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Report No: PP3205

PROJECT PAPER
ON A
PROPOSED GRANT

IN THE AMOUNT OF US\$ 4.50 MILLION
FROM THE STRATEGIC CLIMATE FUND

TO

CARE INTERNATIONAL

FOR A

DEDICATED GRANT MECHANISM PROJECT FOR THE REPUBLIC OF CÔTE D'IVOIRE
DECEMBER 11, 2019

Environment & Natural Resources Global Practice
Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective December 8, 2019)

Currency Unit = FCFA

FCFA589.39 = US\$1

US\$ = SDR 1

FISCAL YEAR

January 1 - December 31

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ABBREVIATIONS AND ACRONYMS

AFD	French Development Agency
AfDB	African Development Bank
ANADER	Rural Development Agency (Côte d’Ivoire)
AWPB	Annual Work Program and Budget
B/C Ratio	Benefit Cost Ratio
BNETD	National Bureau of Technical Studies and Development (<i>Bureau National d'Études Techniques et de Développement</i>)
CPF	Country Partnership Framework
DA	Designated Account
DFIL	Disbursement and Financial Information Letter
DGM	Dedicated Grant Mechanism
ESMF	Environmental and Social Management Framework
FAO	Food and Agriculture Organization
FAP	Forest Action Plan
FCPF	Forest Carbon Partnership Facility
FI	Financial Intermediary
FIP	Forest Investment Program
FM	Financial Management
GDP	Gross Domestic Product
GEA	Global Executing Agency
GF	Gazetted Forests (<i>Forêts Classées</i>)
GHG	Greenhouse Gas
GoCI	Government of Côte d’Ivoire
GRM	Grievance and Redress Mechanism
GRS	Grievance Redress Service
GSC	Global Steering Committee
HDI	Human Development Index
IDA	International Development Association
IFR	Interim Financial Report
IMF	International Monetary Fund
IP	Investment Plan
IPF	Investment Project Financing
IPLC	Indigenous Peoples and Local Communities
M&E	Monitoring and Evaluation
MALEBI	Association of Women Producers and Traders of Secondary Forest Products
MDB	Multilateral Development Bank
MINEF	Ministry of Water and Forests
MRV	Monitoring, Reporting, and Verification
NEA	National Executing Agency
NGO	Non-governmental Organization
NPV	Net Present Value

NRM	Natural Resource Management
NSC	National Steering Committee
OIPR	Ivorian Office of Parks and Reserves (<i>Office Ivoirien des Parcs et Réserves</i>)
OP	Operational Policy
PDO	Project Development Objective
PF	Process Framework
PIM	Project Implementation Manual
PPP	Public Private Partnership
QCBS	Quality and Cost Based Selection
RD	Rural Domain
REDD+	Reducing Emissions from Deforestation and Forest Degradation
RFP	Request for Proposal
RPF	Resettlement Policy Framework
SBD	Standard Bidding Documents
SCD	Systematic Country Diagnostic
SCF	Strategic Climate Fund
SDG	Sustainable Development Goal
SEP-REDD+	Permanent Executive Secretariat for REDD+ (<i>Secrétariat Exécutif Permanent de la REDD+</i>)
SODEFOR	Forestry Development Corporation (<i>Société de Développement des Forêts</i>)
SOE	Statement of Expense
SOP	Series of Projects
TF	Trust Fund
UN	United Nations
UN-REDD	United Nations – Reducing Emissions from Deforestation and Forest Degradation
UNDP	United Nations Development Programme
UNICEF	United Nations Children’s Fund
USD	United States Dollar
WB	World Bank
XOF	West African CFA franc

**BASIC INFORMATION**

Is this a regionally tagged project?

No

Country (ies)

Financing Instrument

Investment Project Financing

Classification

Small Grants

☐ Situations of Urgent Need or Assistance/or Capacity Constraints☐ Financial Intermediaries (FI)☐ Series of Projects (SOP)

Approval Date

06-Jan-2020

Closing Date

30-Dec-2024

Environmental Assessment Category

B-Partial Assessment

Approval Authority

CDA

Bank/IFC Collaboration

No

Please Explain

This project will be presented to the Board for final decision.

