# Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 30-May-2022 | Report No: PIDA31239

## BASIC INFORMATION

### A. Basic Project Data

| Country | Project ID | Project Name | Parent Project ID (if any) |
|---|---|---|---|
| Cote d'Ivoire | P175982 | Forest Investment Project, phase 2 | |
| **Region** | **Estimated Appraisal Date** | **Estimated Board Date** | **Practice Area (Lead)** |
| Western and Central Africa | 26-May-2022 | 30-Jun-2022 | Environment, Natural Resources & the Blue Economy |
| **Financing Instrument** | **Borrower(s)** | **Implementing Agency** | |
| Investment Project Financing | Adama Coulibaly | Ministry of Environment and Sustainable Development | |

Proposed Development Objective(s)

The Development Objective is to conserve and increase the forest stock and improve access to sources of income from sustainable forest management for selected communities in target zones.

Components

Component 1. Support the Development of Participatory Forests Management Plans
Component 2. Support the Implementation of Participatory Forests Management Plans in Category 3 GFs in the Cocoa Belt
Component 3. Support Sustainable Management of National Parks and Nature Reserves
Component 4. Support the Implementation of Participatory Forests Management Plans of Category 4 GFs in the Savanna
Component 5.Project Administration, Coordination, and Safeguards

## PROJECT FINANCING DATA (US$, Millions)

### SUMMARY

| | |
|---|---|
| **Total Project Cost** | 148.00 |
| **Total Financing** | 148.00 |
| **of which IBRD/IDA** | 140.00 |
| **Financing Gap** | 0.00 |

## DETAILS

**World Bank Group Financing**

| | |
|---|---|
| International Development Association (IDA) | 140.00 |
| IDA Credit | 140.00 |

**Non-World Bank Group Financing**

| | |
|---|---|
| Trust Funds | 8.00 |
| Strategic Climate Fund Grant | 8.00 |

Environmental and Social Risk Classification

High

Decision

The review did authorize the team to appraise and negotiate

## B. Introduction and Context

### Country Context

**Côte d'Ivoire is located in West Africa and has a total surface area of 322,463 km².** It is bordered by Liberia and Guinea to the west, Mali and Burkina Faso to the north, and Ghana to the east. To the south, the country's long coastline of 550 kms runs along the Gulf of Guinea. Côte d'Ivoire is divided into two main ecological regions: a forest zone in the south and a savanna zone in the north.

The country has enjoyed remarkable economic success since 2012, following the long political-military crisis between 2002 and 2011. According to the International Monetary Fund, Côte d'Ivoire has been one of the fastest growing economies in Africa in the past decade. While growth in 2020 slowed due to the COVID-19 pandemic, it had reached an estimated 7 percent rate in 2019 and is expected to return to this rate or higher in 2021/22.[1] The country's gross domestic product (GDP) for 2019 was US$58.5 billion, placing it in the top quarter of African countries. However, despite the relative strength demonstrated by macroeconomic indicators, the poverty rate remains high, with 39.5 percent of the population having a daily revenue of under US$1.90 in 2018, and the country ranking 165 (out of 188) on the Human Development Index.[2] While agriculture as a percentage of GDP has fallen in recent years, the World Bank reported that the agriculture sector accounted for about 21 percent of the country's GDP in 2020, as compared with 28 percent in 2015, it still remains an important driver for economic growth, employing close to half of the active population. Côte d'Ivoire is the world's largest producer and exporter of cocoa and the sector accounts for about one-

[1] World Bank Open Data: Côte d'Ivoire. https://data.worldbank.org/country/cote-divoire.
[2] Ibid; UNDP (United Nations Development Programme). Human Development Indices and Indicators: 2019 Statistical Update. Côte d'Ivoire (accessed November 2020), http://hdr.undp.org/en/countries/profiles/CIV.

third of total exports. In 2019, about 55 percent of Ivorian cocoa producers and their families lived below the poverty line.[3]

**The country's population, which was estimated at 6.7 million in 1975, increased to 25.7 million by 2019.**[4] This rapid growth results from a combination of high natural population growth and significant immigration from neighboring countries (with non-native-born Ivorians making up 24 percent of the population). This demographic dynamic has put increasing pressure on the country's natural resources, especially in the forest zone, where the vast majority of the population lives (75.5 percent versus 24.5 percent in the savanna zone).

