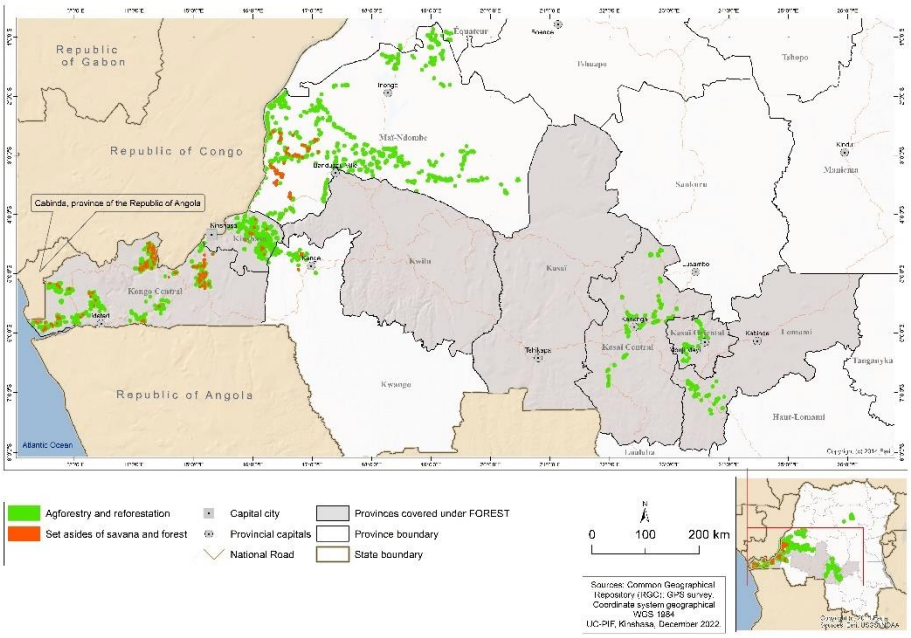
[28] Source : https://data.worldbank.org/indicator/EG.CFT.ACCS.ZS?locations=CD

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

result-based climate finance (RBCF) and carbon finance are increasingly becoming attractive mechanisms for sustainable financing. This presents an opportunity to secure funding for the long-term management of ecosystem services. Authorities must 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.

30. **To achieve the most efficient and impactful results, the proposed FOREST operation will focus on scaling up MESD's investments in the Western and Central regions.** The project will encompass seven provinces, including Kinshasa, Kongo Central, and Kwilu in the West, as well as Kasaï, Kasaï Oriental, Kasaï Central, and Lomami in the Center (as shown in Figure 5). The project will benefit from FIP-CU's extensive experience implementing similar activities in these regions, as well as its local anchoring and knowledge of local authorities, communities, and stakeholders. This will ensure a timely and effective deployment of operations throughout the targeted provinces.

Figure 5. Landscape investments implemented by FIP-CU (MESD) in the Western and Central basins



Source: FIP-CU

31. **A seven-year timeline is proposed for the implementation of the project to achieve several key objectives.** It takes at least five to six years for agroforestry systems to provide full economic benefits, when the trees can be harvested for charcoal. The seven-year implementation period will allow the project to support beneficiaries throughout the entire business cycle of the supported agroforestry systems, including downstream investments and preparing for a second business cycle. IFLMP's experience has shown that it is crucial to accompany the community during this pivotal period to ensure that they acquire the necessary knowledge and skills for 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 good natural resources management practices. This extended period will also enable the project to support the institutionalization of changes, ensuring that the capacities built, and knowledge developed, are sustainable and have a lasting impact.

32. **The project is well-suited for attracting sustainable sources of climate finance and scaling up financing over time.** The project's diverse investments are expected to yield high-quality and high-integrity emissions reductions.

Institutional support for Result-based Climate Financing (RBCF) will support the government in tapping into emerging markets for carbon and nature to monetize these results. The project will also establish equitable and operational benefit-sharing channels on the ground to sustain and scale up efforts. The importance of all individuals, including IPs and local communities, in reducing emissions will be recognized in this process.

33. **The proposed FOREST project builds on the World Bank's extensive experience in supporting and collaborating with DRC in the forest and climate sector. 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 takes into account lessons learned from the ongoing IFLMP, FDCSP and ERPA signed in 2018. [30] 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 for the FOREST project 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 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.