Proposed Development Objective(s)

The Project Development Objective is to strengthen the capacity of targeted local communities to participate in REDD+ processes at the local, national, and global levels.

Components**Component Name****Cost (USD Million)**

Capacity Building for Local Communities

600,000.00

Development and implementation of a performance-based system to reduce pressure on forest resources

3,200,000.00

Project Management, Monitoring and Communication

700,000.00

**Organizations**

Borrower : CARE International

Implementing Agency : Care International

PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

Total Project Cost	4.50
Total Financing	4.50
Financing Gap	0.00

DETAILS**Non-World Bank Group Financing**

Trust Funds	4.50
Climate Investment Funds	4.50

Expected Disbursements (in USD Million)

Fiscal Year	2020	2021	2022	2023
Annual	0.65	0.76	1.42	1.67
Cumulative	0.65	1.41	2.83	4.50

INSTITUTIONAL DATA**Practice Area (Lead)**

Environment, Natural Resources & the Blue Economy

Contributing Practice Areas



Private Capital Mobilized

No

Gender Tag

Does the project plan to undertake any of the following?

a. Analysis to identify Project-relevant gaps between males and females, especially in light of country gaps identified through SCD and CPF

No

b. Specific action(s) to address the gender gaps identified in (a) and/or to improve women or men's empowerment

Yes

c. Include Indicators in results framework to monitor outcomes from actions identified in (b)

Yes

OVERALL RISK RATING

Risk Category	Rating
Overall	● Substantial

COMPLIANCE

Policy

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

☒ Yes ☐ No

Does the project require any waivers of Bank policies?

☐ Yes ☒ No

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment OP/BP 4.01	✓	
Natural Habitats OP/BP 4.04	✓	



Forests OP/BP 4.36	✓
Pest Management OP 4.09	✓
Physical Cultural Resources OP/BP 4.11	✓
Indigenous Peoples OP/BP 4.10	✓
Involuntary Resettlement OP/BP 4.12	✓
Safety of Dams OP/BP 4.37	✓
Projects on International Waterways OP/BP 7.50	✓
Projects in Disputed Areas OP/BP 7.60	✓

Legal Covenants

Sections and Description

The Recipient shall adopt the Project Implementation Manual in form and substance acceptable to the World Bank.

Sections and Description

The Recipient shall strengthen the capacity of the FM team, primarily by appointing a dedicated FM staff assigned to the project who is familiar with WB FM procedures.

Sections and Description

The Recipient shall draft a short Note as an Annex to the existing FM Manual to reflect the Bank's FM procedures and requirements.

Conditions

Type Effectiveness	Description Grant agreement - Article V, 5.01.(a). The Recipient has adopted the Project Implementation Manual in form and substance acceptable to the World Bank.
Type Effectiveness	Description Grant agreement - Article V, 5.01.(b). The Recipient has appointed a finance and accounts officer familiar with the World Bank financial management procedures.
Type Effectiveness	Description Grant agreement - Article V, 5.01.(c). The Recipient has revised its existing financial management manual to reflect the World Bank procedures and requirements.

**PROJECT TEAM****Bank Staff**

Name	Role	Specialization	Unit
Salimata D. Follea	Team Leader(ADM Responsible)	Natural Ressource Management	SAFE1
Maurice Adoni	Procurement Specialist(ADM Responsible)	Procurement	EA2RU
Jean Charles Amon Kra	Financial Management Specialist(ADM Responsible)	Financial management	EA2G1
Faly Diallo	Financial Management Specialist	FM	WFACS
Abdoul Wahabi Seini	Social Specialist(ADM Responsible)	Social safeguards	SAFS4
Abdoulaye Gadiere	Environmental Specialist(ADM Responsible)	Environmental safeguards	SAFE1
Anders Jensen	Team Member	M&E	SENGL
Dania Mosa	Team Member	NRM	SAFE1
Dinara Besekei Sutton	Team Member	Economic Analysis	SCCFM
Julie Nyamien Messoum Kouame	Team Member	Operations assistant	AFCF2
Marie Roger Augustin	Counsel	Legal	LEGAM
Meerim Shakirova	Team Member	NRM	SENGL
Nalin M. Kishor	Team Member	Forest Governance	SENGL
Patricia M. Kristjanson	Team Member	Gender	SENGL
Salamata Bal	Social Specialist	Social safeguards	SAFS4
Steven Jay Silverstein	Team Member	NRM	SAFE3
Virginie A. Vaselopoulos	Team Member	Program Assistant	SAFE1

