Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 13-Apr-2022 | Report No: PIDC32944

BASIC INFORMATION

A. Basic Project Data

Country	Project ID	Parent Project ID (if any)	Project Name
Congo, Republic of	P177786		Climate-Resilient and Inclusive Livelihoods Project (ProClimat Congo) (P177786)

Region	Estimated Appraisal Date	Estimated Board Date	Practice Area (Lead)
AFRICA WEST	Oct 17, 2022	Jan 17, 2023	Environment, Natural Resources & the Blue Economy

Financing Instrument	Borrower(s)	Implementing Agency	
Investment Project Financing	Republic of Congo - Ministry of Finance, Budget and Public Portfolio	Republic of Congo - Ministry of Economy, Planning, Statistics, and Regional Integration	

Proposed Development Objective(s)

To improve the adoption of climate-smart agriculture and natural capital management, and enhance resilience of local communities in targeted landscapes in the Congo Basin

PROJECT FINANCING DATA (US$, Millions)

SUMMARY

Total Project Cost	70.00
Total Financing	70.00
of which IBRD/IDA	70.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Bank for Reconstruction and Development (IBRD)	70.00

Environmental and Social Risk Classification	Concept Review Decision
Substantial	Track II-The review did authorize the preparation to continue

B. Introduction and Context

Country Context

1. **The Republic of Congo is a lower-middle-income country in Central Africa with a gross domestic product (GDP) per capita of US$1,973 (2020).** In 2020, Congo's economy was hit hard by lower global and domestic demand as well as COVID-19 containment measures that disrupted oil operations and delayed investments, resulting in a GDP contraction of 7.9 percent. This was the sixth consecutive year of recession, resulting in negative GDP growth of 5.2 percent in the period 2015-2020. The economy is estimated to have shrunk by 1.2 percent in 2021, driven by a contraction of the hydrocarbon sector by 1.8 percent. Other factors have contributed to this outlook, including the duration and severity of the COVID-19 pandemic and a lack of fiscal consolidation measures. Economic diversification will be key for Congo's recovery and to reduce vulnerability to further shocks. Since Congo embarked on oil production, its tradable goods sectors[1] reported underperformance. Agriculture and associated sectors declined while the manufacturing industry collapsed. The economy remains undiversified and dominated by oil, which accounted for 82 percent of exports over 2015-2017 and 32 percent of Government revenue in the same period. Lower global oil prices and reduced investment in Congo's oil fields are expected to weigh on oil revenues and exports.

2. **Reducing poverty and achieving shared prosperity remain challenging.** The poverty rate at the national poverty line was estimated at 41 percent based on the 2011 national household survey, varying from 69.4 percent in rural areas to less than 22 percent in Brazzaville and Pointe-Noire. In the absence of public mitigation measures, the proportion of people living below the international poverty line (US$1.90 a day in 2011 purchasing power parity) is expected to increase from 40 percent to 43 percent over 2020–2022. Inequality levels also remain high by global comparison: non-inclusive growth has contributed to high inequality as seen in Congo's Gini coefficient of 0.489.[2] Income inequality is borne out spatially in the starkly different living standards experienced in Congo's urban and rural areas.

3. **The dynamics of exclusion in the Republic of Congo are multi-dimensional and go beyond the spatial disparities between urban and rural areas.** They are exemplified in the divide between population groups and among ethnic lines, with women, youth, persons with disabilities, and Indigenous Peoples (IPs) being the most affected groups. Despite constitutional guarantees, women face discrimination in many aspects of their lives, especially in rural areas where they are often discouraged from obtaining paid employment and education at the high school level. Some 42 percent of young people aged 15-29 and 19 percent of women are unemployed. In the Pool Department, cyclical fragility and violence hinder Congo's efforts to build a more resilient and inclusive society.

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[1] The management of oil production has led to Dutch disease in Congo. The country's real effective exchange rate appreciated because of oil revenues. The factors of production have therefore become too expensive and constrained the competitiveness of the tradable goods sector.

[2] Data from the World Bank World Development Indicators, https://data.worldbank.org/indicator/SI.POV.GINI?locations=CG, accessed in December 2021.