**Sectoral and Institutional Context**

**Deforestation in Côte d'Ivoire has occurred at a rapid rate since the 1960s.** The country lost approximately 13 million (ha of forest cover, reducing forest cover from about 46 percent of the country in 2000 to only 11 percent today.5 From 1990 to 2015, Côte d'Ivoire had the highest deforestation rate in the world, losing on average 4.3 percent of its total forested area annually (BNETD 2016).[6] According to the National Forest Development Agency (*Société de développement des forêts*, SODEFOR), encroachment on the state's gazetted forests (GFs) increased from 18 percent (1996) to around 50 percent (2014). From 2017 to 2018, the percent increase of forest lost in Côte d'Ivoire was the second highest in the world.[7]

**The main direct drivers of deforestation and forest degradation** are (a) the massive expansion of extensive slash-and-burn agriculture, primarily for cocoa production (cocoa is responsible for 38 percent of deforestation in Côte d'Ivoire with 40 percent of cocoa production coming from GFs and protected areas8); (b) the uncontrolled harvesting of forests, particularly for fuelwood (currently estimated at 20 million $m^3$per year, a figure that continues to grow due to the weak protection of GFs, which is in turn caused by significant shortcomings in the management and governance of forest resources); (c) bushfires (accidental or intentional, often for agriculture or hunting); and (d) mining, notably illegal small-scale gold mining.

Deforestation relates to a number of negative impacts beyond the loss of ecosystems, including adverse climate impacts and loss of soil productivity. Studies have shown that if nothing is done to reverse the current trend, the loss of forest cover, and therefore of ecosystem services necessary for agriculture,9 could lead to the loss of more than 90

[3] World Bank. 2019. *Côte d'Ivoire Economic Outlook: Why the Time Has Come to Produce Cocoa in a Fully Inclusive and Responsible Manner* July 2019 (accessed November 2020), https://www.worldbank.org/en/country/cotedivoire/publication/cote-divoire-economic-outlook-why-the-time-has-come-to-produce-cocoa-in-a-responsible-manner.
[4] World Bank Open Data: Côte d'Ivoire (accessed November 2020), https://data.worldbank.org/country/cote-divoire.
[5] Sources: Forest Preservation, Rehabilitation, and Expansion Strategy (*Stratégie de Préservation, de Réhabilitation et d'Extension des Forêts,* SPREF), June 2018 and Global Forest Watch. Côte d'Ivoire 2019. https://www.globalforestwatch.org/dashboard/country/CIV.
[6] BNETD (*Bureau National d'Etudes Techniques et de Development*). 2016. *L'identification, l'analyse et la cartographie des causes de la déforestation et de la dégradation des forêts dans les sept zones agroécologiques de la Côte d'Ivoire*.
[7] Weisse, M., and E. D. Goldman. 2019. "The World Lost a Belgium-Sized Area of Primary Rainforest Last Year." World Resources Institute. April 25, 2019. https://www.wri.org/blog/2019/04/world-lost-belgium-sized-area-primary-rainforests-last-year.
[8] Source: BNETD 2016.
[9] The cost of climate change on Côte d'Ivoire cocoa sector is estimated at US$1.1 billion annually by 2050 (about 3.9 percent of current real GDP) from increasing temperature and decreasing water in dry seasons—both environmental conditions that healthy forests can mitigate. CIAT (International Center for Tropical Agriculture). 2018. *The Economic Case for Climate Action in West-African Cocoa Production*. Healthy forests are a key to carbon sequestration and mitigation of climate change. Sequestration is achieved not only through the tree canopy but also through forests' role in maintaining healthy soil that can successfully act as a substantial carbon sink—healthy soils hold up to 75 percent of carbon held on land—more than three times that is stored in living plants and animals. Food and Agriculture Organization. 2017.*Landscapes for Life. Approaches to Landscape Management for Sustainable Food and Agriculture* (accessed January 24, 2020),