Extended Team

Name	Title	Organization	Location
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THE REPUBLIC OF CÔTE D'IVOIRE
DEDICATED GRANT MECHANISM FOR COTE D'IVOIRE

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I. STRATEGIC CONTEXT

A. Country Context

1. **Côte d'Ivoire is located in West Africa and has a total surface area of 322,463 square kilometers (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 km runs along the Gulf of Guinea. Côte d'Ivoire is divided into two main geographic regions: a forest zone in the south (48.2 percent of the surface area); and a savanna zone in the north (51.8 percent of the surface area).
2. **The country's population, estimated at 6.7 million in 1975, has nearly quadrupled, reaching 23.8 million in 2016.** This rapid increase has resulted from a combination of high natural population growth and significant immigration from neighboring countries. The country's population is young, with 75 percent under the age of 35. Half of the population lives in urban areas (50.3 percent). 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).
3. **A long political-military crisis (2002-11) has had a significant negative economic and social impact on the country.** The poverty rate was estimated at 46 percent in 2015 (INS 2015),¹ and the country ranked 170 (out of 188) in the 2017 Human Development Index (HDI) of the United Nations Development Program, putting it in the category of countries with low human development.
4. **Since 2012, Côte d'Ivoire has shown renewed economic momentum, with a gross domestic product (GDP) growth rate estimated at 7.4 percent in 2018.** The agricultural sector is the main driver for economic growth, employing more than two-thirds of the active population and producing approximately 28 percent of the country's GDP and over 50 percent of its export earnings. Côte d'Ivoire is the world's largest producer and exporter of cocoa, and the sector accounts for about a third of total exports.

B. Sectoral and Institutional Context

5. **Côte d'Ivoire, located in the inter-tropical zone of West Africa, is divided into three main ecological areas:** (i) in the north, the Sudanese sector, characterized by alternating wooded and grassy savannas, clear forests, and lateritic plateaus; (ii) in the center, the mesophilic sector, a transition zone consisting of a mosaic of savannas, clear forests and semi-deciduous dense forests; and (iii) in the south, the ombrophile area, characterized by a dense rain forest. Added to these three main zones are swamp forests, montane forests (in the west), and mangroves (along the coast).
6. **The country's forest areas are administered by three different entities based on the following classifications:** (i) the *Domaine Forestier Permanent de l'Etat* (Permanent Forest Estate of the State) which covers 6,267,730 ha (19 percent of the total country area) and includes 233 "*Forêts Classées*" (Gazetted

¹ National Statistical Institute (*Institut National de la Statistique*). (2015). Social indicators. Retrieved from http://www.ins.ci/n/index.php?option=com_content&view=article&id=85%3Aindicateurs-sociaux-qualite-de-vie-et-pauvrete&catid=49%3Ais&Itemid=96



Forests (GFs), covering 4.196 million ha, managed by the National Forest Development Agency (SODEFOR);² eight National Parks (including Taï, the largest reservoir of biodiversity in West Africa), and six natural reserves totaling 2,071,730 ha, managed by the Ivorian Office of Parks and Reserves (OIPR);³ and (ii) the *Domaine Forestier Rural de l'Etat* (Rural Forest Domain of the State), managed by the Ministry of Water and Forests (MINEF), which constitutes a reserve of lands where priority is given to agriculture and which may be granted for forest exploitation.

7. The forest cover, estimated at 37 percent of the country's territory in 1960, had decreased to less than 14 percent by 2010 (AFD 2013).⁴ Côte d'Ivoire's average deforestation rate increased from 1.5 percent per year between 1900 and 1980 to about 4.3 percent per year between 1990 and 2015 (BNETD 2016),⁵ becoming the highest in the world at one point. Between 2000 and 2008, during the political crisis, the deforestation rate reached 25 percent in the GFs (SOFRECO 2009).⁶ According to SODEFOR (2014),⁷ the encroachment rate in GFs increased from 18 percent of the total area in 1996 to about 50 percent in 2014.