Sectoral and Institutional Context

4.   **The agriculture, food processing, and ecotourism sectors are considered to have particularly strong potential for contributing to sustainable growth and poverty reduction in Congo.** Agriculture, together with forestry and fishing, is of major importance to the economy and for food security but already remains far below its potential, having contributed an average of 5.4 percent to GDP over the past decade (2010–2019).[3] About 14 percent of families are food insecure. Hunger remains at a serious level of 26.6 percent according to the Global Hunger Index, a figure that is high compared to middle-income peers. Nevertheless, the agriculture sector is already a major source of employment, providing about 40 percent of jobs. In addition, ecotourism (that is, sustainable, nature-based tourism) has significant growth potential as a high-value niche market. Over one-tenth (13.2 percent) of Congo's land area is protected, including four national parks. Congo is home to forest elephants, gorillas, chimpanzees, and other species that would be attractive to tourists, yet these activities are not well-regulated or organized. Tourism and travel only contributed 3.9 percent of GDP in 2014, placing Congo 170th in the world in terms of the sector's contribution to the economy. Agriculture and ecotourism are not only key sectors for Congo's economic diversification, but also for preserving the country's ecosystems as a source of livelihoods and ecosystem services for remote populations and as a reservoir of biodiversity and carbon of global significance.

5.   **Climatic changes are projected to have a heavy impact on Congo's agriculture and ecosystems, with negative consequences for its people.** Projected impacts include elevated flood risks, increased vulnerability of rain-fed agriculture (due to more erratic rainfall), and changes in pest and disease vectors (due to rising temperatures). In the Bouenza, Niari, and Pool departments of southern Congo increased risk of drought, associated with an increase in temperatures, is likely to increase the risk of forest fires, which will contribute to intensifying erosion pressures. In central and northern Congo, climate change is threatening communities with rising temperatures, an increased number of days of extreme heat, and extreme weather events like more frequent and severe droughts and more intense rainfall. This may translate into lower water availability, more variable and shorter growing seasons, and reductions in production potential. The poor are particularly vulnerable to such climate-related shocks as agriculture is their main source of income.

6.   **Economic diversification must be prudently planned and implemented to not put ecosystem services at risk and to account for fragility and climate risks, requiring a landscape approach that reconciles different land uses.** This is particularly necessary to avoid undermining global and national efforts to reduce emissions from deforestation and forest degradation and to ensure conservation, sustainable management of forests, and enhancement of forest carbon stocks (REDD+). Unsustainable agriculture, forestry, and mining can reduce forest stocks and ecosystem services. Given the global significance of the Congo Basin as a carbon sink and biodiversity hotspot, economic development needs to take conservation considerations into account, especially as the country's forests themselves present opportunities for diversification through ecotourism and carbon trading.

Relationship to CPF

7.   **Sustainable resource management and agriculture are highlighted in the World Bank's FY20–24 Country Partnership Framework (CPF) for Congo as important sectors to support the Government's strategy of economic**

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[3] Data from World Bank World Development Indicators, https://data.worldbank.org/indicator/NV.AGR.TOTL.ZS?locations=CG, accessed in December 2021.

diversification.[4] The first focus area of the CPF aims to strengthen economic management to create an improved climate for private sector-led growth. This includes support for improved agriculture productivity and commercialization (Objective 1.3) and addresses climate resilience and productivity of subsistence farmers. The second focus area of the CPF seeks to build human capital and enhance resilience for social inclusion and sustainable growth. In the context of improving the sustainable management of natural resources (Objective 2.4), it recognizes particularly REDD+ as an opportunity to align Congo's economic development imperatives with its sustainability goals.

C. Proposed Development Objective(s)

8. **To improve the adoption of climate-smart agriculture and natural capital management, and enhance resilience of local communities in targeted landscapes in the Congo Basin.**

Key Results

9. **The proposed key results indicators cover each element of the PDO:**

Improved adoption of climate-smart agriculture in targeted landscapes:
    i)   Area under climate-smart agriculture practices (hectares (ha))

Improved climate-smart natural capital management in targeted landscapes:
    i)   Area of ecosystems under restoration and/or improved management (ha):
        a.   of which national park (ha)
        b.   of which other protected area (community reserve, biosphere reserve, wildlife reserve, etc.) (ha)
        c.   of which peatlands (ha)

Enhanced resilience of targeted communities in targeted landscapes:
    i)   Households using improved livelihood activities supported by the project (number)
        a.   of which climate-smart agriculture (number)
        b.   of which non-timber forest products activities (number)
        c.   of which other activities (number)
        d.   of which female-headed households (percentage)
        e.   of which indigenous peoples' households (percentage)
    ii)   Share of households in targeted landscapes covered by early warning system (percentage)
    iii)   Communities with reduced flood hazard risk (number)
    iv)   People participating in planning of targeted landscapes (number)