34. **Based on lessons learned, the proposed FOREST project aims to strengthen several factors, including**:

(i) Strengthen central-level oversight of field community operators through the Project Implementation Unit (PIU) providing technical support, including on socio-environmental safeguards and fiduciary processes.
(ii) Involve local authorities and technical services more in community-led development approaches to address risks of siloed management committees, difficulty managing power-related crises or inefficiencies, and lack of dynamism.
(iii) Support land use planning at all administrative levels, with local authorities monitoring the implementation of the plans regularly to achieve more effective and sustainable impacts on natural resource governance.
(iv) Extend the project implementation period to 7 years to ensure that investments in savanna landscapes mature and generate the expected benefits. Payments for Environment Services (PES) will only be used in the meantime to address deferred profitability.
(v) Support clean cooking through a market-based approach using Results-Based Financing (RBF) to increase access. This approach is flexible and can be tailored to changing needs and circumstances. However, significant technical assistance support is required to promote technical and business innovations and support grant recipients in meeting their targets.

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

Table 2. Components and Costs

Components	Budget (US$, millions)
1. Improved Land use Planning and Governance for Natural Resources Management in Targeted Areas	**17.0**

[30] The World Bank report 'Agroforestry in the Kinshasa Supply Basin. A Critical Analysis of Expansion Prospects and Impact on Development' (2018) is also assessing results, lessons learned, and opportunities for scaling up and diversifying agroforestry systems promoted under past and ongoing projects in the Kinshasa Supply Basin.

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

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

36. The project aims to support the seven provinces in developing comprehensive land use plans at all administrative levels. 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. It is estimated that the project will bring over 12 million hectares of landscape under participatory land use management planning and monitoring. The project's developments and results will also contribute to 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.

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

37. The project aims to provide support to provinces and their decentralized entities (EDT)[31] in carrying out 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 work with local authorities, and relevant ministries (including land use planning, environment, rural affairs, and others) to develop seven provincial-level plans and 36 territorial plans. The project will ensure the appropriate representation of all stakeholders, including vulnerable groups, throughout the process. The support provided by the project will include:

[31] '*Entités Territoriales Décentralisées*' (EDT) include '*Territoires*' and '*Secteurs*'.

- Establishment or strengthening of Rural Agricultural Management Council (CARG) and other collaboration platforms for dialogue between different stakeholders at the various levels of provincial decentralization. It will also include the establishment or strengthening of 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, carbon, and identify land use and related patterns such as agriculture, forestry, hunting, harvesting, and community conservation areas.
- Prospective studies on opportunities in key economic sectors, considering impacts on ecosystems and long-term climate resilience. Studies on gender and other vulnerable groups will help identify specific priorities.
- Preparation and registration of the 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 security at the village level (US$6 million)

38. 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. These areas are critical sources of firewood and charcoal for the main urban centers of the targeted provinces (refer to **Error! Reference source not found.**). The land use plans, known as Simple Land Use Plans (PSAT), [32] will consider local customary practices and governance systems. These plans will prioritize local development and natural resource management over a 10-year timeframe. Local community operators (Local Implementing Agencies (LIA)) will be recruited to support local communities and technical services in developing and monitoring the PSATs. To ensure alignment with higher-level plans, the PSATs will be registered with provincial authorities. This process will also help identify the most appropriate location for investments under Component 2 in a participatory manner. The following activities will be supported:

- Establishment or strengthening of effective Local Development Committees (CLD) in each village,[33] and awareness-raising activities on natural resources governance with other relevant local entities such as farmer associations, women's associations, groups supporting IPs, and the private sector.
- Preparation and registration of PSATs through consultation, Free Prior and Informed Consent (FPIC), multi-resource inventory (including identification of High Conservation Value (HCV) forests), participatory zoning (including conflict prevention), and identification of land uses. IPs will be able to develop their own plans in agreement with the broader local community.
- Regular monitoring of PSAT implementation by authorities, local technical services, and the communities themselves.
- Provision of technical assistance to LIAs, including strengthening their capacity on geo-localization, safeguards, gender, and other aspects crucial to achieving the project's objectives.

[32] '*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).

[33] 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.

39. Additionally, the project will strengthen the tenure of land and natural resources in one pilot province by working with the National Commission for Land Reform (CONAREF) to road-test land administration tools introduced under the ongoing land reform.[34] 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 register held by the commission. The register will record locally critical information for land management, such as lands (geolocated), land rights, rights to exploit natural resources (such as gathering, fishing or hunting), rights holders, and the relationships that bind them. The project will aim to establish an operational land register in 80% of the villages supported in the pilot province.
- 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, as well as measures for peaceful conflict management.

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

40. Activities under this subcomponent will provide capacity building to the MESD, its affiliated agencies, and other relevant administrative entities mandated to monitor environmental compliance of key economic sectors in the project area.[35] 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, among others,

- 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; ESIAs 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 enhance their capacity in environmental management and sustainability practices.
- Collaborating with REPALEF to develop good practice manuals to ensure due consideration of IPs in national guidelines/instruments for environmental and social impact assessment and management. These manuals will serve as reference materials for the effective participation of IPs in the environmental and social impact assessment process.