8. The main direct causes of deforestation and forest degradation are: (i) massive expansion of extensive slash-and-burn agriculture; (ii) uncontrolled harvesting of forests, in particular for firewood (currently estimated at 20 million cubic meters per year. This figure continues to grow due to the lack of protection for GFs, and to a lesser extent for areas designated for protection, and by significant shortcomings in the management of forest resources); (iii) bushfires (accidental or intentional, often for agriculture or hunting); and (iv) mining, notably illegal small-scale gold mining.

9. The main indirect causes, which have societal impacts, including those that are highly significant to forestry resources, are: (i) growing demographic pressures, which have been leading to increased urbanization in the southern forested parts of the country where 75.5 percent of the population lives; and (ii) generalized poverty of rural households, which has led to overexploitation of available natural resources to compensate for both the lack of productivity of smallholder farming and the lack of opportunities to obtain nonagricultural revenues.

10. To reverse the trend of deforestation and forest degradation, Côte d'Ivoire has been engaged since 2011 in the Reduction of Emissions due to Deforestation and Forest Degradation (REDD+) process, with support from the World Bank (WB) and other partners, such as the United Nations REDD+ (UN-REDD), the French Development Agency (AFD), and the Food and Agriculture Organization (FAO). This engagement led to an initial grant in 2014 of US\$3.8 million and additional financing in 2017 of US\$5.0 million from the WB-managed Forest Carbon Partnership Facility (FCPF)-Readiness Fund and an additional US\$3.2 million from the UN-REDD. The Readiness Fund and the UN-REDD fund are designed to assist forest countries to: (i) prepare a national REDD+ strategy and policy framework; (ii) establish a reference baseline of emissions from deforestation and forest degradation; and (iii) set up a national monitoring, reporting, and verification (MRV) system for emissions reduction. The Readiness Fund recognizes that emissions' reduction requires basic reforms and investments in the forest and other relevant sectors, and it helps countries prepare to access longer-term financing sources, including results-based financing. In this context, Côte d'Ivoire proposal was accepted in

² SODEFOR: Société de Développement des Forêts

³ Office Ivoirien des Parcs et Réserves/Ivorian Agency for National Parks and Reserves

⁴ French Development Agency (*Agence Française de Développement*). (2013). Insights from cocoa farmers and community baseline surveys conducted by Barry Callebaut between 2013 and 2015. Retrieved from <https://www.afd.fr/en/cocoa-farmers-agricultural-practices-and-livelihoods-cote-divoire>

⁵ National Technical Studies and Development Authority (*Bureau National d'Études Techniques et de Développement*)

⁶ SOFRECO. (2009) Study on post-conflict environmental analysis in West Africa

⁷ Forest Development Society. (2014). Forest code in Cote d'Ivoire. Retrieved from http://www.sodefor.ci/pdf/cod_for_iv.pdf



October 2015 into the FCPF-Carbon Fund pipeline and the country is now preparing an Emission Reduction Program in the agriculture sector, in the South-West around Taï National Park, for performance-based payments against future emissions reductions.

11. In parallel with the FCPF, Côte d'Ivoire successfully applied for funding from the Forest Investment Program (FIP), a targeted program under the Strategic Climate Fund (SCF) to catalyze policies and measures for obtaining significantly increased funds to facilitate the reduction of deforestation and forest degradation and to promote sustainable management of forests. Both efforts are designed to lead to emissions reduction and the protection of carbon stocks. The FIP provides developing countries with up-front bridge financing for readiness reforms, and public and private investments to support their REDD+ efforts, while helping them to adapt to the impacts of climate change and to contribute to biodiversity conservation and other development goals. The FIP also supports community engagement in forest and REDD+-related consultations, decision-making, and implementation through a Dedicated Grant Mechanism (DGM) for Indigenous Peoples and Local Communities (DGM – P163004).