percent of suitable land for cocoa cultivation (CIAT 2018). This would result in a severe blow to the country's economy as the agricultural sector employs 48.3 percent of the active population (2017) and contributes about 20 percent to the country's GDP. Given that so many farmers, including small-scale cocoa farmers, live below the poverty line, any additional stress from the negative impacts of forest loss could be catastrophic. The role cocoa production itself plays in the decline of forests further complicates the issue and highlights the need to quickly establish the right balance between the preservation of forest landscapes and the support for sustainable livelihoods for forest communities that depend on agriculture for their survival.

To address the drivers of deforestation and forest degradation, since 2011, the Government of Côte d'Ivoire has been involved in the mechanism for reducing emissions from deforestation and forest degradation (REDD+) and fostering conservation, sustainable management of forests, and enhancement of forest carbon stocks. With support from the World Bank through the Forest Carbon Partnership Facility preparation grant (FCPF-Readiness Fund), the French Development Agency (*Agence Française de Développement*, AFD), and other United Nations (UN) agencies, the country established a strong national REDD+ system to strengthen its institutional framework. The system entails the creation of a National REDD+ Commission and the development of a National REDD+ Strategy, a National Forest Surveillance System, multiple safeguards instruments, a safeguards information system, a reference emission level, a measurement, reporting, and verification (MRV) system for emissions reduction, and a REDD+ registry and certification manual.

To implement its National REDD+ Strategy, the Government prepared an Emission Reduction Program Document,[10] which was approved by the Carbon Fund Donors in June 2019, and a results-based Emissions Reduction Payment Project (ERP) (P170309) in the amount US$50 million that was signed on October 30, 2020. The ERP targets the most densely forested area in the southwest (the Cocoa Belt), which is also the most pressured by deforestation and forest degradation due to cocoa production. This area includes the Taï National Park (TNP)—one of the only remaining intact dense rainforests in West Africa.

Recognizing the role that cocoa production plays in deforestation and forest degradation and acknowledging that deforestation and degradation are the second leading cause of global warming (responsible for about 20 percent of global greenhouse gas [GHG] emissions), the governments of Côte d'Ivoire and Ghana, along with 34 leading cocoa and chocolate companies, committed in 2017 to working together through the Cocoa and Forests Initiative (CFI) to end deforestation and restore forest areas in West Africa, in line with the 2015 Paris Climate Agreement. Building on the lessons learned and good practices from other commodities and sectors, such as the Consumer Goods Forum, the CFI has developed a concrete, time-bound, joint action plan that spells out the critical actions to end deforestation, with a focus on (a) forest protection and restoration, (b) sustainable cocoa production and farmers' livelihoods, and (c) community engagement and social inclusion. The CFI's progress in Côte d'Ivoire includes, among other things, commitments from private sector partners to stop any new conversion of forest lands for cocoa production and increase the traceability of cocoa sourcing to enable the enforcement of agreements such as the 'Elimination of Cocoa Production and Sourcing from National Parks and Reserves'.[11]

**The World Bank is supporting the Government of Côte d'Ivoire to implement the CFI and its broader REDD+ efforts through** (a) the proposed Cocoa Integrated Value Chain Development Project (*Projet de Développement Intégré de la Chaîne de Valeur du Cacao,* PDIC) (P168499), which will support public-private Partnership models to ensure that both

http://www.fao.org/3/i8324en/i8324en.pdf.

[10]ERP Document https://www.forestcarbonpartnership.org/system/files/documents/190422-ERPD%20RCI%20FV.pdf.