[34] The land sector in DRC is governed by the 1973 Land Law, which has not been revised since then. 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).

[35] 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*, DPEM), Ministry of Hydrocarbons, the Congolese Institute for Nature Conservation (*Institut Congolais pour la Conservation de la Nature*, ICCN), and Provincial Environmental Committees.

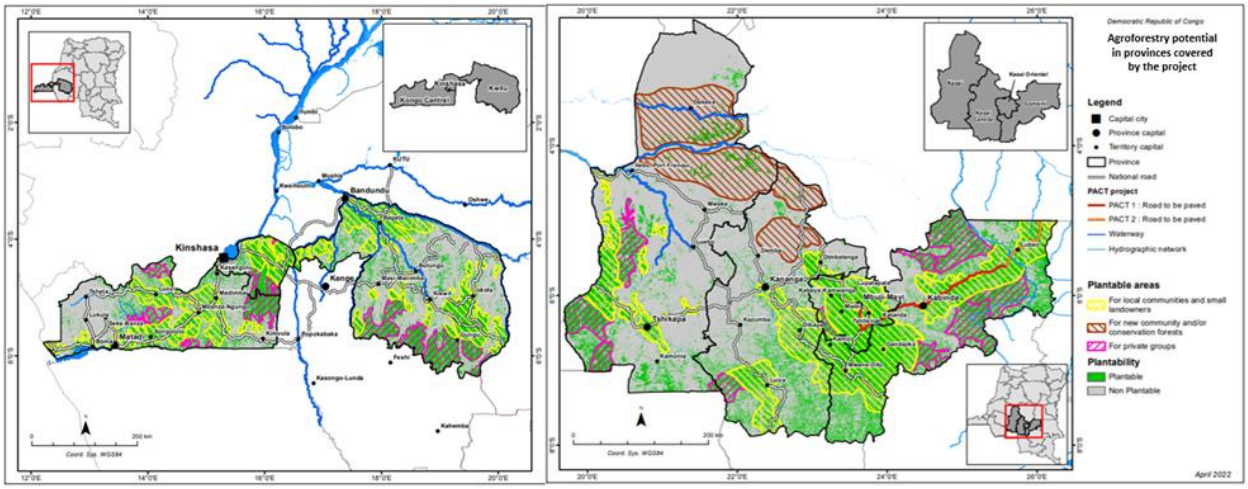
Component 2: Development of Agroforestry and Forest Value Chains for Sustainable Landscape Management and Improved Livelihoods (US$215 million)

41. At the core of the project's investment and impact strategy, Component 2 aims to promote a sustainable landscape and financing approach to all project activities. Drawing on the IFLMP's extensive experience, this component will support smallholder farmer communities and the private sector to initiate various landscape investments that reduce the pressure on fragile ecosystems in the forest-savanna mosaic area. Eligible sub-projects include agroforestry and reforestation (target: 120,000 ha), landscape restoration and protection (270,000 ha), and community forestry (250,000 ha).

42. 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. Additionally, the project will rehabilitate 1,400 km of community and feeder roads to improve market access and economic resilience in project sites. These investments are expected to generate greater livelihood benefits for approximately 1.2 million rural community members, including 400,000 women and 50,000 indigenous peoples. Targeted activities for underserved groups, such as women, youth, and indigenous communities, will address existing gaps, particularly in relation to their role in production, processing, or marketing approaches.

43. Figure 5, displayed below, provides an overview of the potential landscape investments that could be implemented in the project area.[36] In addition to this, during the preparation phase, various studies, market surveys, and identification missions were conducted to identify the most promising value chains, evaluate local community operators that could participate in the implementation, and assess the capacity of local technical services to provide adequate supervision for these activities.

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



Source: World Bank (2022)

44. To ensure the long-term sustainability of the economic models supported by the project, performance-based contracts will be established with all beneficiaries, including communities and private sector stakeholders, to implement project activities. These contracts will establish clear performance metrics and incentive structures, incorporating both financial and non-financial incentives, and require beneficiaries to contribute to their own progress. PES will be utilized to incentivize the continued adoption of improved practices until investments become profitable. The project will

collaborate with decentralized technical services, including Environment and Agriculture, to support monitoring and evaluation efforts.