12. At its meeting in June 2016, the FIP Subcommittee endorsed the Côte d'Ivoire Forest Investment Plan (IP) for a total amount of US\$80 million. The Côte d'Ivoire IP is designed to combine different interventions in the short- and medium-terms. Its programmatic nature is based on two key areas: (i) a medium- and long-term national vision aimed at balancing the economic interests of a range of stakeholders with the goals of emissions reduction and of sustainable conservation and management of the country's forests; and (ii) a focus on the sectors (such as agriculture) which have become the main drivers of deforestation in the country. The Côte d'Ivoire IP comprises a five-year first phase in the amount of US\$24 million, financed by the FIP trust fund (TF), and a second five-year phase of US\$56 million, to be raised by the government to consolidate, sustain and expand the first phase interventions. It also includes an additional US\$4.5 million for the DGM.

13. The FIP project (P162789) for an amount of US\$ 15.2 million was approved by the FIP Subcommittee in November 2017 and by the Bank's Board of Executive Directors in January 2018. It became effective in May 2018 and is scheduled to close on May 31, 2023. The WB is also the implementing agency responsible for the DGM.

C. Higher Level Objectives to which the Project Contributes

14. The proposed DGM project in Côte d'Ivoire will contribute to achieving the goals set out in the World Bank Group's Country Partnership Framework (CPF) FY16-FY19 (Report No. 96515-CI), discussed by the Board of Executive Directors on August 17, 2015, and that were confirmed and extended to FY21 by the Performance and Learning Review (Report No. 122566-CI) on April 24, 2018. which was extended to 2021 through a Performance and Learning Review (Report No. 122566-CI). The CPF focuses on two cross-cutting themes – governance and spatial inequalities – with three primary focus areas: (i) sustaining strong private sector-led growth; (ii) building human capital for inclusive growth, social cohesion, and youth employment; and (iii) strengthening public financial management (FM) and accountability. While its primary focus is on enhancing the capacities of local communities to conserve and restore forests, the nature of the project's activities and beneficiaries lends significant direct and indirect contributions to CPF Objective 1: *Improve productivity in agriculture/agribusiness value chains*, and to Objective 4: *Formalize and enhance access to land for business and agriculture*.

15. The project aligns with the WB's twin goals of shared prosperity and extreme poverty reduction. Despite being one of the fastest growing economies in Africa, Cote d'Ivoire's estimated share of the population living



in poverty remains high: in 2015, 46.3 percent of the population lived below the national poverty threshold. Poverty levels in rural areas are even higher than those in urban areas. While this is particularly true of the drier northern regions, the volatility in cocoa and coffee prices has also adversely affected rural poverty rates in the forested zones of the moister, richer South-West as well.

16. The project's activities target the country's South-West (current cocoa loop) and Center zones (former cocoa loop). (See map of project site in Appendix E). Activities will be undertaken directly by local communities in these targeted zones to implement a performance-based incentive system that will positively impact income levels and poverty rates at the local level.

17. In terms of shared prosperity, the project aims to improve not only local entrepreneurship but also the reconstruction and preservation of the country's natural wealth. It will, therefore, contribute to the long-term sustainable development of natural resources, thus allowing nearby residents to benefit directly from sustainable development of these resources and the employment opportunities they generate.

18. The DGM project in Côte d'Ivoire supports the World Bank's Forest Action Plan (FAP).⁸ The project covers the main interventions of the FAP's Focus Area 1 on Sustainable Forestry, namely "to protect and optimize the use of forest, both natural and planted, to sustain livelihoods, create jobs and economic opportunities in rural areas while preserving ecosystem services delivered by forests," as well as the cross-cutting themes of rights, participation, institutions and governance, climate change, and resilience. The project's strategic involvement in the forestry and agriculture sectors will strengthen the foundations for positive forest outcomes while improving living conditions and diversifying livelihoods among rural people.

19. The DGM project in Côte d'Ivoire responds to the strategic objectives⁹ of the FIP. It aims to enhance the capacity of local communities to participate in REDD+ programs – and to utilize integrated landscape management more broadly – and to strengthen their role at local, national, and global levels. In so doing, it supports national efforts to address the drivers of deforestation and forest degradation and to promote sustainable forest management.