D. Concept Description

10. **The project will apply a landscape approach, which targets larger landscapes with different land uses, such as agriculture, settlements, and fragile or critical ecosystems, including biodiversity hotspots (especially peatlands and primary forests due to their carbon storage capacity) and protected areas.** The criteria for selecting the landscapes to be supported by the project will be developed in dialogue with the Government during preparation but are expected

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[4] World Bank. 2019. *Country Partnership Framework (CPF) for the Republic of Congo for the Period FY20–FY24, Report No. 126962-CG*. Washington, DC.

to include the conservation value and vulnerability of the landscape, poverty rates, levels of social inclusion and fragility, the vulnerability of the local population to climate change, and the potential for successfully promoting climate-smart agriculture and sustainable tourism. The project will ensure that landscapes will be selected whose location allows for efficient implementation and monitoring. Activities will be tailored to the respective landscape, for example by only supporting agriculture in degraded or savanna areas and by adjusting crops and value chain assistance accordingly. This will entail a stronger coordination mandate and presence at the local level through multi-stakeholder platforms. In the Pool Department with its situation of fragility, the project will contribute to stabilization and reconciliation through targeted livelihood support and inclusion of ex-combatants. Given Congo's weak institutional capacity, analytical work will be conducted during project preparation to identify a landscape governance approach suitable for this context. The project will follow a resilience model that seeks to enhance the absorptive, adaptive, and transformative capacities of its beneficiaries. Project activities will be closely coordinated with planned and ongoing initiatives by the World Bank and its partners.

Component 1: Strengthening Capacity of Institutions and Communities (US$15 million)

11. **The component seeks to enhance institutional and community capacity to build inclusive livelihoods in a changing climate and ensure community participation in such processes.**

Subcomponent 1.1: Building Institutional Capacity on Climate-smart Agriculture and Natural Capital Management (US$5 million)
12. **The subcomponent will strengthen the capacity of those ministries and their decentralized structures that have to play a role for climate-smart agriculture and natural capital management to succeed and to ensure effective and efficient project implementation.** Technical assistance in the form of analytical work and advisory services will be supplied to facilitate decision making, for example to put in place and support multi-stakeholder platforms; identify agricultural crops adapted to different zones; develop roadmaps for ecotourism promotion; identify areas providing ecosystem services of particular local or global importance; and support climate-sensitive reforms. The subcomponent will also provide material support to the Government's decentralized structures, for example in the form office equipment and vehicles.

Subcomponent 1.2: Promoting Social Resilience and Participation of Communities (US$5 million)
13. **The subcomponent will finance activities at the community level to mobilize communities and build their skills and capacity to promote their participation in Components 2 and 3.** The activity will also promote citizen engagement, focusing particularly on engaging excluded and vulnerable groups in the project. Activities to be financed include, inter alia: participatory mapping of vulnerabilities to identify needs and skills to be provided for implementing livelihood activities under Component 3; participatory and inclusive local infrastructure plans for livelihood support with a priority list for interventions to be financed under Component 2; identification of social activities for social empowerment, particularly for those traditionally disenfranchised; activities for women's economic empowerment; psychosocial support activities with a special attention to survivors of GBV and ex-combatants; strengthening the local Grievance Redress Mechanism (GRM); and a communication campaign. The subcomponent will further seek to strengthen the capacity of communities for climate-responsive planning and sustainable natural resource management.

Subcomponent 1.3: Developing and Operationalizing an Agro-meteorological Information and Warning System (US$5 million)

14. **The subcomponent aims to protect lives and assets by alerting individuals and aiding communities in adaptation planning through the generation and use of climate information.** The subcomponent will: i) carry out climate studies to enrich the observed climate database and help generate climate models at a national scale; ii) generate and analyze agro-climatic data at a regional (sub-national) scale; iii) develop products and services to improve farmers' access to climate data; and iv) train farmers in using these products and services.