[11] CFI Annual Progress Report. 2020: Cargill (accessed November 2020), https://www.cargill.com/doc/1432159394919/cargill-cocoa-forests-initiative-annual-report-2020.pdf.

the Government and private sector co-invest in sustainable long-term cocoa development, in line with the CFI action plans; (b) a Development Policy Operation (P166388), which includes prior actions under Pillar 1[12] on cocoa production sustainability, reforms to the Forest Code, and cocoa production norms, standards and measures; (c) a South-South Knowledge Exchange between Cocoa Producers in West Africa and Latin America (P171856) financed by the FCPF, which developed a cocoa agroforestry guide to be implemented in the context of the CFI; (d) a Forest Investment Program - Phase I (FIP-1) (P162789) and a Dedicated Grant Mechanism (DGM) for Local Communities (P163004), which are supporting enhanced carbon sequestration through agroforestry, reforestation, and conservation of protected areas and their adjacent lands in the south-west and center regions of the country; and (e) the payment for results ERP around the TNP (P170309), targeting the entire Cocoa Belt in the southwest region and the areas covered under FIP-1 and the DGM.

The Government of Côte d'Ivoire has also responded ambitiously to reverse the trends of deforestation and forest degradation with the 2018 SPREF, which aimed at recovering the country's forest cover and further guided the adoption of a new Forest Code in July 2019. Côte d'Ivoire's ambition is to (a) generate a transformational change in practices in the management of forests, more specifically, through the adoption of an integrated approach that combines economic development, social well-being, and the conservation of natural resources and (b) increase forest cover from 11 percent to 20 percent by 2040. To this end, the Government has adopted a zero-deforestation agricultural policy that is centered on developing zero-deforestation supply chains. In addition, the Nationally Determined Contributions (NDCs) submitted by Côte d'Ivoire in 2015 under the UNFCCC Framework[13] specifically call for mitigation measures in agriculture and forestry.
In November 2019, the Government passed a series of decrees and *arrêtés*[14] aimed at supporting implementation of the Forest Code and the new SPREF, thus establishing a policy framework, which supports the implementation of the World Bank-supported operations.

Forest areas have two classifications and are administered by three entities:

(a) **The Rural Forest Domain of the State (*Domaine Forestier Rural de l'Etat*),** managed by the Ministry of Water and Forests (*Ministère des Eaux et Forêts*, MINEF), is a reserve of lands where priority is given to agriculture, but which may also be granted for forest exploitation.

(b) **The Permanent Forest Estate of the State (*Domaine Forestier Permanent de l'Etat*),** which covers 6.3 million ha (19 percent of the total country area) and includes (i) 234 GFs (4.2 million ha), managed by

[12] Pillar 1 supports the establishment of the policy and regulatory framework for environmentally sustainable investments in cocoa, agroforestry, renewal energy, and energy efficiency. In agriculture, the objective is to support the reduction of deforestation associated with cocoa production and encourage private investments to adopt sustainable and formal supply chains for cocoa.
[13] UNFCCC = United Nations Framework Convention on Climate Change
[14] Decree No. 2019-979 of November 27, 2019, on the terms and conditions for the management of agroforestry, the exploitation of agricultural plantations, and the marketing of agricultural products in agroforestry. This decree defines the modalities for the development of agroforestry, the exploitation of agricultural plantations, and the marketing of agricultural products in agroforestry; Decree No. 2019-977 of November 27, 2019, on procedures for the classification of forests and agroforests. This decree stipulates that any forest in the national forest estate regularly acquired by the state may be classified in the private forest estate of the state or of the territorial collectivities: either on the initiative of the Forest Administration or at the request of a territorial collectivity; Ministerial Order No. 861/MINEF/CAB of December 13, 2019, on the modalities for the elaboration and implementation of forest and agroforestry management plans. The purpose of this order is to define the modalities for the elaboration and implementation of forest and agroforestry management plans. In addition, the Government has published data on the spatial boundaries of national parks, reserves, and GFs on an open digital platform.