20. The project's approach also embodies many of the United Nations (UN) Sustainable Development Goals (SDGs). Overall, the project interventions will contribute to poverty reduction (SDG-1: No Poverty) and inclusive and sustainable economic growth (SDG-8: Decent Work and Economic Growth). The project will promote sustainable forest management and reverse land degradation (SDG-15: Life on Land), and promote climate change action, awareness-raising, and human capacity in climate change mitigation and adaptation, which will increase the resilience of the rural population (SDG-13: Climate Action). It will also contribute to capacity-building of local communities, enhancing multi-stakeholder partnerships to mobilize and share knowledge, expertise, and technology in the targeted forest areas while at the same time encouraging and promoting effective partnerships with public, private, and civil society organizations (SDG-17: Partnerships for the Goals).

⁸ World Bank, *Forest Action Plan (FY16-FY20)*. Retrieved from <http://documents.worldbank.org/curated/en/240231467291388831/Forest-action-plan-FY16-20>

⁹ DGM Framework Operational Guidelines <http://www.dgmglobal.org/documents/>



II. PROJECT DEVELOPMENT OBJECTIVES

A. PDO

21. The Project Development Objective is to strengthen the capacity of targeted local communities to participate in REDD+ processes at the local, national, and global levels.

B. Project Beneficiaries

22. The direct project beneficiaries are forest-dependent local communities (totaling approximately 344,800 people) in the following target areas:

- a. **Center region:** (i) GF of Ahua in the N'Zi region, department of Dimbokro; (ii) GF of Proungbo-Sérebé, region of Moronou, department of M'batto; (iii) network of GFs Laka-Fetekro-Mafa-Besse-Boka, region of Gbèkè in the department of Bouaké; and (iv) network GFs of Kouabo Boka-Soungourou-Boka Go, Iffou region in the departments of Bouaké and M'bahiakro;
- b. **South-West region:** (i) GFs of Cavally and Goin Dèbé in the region of Cavally, department of Taï; (ii) GF of Duekoué, Guémon region, department of Duekoué; (iii) GF of Rapides Grah in the San-Pédro and Nawa regions, departments of Soubré, Méagui, and San-Pédro; (iv) GF of Haut-Dodo in the San-Pédro region, departments of Tabou and San-Pédro; and (v) Taï National Park.

C. PDO-Level Results Indicators

- Percentage of DGM participants with an increased role in the FIP and other REDD+ processes at local, national, or global levels, disaggregated by gender
 - Area under agroforestry schemes (ha)
 - Number of people in targeted forest and adjacent communities with increased monetary or nonmonetary benefits from forests, disaggregated by gender
23. These indicators include various aspects designed to strengthen the capacity of local communities. PDO Indicator 1 is focused on capacity-building of local communities at local, national, and global levels. PDO Indicator 2 is a corporate forest indicator of the World Bank under the Forest Action Plan (FAP) 2016-2020. PDO Indicator 3 is a DGM indicator that monitors an increase of monetary and nonmonetary benefits received by project beneficiaries. For additional information, refer to the Results Framework section.

III. PROJECT DESCRIPTION

24. **The DGM is a unique global initiative under the FIP.** The DGM was set up to enhance the capacity of local communities in eligible countries and to provide grants that support local community initiatives. The proposed five-year DGM project in Côte d'Ivoire is a stand-alone project that is consistent with FIP objectives and well-aligned with the ongoing FIP project in Côte d'Ivoire, complementing its aim to promote sustainable forest management by focusing on the community aspects of forest and land management.

25. **The DGM for Côte d'Ivoire has been prepared through a participatory process.** The government led consultations with communities in the Center and South-West regions, engaging a total of 1,489 participants,



15 percent of whom were women. These consultations led to the appointment of community representatives to the DGM National Steering Committee (NSC). Members of civil society, including local community groups and their umbrella organizations, such as the Association of Women Producers and Traders of Secondary Forest Products (MALEBI), and government agencies, including SODEFOR, the Rural Development Agency (ANADER), OIPR, and the Permanent Executive Secretariat for REDD+ (SEP-REDD+), play an advisory role to the National Steering Committee (NSC). The NSC has subsequently held six meetings to provide guidance in a number of areas: preparation of the Côte d'Ivoire DGM; the process of identifying the National Executing Agency (NEA); and establishment of internal governance mechanisms for the NSC – including electing the president and members, and taking into account community representation. The NSC has selected and tasked the nongovernmental organization (NGO) CARE International – Côte d'Ivoire with implementing the DGM project. Appendix A contains a detailed description of the project.