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

45. This subcomponent aims to promote community and private agroforestry and reforestation activities in degraded savanna areas as a sustainable alternative to harmful practices like slash-and-burn agriculture and unsustainable wood collection. The careful development of sustainable agriculture in these heavily used savanna areas is expected to provide a reliable source of food and wood products while reducing pressure on surrounding forests and more fragile savanna ecosystems such as miombo woodlands. The establishment of plantations will also help create an environment that is more conducive to the return of game and non-timber forest products (NTFPs). To achieve these goals, the project will support a range of plantation investments, including:

- Implement intercropping agroforestry techniques that involve fast-growing trees such as acacia and local species like maesopsis, in combination with annual crops like cassava and maize. This approach aims to improve soil fertility in savanna lands through nitrogen fixation and rehabilitating degraded soils while providing a sustainable supply of fuelwood for charcoal production.
- Promote perennial agroforestry systems that encourage settled farming as a more sustainable alternative to slash-and-burn practices. This includes planting fruit trees such as banana and avocado for food diversification, oil palm, and other oleaginous fruits/seeds to meet the lipid needs of the population. Additionally, planting market crops like coffee and cocoa can increase income and reduce poverty. Planting caterpillar trees is also an option of interest to restore soils and biodiversity while increasing the supply of protein in communities and markets.
- Establish timber plantations that provide sustainable wood products for local markets. Due to the depletion of dense forests in the two basins (particularly in the West), meeting the population's timber supply needs has become almost impossible. Timber plantations in degraded savannas require substantial investments for returns in the medium to long term and are often better suited for the private sector. For communities, agroforestry based on teak or Maesopsis can offer an alternative with economic benefits in a shorter time frame.

46. The project will leverage the expertise of local research organizations, such as the National Institutes for Agronomic Studies and Research (INERA), and universities, including the University of Kinshasa (UNIKIN) and the Regional Post-Graduate Training School on Integrated Management of Tropical Forests and Lands (ERAIFT), to support research and development (R&D) programs. These programs will focus on diversifying agroforestry models and promoting the use of local, fast-growing tree species to enhance sustainability.

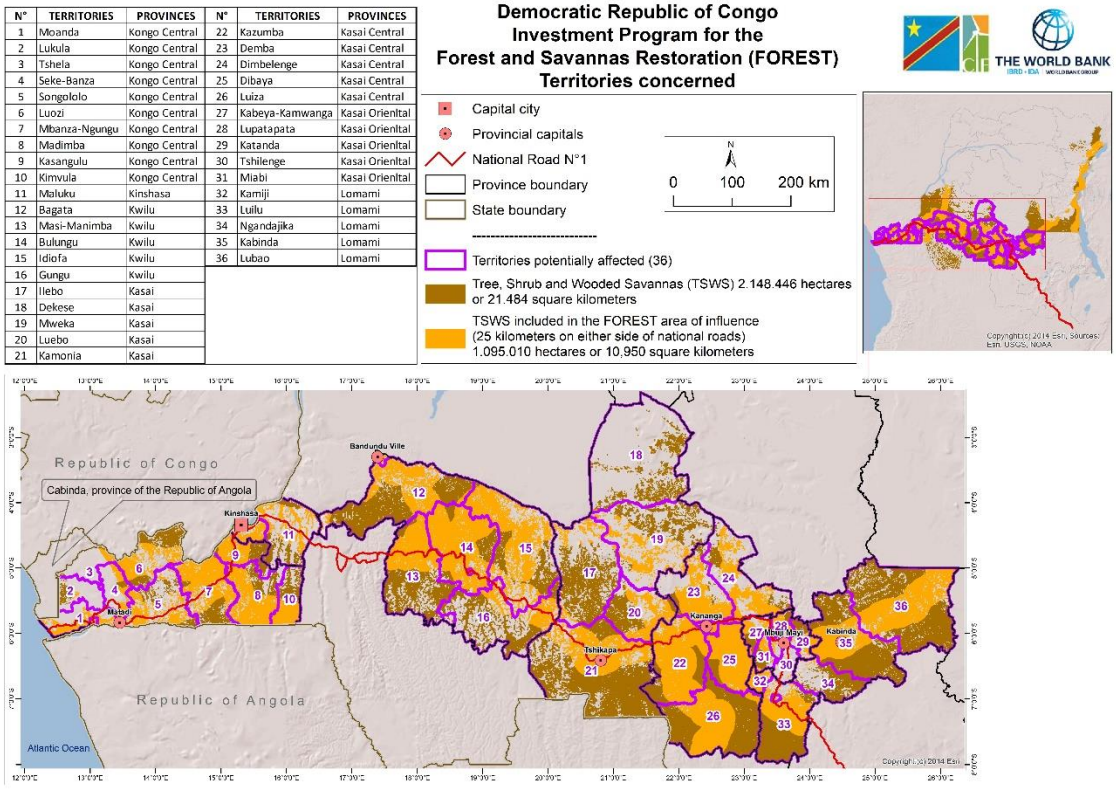
47. In addition to promoting production, the project recognizes the importance of reducing post-harvest losses and supporting value addition through processing. To this end, the project will also invest in storage infrastructure and processing equipment, such as oil presses and flour mills, to benefit both smallholder farmers and private sector buyers downstream from production. This holistic approach to value chain development will help to create sustainable and profitable market opportunities for all stakeholders involved.