SODEFOR and (ii) eight national parks (including the TNP, the largest reservoir of biodiversity in West Africa) and eight natural reserves totaling 2.1 million ha, managed by the Ivorian Office of Parks and Reserves *(Office Ivoirien des Parcs et Réserves*, OIPR).

Table 1 depicts the new classification of the country's 234 GFs by category and the guiding principles of their sustainable management according to the SPREF.

**Table 1. Categories of GFs**

| Category | Number of GFs | Comments |
|---|---|---|
| **Category 1 (C1)** | 27 | **GFs preserved to more than 75** percent and dedicated to full conservation. Some GFs concerned could be categorized as protected areas in the short term or at the expiration of logging concession agreements, if any. |
| **Category 2 (C2)** | 19 | **GFs with a degradation rate between 25 and 75** percent to be recovered through establishment of production forests in partnership with private sector. |
| **Category 3 (C3)** | 76 | **GFs with a degradation rate higher than 75 percent** to be recovered through agroforestry in partnership with the private sector. |
| **Category 4 (C4)** | 112 | GFs in the center and north of the country are dedicated to large-scale reforestation programs in partnership with the private sector and nongovernmental organizations (NGOs). |
| **Total** | **234** | |

## C. Proposed Development Objective(s)

The Project Development Objective (PDO) is to conserve and increase the forest stock and improve access to sources of income from sustainable forest management for selected communities in target zones.

**PDO Level Indicators**

(a) Targeted Gazetted Forest areas under sustainable management based on defined criteria[15](ha)

(b) GHG emissions reduced ($tCO_2eq$)

(c) Targeted Forest-dependent communities with increased access to income sources derived from sustainable GF management, of which percentage of women (number/%)

(d) Satisfaction of target beneficiaries (level of engagement by gender and age per target area) (%)

## D. Project Description

The project is articulated around four operational components to support implementation of the CFI and the SPREF as follows: (a) Component 1 establishes the foundation for sustainable forest management through the development of Participatory Forest Management Plans (PFMPs) of project targeted C3 and C4 GFs, (b) Component 2 addresses

[15] The criteria include the (a) number of GF management plans developed, (b) adoption and implementation of agroforestry schemes and *taungya* methods, (c) establishment of conservation areas in GFs for natural regeneration of degraded lands, and (d) establishment of areas dedicated to production forests for timber and fuelwood.

deforestation due to agriculture through implementation of cocoa-based agroforestry in targeted C3 GFs and enhanced GFs surveillance and monitoring, (c) Component 3 supports the suitable management of National Parks and Natural Reserves, and (d) Component 4 addresses deforestation due to harvest of natural forests for timber and fuelwood through establishment of alternative production forests in targeted C4 GFs.

**Component 1: Support the development of Participatory Forests Management Plans (PFMPs) (US$5 million)**

The objective of this component is to build on FIP-1 to continue laying the foundation for implementing the SPREF through two subcomponents: (a) support elaboration of PFMPs of targeted C3 GFs in the southwest and (b) support elaboration of PFMPs of targeted C4 GFs in the savanna area.

**Component 2: Support the Implementation of Participatory Forests Management Plans in targeted Category 3 GFs in the Cocoa Belt (US$68 million)**

The objective of this component is to tackle the challenging reality of gradually restoring highly degraded Gazetted Forests while enabling famers to continue growing cocoa. As such, this component will finance (a) the implementation of PFMPs prepared under component 1, (b) capacity enhancement of SODEFOR and local institutions for sustainable GF management, and (c) livelihoods restoration and income generating activities for riparian communities and potential project-affected persons (PAPs).

**Component 3: Support Sustainable Management of National Parks and Natural Reserves (US$12 million)**

The objective of this Component is to scale up FIP-1 interventions to support sustainable management of national parks located in the cocoa belt that are under threat of cocoa agriculture and illegal artisanal gold panning encroachments.