A. Project Components

Component 1: Capacity-building for Local Communities (estimated amount is US\$0.6 million)

26. This component aims to increase the capacity of local communities in project areas to participate in and effectively manage REDD+ processes. The component will finance capacity-building activities, communication events and materials, and operational costs for workshops in targeted DGM project areas (most of which are also FIP communities). The component will finance workshops, training, awareness-raising campaigns, technical specialists and experts, field level staff, training materials and venues, radio campaigns, transportation costs, vehicles and motorcycles, and other costs associated with training sessions and workshops. This component will include three subcomponents:

27. Subcomponent 1.1 – Capacity-building of the NSC (estimated amount is US\$150,000): This subcomponent aims to increase and strengthen the capacity of the DGM National Steering Committee. It will focus on decision-making skills, monitoring of subprojects, grievance processes, technical training, and knowledge exchanges with DGM and non-DGM countries. This subcomponent will train the NSC to make long-term decisions on the selection of subgrants by focusing on the consequences of each action in the short-, medium-, and long-terms as a basis for rationalizing natural resources-related decisions.

28. Subcomponent 1.2 – Capacity-building, agroforestry and restoration techniques (estimated amount is US\$250,000): This subcomponent aims to provide in-depth training to foster a technical understanding of agroforestry, forest restoration, and REDD+ activities. It will also raise awareness and provide general and specialized training on the short- and long-term impacts of deforestation and forest degradation and climate change, as well as on the rationale for REDD+. Marginalized members of society (women and youth) will be encouraged to participate.

29. Subcomponent 1.3 – Capacity-building of beneficiaries to develop subprojects (estimated amount is US\$200,000): This subcomponent will finance necessary training for grant proposal writing. All potential grantees who have completed training under Subcomponent 1.2 (with a signed certificate of completion) may then receive grant proposal training before submitting their grant proposals.

30. Component 2: Development and implementation of a performance-based system to reduce pressure on forest resources (estimated amount is US\$3.2 million)

31. The objective of this component is to perform agroforestry activities in the project target areas to reduce pressure on forest resources.



32. The project will finance performance-based agroforestry and afforestation subprojects through: (i) an initial supply of seedlings to individuals or communities engaged in the DGM; (ii) subgrant payments triggered by first, introduction of a certain number of plants onto landholdings (for example, 50 to 100 per hectare, on the basis of a fixed price per planted tree), and second, by survival rate at the end of a specified period (up to five years); and (iii) long-term tree conservation. Performance-based contracts will be established between the beneficiaries and the DGM project with clear provisions and actions that will trigger payments to subprojects. The subprojects will be signed by both men and women and will not be tied to land ownership (a factor that has the potential to exclude women from gaining access to the benefits of the project). In addition, at least 50 percent of the funds from the subprojects will be dedicated to women for specific targeted activities. This provision will be included in the Project Implementation Manual (PIM).

33. Subprojects will include: (i) agroforestry operations involving the introduction of trees, such as cocoa, rubber, palm oil, and vegetable farms; and (ii) village afforestation or reforestation activities, including planting of trees possessing nutritional value.

34. Each subproject will be subject to a performance-based contract between the beneficiaries and the DGM project, including clear provisions and actions to trigger the flow of payments. The performance-based system will draw lessons from existing incentive payment mechanisms, particularly those in Benin, which have pursued targeted strategies and innovative practices to ensure that women benefit directly from these initiatives. Examples include signatories do not have to have land titles, payments are made directly to women as well as men, rotating leadership rules if payments are made to groups, monitoring systems based on digital systems to track subprojects.

35. Eligible beneficiaries should have their farmlands in the target areas of the DGM project. Beneficiaries will include individual smallholder farmers and farmers' associations. Associations must provide proof of official recognition; they must also demonstrate transparent and inclusive governance, including financial propriety, representative membership, rotating leadership, and women in leadership positions.