[36] Determned 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.).

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

48. This subcomponent is geared towards promoting agroforestry and innovative production systems that directly benefit smallholder farmer communities in priority areas identified within a 25km radius of national roads to ensure maximum impact and access to markets (**Error! Reference source not found.**). By leveraging the enabling environment supported under component 1, which promotes sustainable land-use practices, land tenure clarity and formalization, and empowers vulnerable groups, particularly women, the project will support strategic investments to improve the livelihoods of these communities.

Figure 7. Targeted savanna areas 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 Orienltal
7	Mbanza-Ngungu	Kongo Central	28	Lupatapata	Kasai Orienltal
8	Madimba	Kongo Central	29	Katanda	Kasai Orienltal
9	Kasangulu	Kongo Central	30	Tshilenge	Kasai Orienltal
10	Kimvula	Kongo Central	31	Miabi	Kasai Orienltal
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

49. To finance community sub-projects, the project will establish performance-based contracts with CLDs, farmer organizations, and associations of vulnerable groups, ensuring alignment with land use plans developed under component 1. The contracts will clearly outline the land and labor contributions expected from the communities, as well as their commitments in terms of establishing and maintaining plantations within the specified areas. In return, the project will provide the following support:

- Assistance with the establishment of nurseries for forest and fruit tree species, and the development of woodlots for the propagation of cassava cuttings.
- Financial incentives in the form of PES to support plantation work and the maintenance of plantations.
- Provision of technical assistance and specific services, such as mechanical and/or cattle ploughing, structuring of producer and trader groups, contracting with manufacturers, and establishment of partnerships with agricultural small and medium-sized enterprises (agri-SMEs).

- The establishment of processing units (retting tanks, mills, extractors, etc.) and for the improvement of storage conditions (dryers, silos, etc.).
- Capacity-building activities on household empowerment and financial education.
- Awareness campaigns to facilitate the acceptance of new methods supported under the project to help achieve sustainable change to the value chain while safeguarding food security.

50. By providing such comprehensive support, the project will incentivize communities to establish and maintain sustainable agroforestry and innovative production systems. Technical assistance and capacity-building will equip communities with the necessary skills and knowledge to effectively manage these systems. PES will offer a direct financial incentive to maintain plantations until they become profitable investments. Supporting the establishment or acquisition of processing units will provide communities with new opportunities to add value to their products, increasing their income and enhancing the sustainability of their livelihoods.

51. 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 an area of less than 6 hectares, 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.

52. The project will work with INERA and SENASEM to ensure seed supply and supervision of seed growers. Dissemination of tree crop 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 the market.

53. The LIAs (about two to three by province) will play a key role in implementing project activities with communities, building on the IFLMP model. They will work in partnership with decentralized technical services from the government and ensure that the proposed activities are included in the local land-use plans and aligned with the province's development priorities. To ensure effective implementation and monitoring, LIAs will receive training on safeguards reporting requirements, gender equality, and SEA/SH programming, and geo-localization for monitoring and evaluation. They will promote projects operated or supported by women's organizations, encourage women's representation in community and farmer organizations, and ensure that women have equal access to agricultural equipment, technical information, training, and decisions regarding post-harvest tasks, stock control, and income allocation.

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

54. The project will offer performance-based grants to small landowners and SMEs, empowering them to implement innovative and sustainable practices that promote economic growth and environmental protection. These grants will enable them to overcome a wide range of financial and non-financial obstacles that impede private investment in plantation activities in DRC, 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.

55. Building on the IFLMP model, co-financing will range from 40 to 60 percent of the total sub-project costs, depending on the selected plantation investment type.[37] Beneficiaries will fund the remainder from their own resources

[37] Under the IFLMP, 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.

(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.

56. 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 plantation sub-projects, which can also incorporate investments in processing, storage, and marketing, will be open to individual small landowners with plantations ranging from 10-50 hectares, as well as SMEs for larger plantations of up to 1,000 hectares. 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.

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

58. 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 safeguards instruments).
- Operational support for the Selection Committee and technical services monitoring project activities in the field.