Component 2: Strengthening Investments in Climate-smart Agriculture and Natural Capital Management (US$30 million)

15. **This component aims to foster the development of climate-smart agriculture and natural capital management by reducing infrastructure constraints.**

Subcomponent 2.1: Improving Infrastructure for Climate-smart Agricultural Production and Commercialization (US$20 million)
16. **This subcomponent will develop basic infrastructure essential for the promotion of livelihoods in climate-smart agriculture, particularly commercialization and sustainable value chains.** It will include public investments in the rehabilitation and maintenance of the feeder road network and improved access to other public infrastructure in a targeted manner. The subcomponent will also focus on identifying and financing investments to manage flooding as a key climatic risk for the population and critical assets, particularly with a view to pluvial flooding, taking into account climate change projections. Particularly nature-based solutions will be leveraged to maximize ecosystem services, including erosion control, for example through wetland, mangrove, and riverbank stabilization/restoration. Moreover, improvements will be made in the rivers most prone to flooding, particularly through dredging, dike construction where the risks affect large demographic areas, and enhancement irrigation and drainage systems.

Subcomponent 2.2: Improving Natural Capital Management (US$10 million)
17. **The subcomponent seeks to improve Congo's ability to conserve natural assets as a basis for livelihood activities, including tourism.** It will reinforce the management capacity of protected areas in selected landscapes to improve conservation efforts. Activities will include wildlife surveillance; construction and upgrading of conservation infrastructure; and provision and renewal of essential equipment for park management. The subcomponent will also support active and passive restoration activities for conservation purposes. It will further finance infrastructure in and providing access to national parks with high potential for tourism. Investment and management plans will be developed or updated at the landscape level with all stakeholders in support of the protected areas and their buffer zones. The project will work in close collaboration with local communities to create jobs and promote local culture.

Component 3: Promoting Inclusive, Climate-resilient Livelihoods in Targeted Landscapes (US$17 million)

18. **Focusing on landscapes that are particularly fragile, provide critical ecosystems relevant for climate change adaptation or mitigation or are of high value for tourism, and are subject to a high degree of poverty and exclusion, this component will support households and communities in increasing adaptive capacity through improved livelihood opportunities.**

Subcomponent 3.1: Supporting Households and Producer Groups on Climate-smart Agriculture, Fisheries, Ecotourism, and Natural Resource Management in Targeted Landscapes (US$7 million)

19. **The subcomponent seeks to promote economic diversification at the household and community level and to improve food security by promoting climate-smart agriculture, fisheries, and natural resource management.** The subcomponent will finance the following types of activities to support climate-resilient livelihoods: i) Support to Household Resilience Micro-projects to promote agro-forestry, silvo-pastoral management strategies, artisanal fisheries, non-timber forest product harvesting, and sustainable household energy; ii) Creation of and support to producer groups, including nurseries, tractors and transport vehicles, tools processing equipment, and small infrastructure (for example, warehouses); iii) targeted investments for sustainable land and water management and value chains (for example, well construction, market construction, road and bridge rehabilitation); iv) creation of a pilot center for integrated, ecological climate-smart agriculture, including nurseries, field schools, and a training center; and v) skills development for access to jobs in ecotourism and conservation.

<u>Subcomponent 3.2: Supporting Micro-, Small and Medium-sized Enterprises (MSMEs) on Climate-Smart Agriculture (US$10 million)</u>
20. **This subcomponent will support the competitiveness of MSMEs involved in agribusiness, from input supply to the production, processing, and distribution of agricultural products, as well as the delivery of agri-based services.**

Component 4: Project management, monitoring, and evaluation (US$8 million)
21. **This component will finance project management, implementation, and Monitoring and Evaluation.** It will also finance an expert for the purpose of independent third-party monitoring of project implementation once per year.

Component 5: Contingent emergency response (US$0.0 million)
22. **Designed as a mechanism to implement the Government's rapid response to an emergency, this component will allow the project to finance emergency recovery activities and reconstruction sub-projects under an agreed manual.**

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	TBD

Summary of Screening of Environmental and Social Risks and Impacts

The main environmental risks include: potential adverse environmental impacts such as air pollution, noise, soil pollution, waste and hazardous waste management, water pollution, and occupational/community health and safety risks. The main social risks and potential impacts include: economic displacement, and/or temporary impacts and restrictions on land use, social impacts such as damage to assets, labor influx that may arise from non-local workers, occupational health and safety issues, adverse impacts on community health and risk of Gender Based Violence (GBV) and Sexual Exploitation and Abuse/Harassment (SEA/SH), lack of accessible and comprehensive dissemination of information to stakeholders and inadequate stakeholder engagement, impacts on/inclusion of project benefits for vulnerable groups, and COVID-19 related risks of transmission.

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APPROVAL

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