**Component 4: Support implementation of Participatory Forest Management Plans of Category 4 GFs in the Savanna (US$44 million, of which IDA 36 million and FIP trust fund US$8.00 million)**

The objective of this component is to support the implementation of C4 GFs through (a) large-scale reforestation program to contribute to the SPREF objective of restoring the country's forest cover to 20 percent by 2040 and (b) support partnership with the private sector and local communities initiated under FIP-1.

**Component 5: Project Administration, Coordination, and Safeguards (US$19 million)**

The objective of this component is to support overall daily administration of the project to ensure that regular monitoring and evaluation (M&E) is carried out and there is a feedback loop of findings to inform decision-making on project implementation. The component is implemented through (a) administration and coordination, and (b) support national capacity building in World Bank environment and social safeguards

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

Project supported investments focus on a large-scale reforestation program, conservation activities for gazetted forests, and national parks, establishment of production forests, agricultural intensification and agroforestry activities, with some rehabilitation/construction as well as Income Generating Activities (IGAs). Although these activities are expected to have positive environmental impacts, some of them may cause some substantial environmental risks and impacts, related to the potential use of pesticides, water pollution, occupational health and safety issues, increased poaching or further gold panning encroachment; possible temporary disruption of forest ecosystems, and nuisances related to air and noise emissions. These associated project- impacts, include also possible cumulative adverse impacts. The environmental risk classification for the project is thus Substantial, as it also impacts a large geographical area, involves low effects on high-value areas (HCV, HCS) and their biodiversity, in addition to considering the disparate levels of Borrowers capacity in the area of environmental impacts and risks management under ESF.

The social impacts of this project are mainly related to economic involuntary resettlement of communities living around the 3 GFs C3 (Rapides Grah, Haute Dodo and Scio). Component 2 could lead to access restrictions of people living around and in the classified forests; Sub-component 2.1 has been included in the project to provide measures of livelihood restoration and diversification to all people that will be physically and economically displaced. This will also be reflected in the PF and RFP.

## E. Implementation

### Institutional and Implementation Arrangements

Project administrative and fiduciary coordination will be ensured by UIAP which was established by Inter-Ministerial Decree (MINEDD, MINEF and MEF) in July 2020 and currently coordinates two World Bank-financed projects: FIP-1 (P162789) and West Africa Coastal Areas Resilience Project (P170916). The projects are supported by the following shared administrative and fiduciary support services: (a) financial management, (b) procurement, (c) Monitoring and Evaluation, (d) environmental and social safeguards, and (f) communication and stakeholder engagement. UIAP capacity will be enhanced with international and local resettlement expertise to support elaboration and implementation of resettlement and livelihoods restoration plans for the benefit of PAPs.

**Technical execution** will be ensured by SODEFOR for (component 1, 2 and 4) The Director Generals of the respective agencies will establish technical project execution units staffed with: (a) a designated technical coordinator; (b) designated field-based personnel for the execution of agroforestry, reforestation and conservation activities. In addition community development agents will be competitively recruited and based at the village level and under the responsibility of SODEFOR decentralized GF management centers in San-Pédro for Rapides Grah and Haute-Dodo and in Guiglo for Scio, to support agroforestry activities at the grassroot level. The five SODEFOR decentralized centers in the center and northern regions (Hambol, Gbèkè, N'Zi, Bagoué and Tchologo) will be responsible for the reforestation activities in targeted 16 GFs.

The three decentralized OIPR directorates located in the Soutwest (Soubré), East (Adzopé), and West (Man) will be responsible for conservation activities implementation respectively for TNP/Nzo fauna reserve, Mabi-Yaya and Mont-Péko.

## CONTACT POINT

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## APPROVAL

| | |
|---|---|
| Task Team Leader(s): | Salimata D. Follea |

**Approved By**

| | | |
|---|---|---|
| Practice Manager/Manager: | | |
| Country Director: | Coralie Gevers | 30-May-2022 |