59. In addition, project will support comprehensive studies and stakeholder engagement activities, including with industry, investors, and banks, to develop innovative financing models that can 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

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

60. 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 with local technical services to implement and monitor restoration and conservation investments. These investments will include a range of activities including, among others,

- 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.

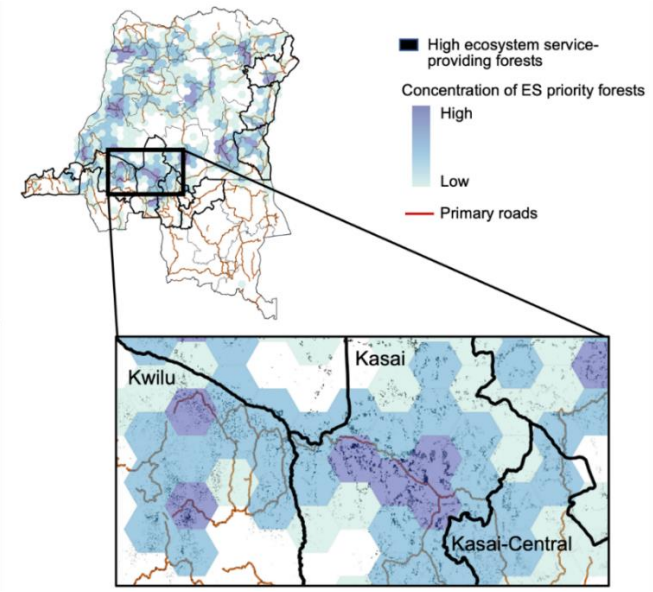
- Enrichment of degraded forests involving the introduction of new tree species or improving the existing one to restore the ecological functions and values of the forest ecosystem while also meeting the needs of local communities. The process of selecting the appropriate tree species will consider the needs and preferences of local communities including factors such as the species' ability to adapt to local ecological conditions, its growth rate, its commercial and ecological values to achieve the desired outcome, and its potential impact on the local ecosystem.
- Set aside of high conservation value (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 local communities and IPs with tenure and resource rights to achieve the effective and equitable conservation.

61. Technical assistance and capacity-building will equip communities with the necessary skills and knowledge to effectively manage these systems. The use of PES as an economic incentive for communities through result-based contracts will be crucial in promoting conservation and restoration efforts. These contracts will acknowledge the contributions of local communities and aim to initiate sustainable approaches that deliver long-term ecological and economic benefits. Payments will continue until the supported approaches yield both economic and ecological 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)

62. This subcomponent has a specific focus on the preservation and enhancement of the ecosystem services provided by dense rainforests in the northern regions of Kasai-Central, Kasai, and Kwilu provinces. These forests provide the highest levels of ecosystem services in the project area, as shown Figure 8 below. They are of significant importance to forest communities, including IPs, who rely heavily on them for their livelihoods, such as food, construction materials, pharmacopoeia, and income generation.

Figure 8. Priority Areas Where Forests Are Providing High Levels of Ecosystem Services[38]



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

63. The project aims to bring 250,000 hectares of forests under improved forest management while also providing economic opportunities for forest-dependent communities. Like other sub-components, 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, non-timber forest products (NTFPs))[39] 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 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.

64. Additionally, building on the results of the FDCSP, 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 enable communities to have greater control over their land. The project will support the following activities:

- 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.

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

- 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, input and PES incentives processing units and storage equipment, 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)

65. The project aims to improve market access and connectivity in select areas by rehabilitating rural feeder roads. This will involve road maintenance, as well as 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.[40] 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 proposed US$10 million grant from Clean Cooking Fund)

66. 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.

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

67. Charcoal production is an important economic activity in DRC, especially in areas where forests and human settlements intersect. 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

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

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.

- 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 received comparatively less attention. 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 done through a combination of surveys, focus groups, and remote sensing technologies. The findings will help understand 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.

68. The project will 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.

Subcomponent 3.2: Support for transition to more efficient energy and cleaner cooking solutions (US$20 million, including proposed US$10 million grant from the Clean Cooking Fund)

69. DRC is lagging in its transition to clean cooking, with over 95% of households relying on biomass for cooking. Improved and clean stoves are mostly found in Kinshasa, where nearly 70% of households use multiple stove-and-fuel cooking combinations.[41] 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 the transition to clean cooking in DRC by addressing the supply constraints and stimulating user demand for more efficient and cleaner stoves, as well as alternative clean cooking fuels.

70. The technical assistance component of the project (US$4 million) seeks to improve the environment for clean cooking development in DRC. This will be achieved through the following activities:

- Providing innovation grants to local firms to support them with upfront costs associated with market setup and research and development (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.

[41] 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.

- Supporting policy design and regulations to enable the implementation of the provisional National Energy Policy (2022). To achieve the long-term objective of shifting DRC's households to LPG as their primary cooking fuel, the support will focus on policy developments aimed at improving service quality and distribution efficiency for the LPG value chain.
- 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.[42]

71. The RBF program (US$ 16 million) aims to scale 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 and track record to crowd in impact and commercial financiers. 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.
- 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 (MTF) for cooking as key references.
- The incentive structure will be adjusted regularly depending on market conditions to ensure it supports an effective transition towards cleaner solutions and fuels in DRC.
- Hiring of a market facilitator to support companies with lower capacity to effectively participate in the RBF program, including through technical advice on product design, testing/certification, support to business plans etc.

72. Sub-component 3.2 will be implemented through the Mwinda Fund, which operates within the National Agency of Electrification and Energy Services in Rural and Peri-Urban Areas (ANSER). ANSER also implements 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. Moreover, the project will leverage IFC's efforts to expand LPG coastal storage capacity and establish associated retail and distribution infrastructure in Kinshasa and its environs.

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

73. Component 4 is designed to strengthen the country's capacity and expertise in using Measurement, Reporting, and Verification (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 Results-Based Climate Finance

[42] Partners include UNDP/CAFI, USAID, GIZ, Sweden, and IFC, among others.

(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.

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

74. Building on DRC's National Forest Monitoring System (NFMS), activities will support high-quality and reliable monitoring of land management activities and investments in the seven targeted province and their impact on forest cover, carbon storage and avoided CO_2 emissions and 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 (PTC) 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 (DIAF 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)

75. 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.[43,44] 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.

[43] In April 2023, DRC's parliament approved a revised Environmental Law introducing a Carbon Market Regulatory Authority (CMRA) to organize the carbon market in DRC and an approval and certification procedure for program or project that generates carbon credits.

[44] 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 (P170835) approved in 2022. The World Bank is developing a new umbrella trust fund called SCALE, which aims to deliver climate finance to select countries and support broader engagement to incentivize low-carbon development.

- Determining the accounting methodologies, standards, and technical approaches 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.

76. 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 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 timeframe.

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

77. 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 Bank-financed operations by FIP-CU while identifying and 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.
- Monitoring and evaluation (M&E) of project activities, including baseline studies, impact evaluations, and the establishment of an independent M&E mechanism for national 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.

E. Project Beneficiaries

78. **The project aims to reach approximately 1.2 million direct beneficiaries across almost 2,800 rural communities, providing opportunities for economic activities.** It is expected that the project will have positive impacts on social and environmental aspects at local, national, and global levels. At the local level, the project will particularly benefit communities living in the target landscapes, many of whom are among the poorest in the population. This will be achieved through the promotion of enhanced livelihoods and the creation of healthier ecosystems.

79. **Furthermore, clean cooking will be made accessible to 500,000 households (around 2.5 million individuals), primarily in urban and peri-urban regions.** The use of clean cooking solutions is expected to support enhanced community livelihoods through improving health, saving time and money, and creating opportunities for entrepreneurship,

80. **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 local technical services such as environment, agriculture, rural affairs, land, and others, as well as CARTs that bring together institutions, local political representatives, producers, manufacturers, and civil society. The project will benefit MESD, including ACE, ICCN, DIAF, the new Carbon Market Regulation Authority, and other

departments, as well as the Ministry of Finance and other line ministries through activities that support environmental compliance, MRV development, and climate finance. Universities and their students will also be involved where relevant to build long-term capacity.

81. **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 a matching grant scheme designed to support agroforestry investments. Manufacturers and distributors of clean cooking solutions will receive technical assistance and subsidies to improve their production processes and enhance the quality of their products. Capacity-building efforts on carbon finance will be targeted towards 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.

82. **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 various 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 targeted at women and women entrepreneurs.
- **Indigenous peoples (IPs) represent approximately 1% 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 known to host 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 their access to natural resources and forest value chain development. Innovative approaches, such as IP-led community forests, will be supported to secure their rights and formally recognize their 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 internally displaced due to internal conflicts.** The project will ensure the consideration of IDPs in the supported community structures, activities, and employment/livelihoods opportunities.

Legal Operational Policies

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

Summary of Assessment of Environmental and Social Risks and Impacts

F. Implementation

Institutional and Implementation Arrangements

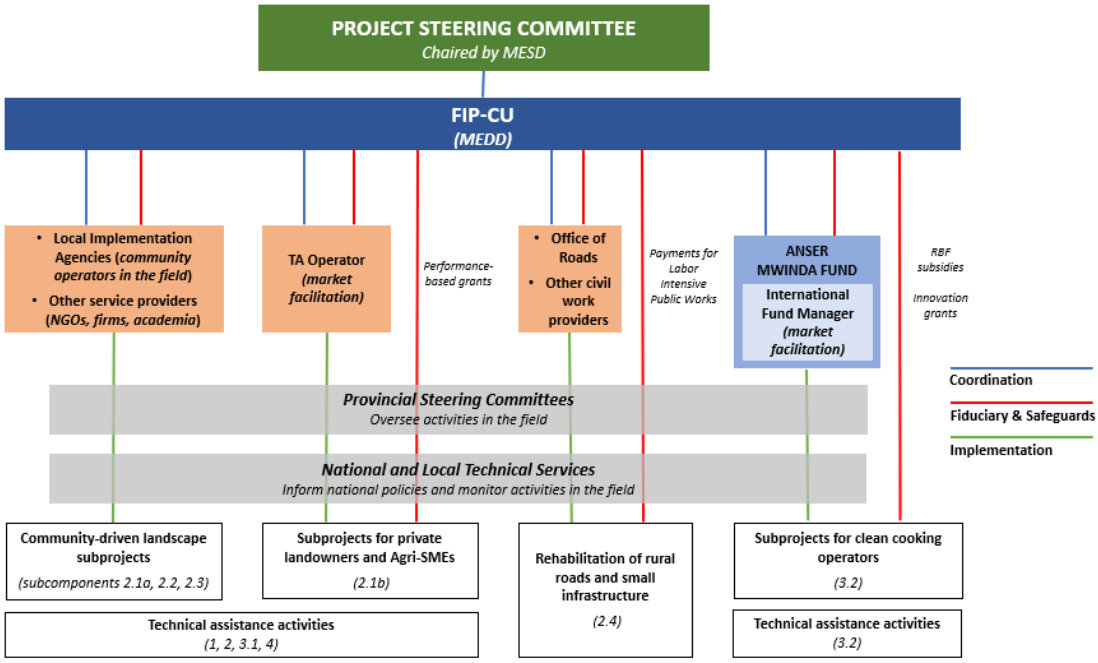
83. **The project will be overseen by MESD with solid decentralized implementation, leveraging provincial governments, local technical services, and community operators.** Implementation arrangements are summarized below.

84. **The FIP-CU, located within MESD, will serve as the main coordinating body for overall project implementation.** The FIP-CU oversees the implementation of environmental projects funded by the World Bank. It has a solid technical track record in agroforestry, land use planning, and carbon finance, and has worked with various operators under different contractual setups. Its performance in project monitoring, financial management, procurement, and environmental and social safeguards has been rated as Moderately Satisfactory. To improve project management, the FIP-CU plans to hire new staff for safeguards, procurement, financial management, and monitoring and evaluation. It will also establish small provincial teams responsible for communication with local technical services and community operators.

85. **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 project work plans and budgets. Provincial Steering Committees, chaired by provincial governors with technical coordination from MESD, will oversee local implementation and include representatives from provincial governments, relevant ministries, the private sector, and civil society. Collaboration agreements will also be signed with each participating province to ensure local-level oversight of project activities.

86. **The implementation of the FOREST project will involve multiple central agencies, local level authorities, and contractors to ensure that the project is executed efficiently and effectively.** This is illustrated in **Error! Reference source not found.** below.

Figure 9. Implementation Arrangements



87. **Implementation agreements will be signed with governmental entities to carry out activities under different subcomponents.** These include the multi-donor Mwinda Fund and ANSER, located within ANSER, to implement clean cooking activities under subcomponent 3.2, building on the experience from the AGREE Project (P173506) for which the Mwinda Fund implements a US$70 million electricity RBF subsidy scheme. Additionally, ODR will implement rural road rehabilitation work under subcomponent 2.4, building on their positive experience under IFLMP.

88. **The project will also involve various contractors.** These include local community operators (LIAs) in the field, who will implement land use planning and related landscape investments for local communities. LIAs will be selected based on their local anchorage and track record to ensure effective use of the project's resources and results. They will prepare work plans and provisional budgets and be subject to quarterly control by the FIP-CU, and funds will be made available based on progress of activities and actual disbursement. Some community operators in the project areas have prior experience implementing similar activities in other projects, including IFLMP, and additional LIAs have been identified in the project area through a screening and assessment process. Delegated implementation will be considered for community forestry activities under subcomponent 2.4 considering the remote locations with specific needs and requirements. The RBF mechanism for private plantation activities under subcomponent 2.1.b will be supported by a technical assistance operator.

89. **The Project Implementation Manual (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.

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