36. To guide individuals or associations in the development of eligible subprojects, this component will finance: (i) technical assistance for the development of a standardized operational manual framework to provide guidance for sub-project beneficiaries (including technical trainings in finance management, accounting etc.) and technical assistance for agroforestry and forest plantations (including nursery development, field preparation, species, number of trees per hectare for agroforestry, value per tree, maintenance techniques, including firewalls, and long-term conservation techniques); (ii) technical assistance to support communities in the development and implementation of DGM-financed subprojects; and (iii) grants to beneficiaries for the implementation, monitoring, and evaluation of subprojects.

37. The subprojects will be selected biannually by the NSC. Eligible subprojects will include, but are not limited to, the following activities:

- a. Establishment of nurseries;
- b. Promotion of environmental education activities (awareness-raising and training of primary and secondary school students in the establishment of groves and creation of school nurseries);
- c. Forest regeneration and reforestation;
- d. Establishment of orchards, including those for medicinal, food, timber, and fuelwood purposes;
- e. Agroforestry (food crops and timber species) and water and soil conservation activities;
- f. Integrated water management;



- g. Climate-smart agriculture;
- h. Community forest management; and
- i. Sustainable management of nontimber forest products.

Component 3: Project Management, Monitoring, and Communication (estimated amount is US\$0.7 million)

38. This component will support management, monitoring, and coordination of project activities. This component covers the incremental operational and managerial costs of the NEA team to carry out its tasks and overall responsibilities, as well as the additional costs for the design and implementation of a robust monitoring and evaluation (M&E) system and an efficient project-related Grievance and Redress Mechanism (GRM). The GRM will be culturally appropriate and will be able to address and resolve in a timely manner any project-related grievances (as per DGM Operational Guidelines). The GRM will build on ongoing projects in the WB's FIP and FCPF portfolios.

39. Lessons learned and reflected in the project design. The project incorporates lessons learned from the ongoing DGM and FIP projects in other countries, and previous experiences in relevant projects in Côte d'Ivoire. The report for the recent Learning Review of the DGM (2019)¹⁰ for Indigenous Peoples and Local Communities (IPLCs) has revealed the need for: (i) subprojects of national DGM projects to be designed in-line with community needs; (ii) greater inclusion of marginalized and vulnerable groups; (iii) improved grant management and governance; (iv) strengthened technical capacity; (v) increased sense of ownership and ambition to sustain and scale up the DGM model; and (vi) trust. The following lessons have been incorporated into the project's design:

40. Participatory and inclusive stakeholder approach. The project has been developed as a partnership between key stakeholders, with extensive engagement of local communities and promotion of decentralized decision-making processes. Potential topics for subprojects were discussed with the local communities, and activities in the field were visited and assessed.

41. Inclusion of marginalized groups. Components 1 and 2 under this project will include specific training for women, and it is estimated that about 50 percent of funded subprojects will be implemented by individual women and/or women-led groups.

42. Improved technical assistance. Under Component 1, extensive capacity-building activities will be conducted, including culturally adequate and timely technical assistance and on-site training that will be prepared in a participatory manner.

43. Capacity-building and training. Under Component 1, capacity-building training on decision-making processes related to forest management and climate change, as well as on grant writing, will be organized for each region. Additionally, specific training on decision-making processes will be provided to the NSC to enhance the knowledge and skills needed for optimal selection of subprojects, rigorous monitoring, and regular reporting.

44. Transparent implementation arrangements and procedures. The project will ensure a transparent and simplified implementation arrangement through open data access for each subproject, including procurement

¹⁰ ITAD consulting. (2019). A learning review of the DGM for IPLCS in the FIP of the CIF. Retrieved from https://www.climateinvestmentfunds.org/sites/cif_enc/files/knowledge-documents/dgm_learning_review_jan26_final_withmanagementstatement.pdf



and financial reporting. The project will rely on streamlined and flexible procedures for subprojects, communication, and outreach strategies.

B. Project Cost and Financing

45. **The proposed operation is an Investment Project Financing**, supported by a grant from the Strategic Climate Fund in the amount of US\$ 4.5 million and structured as detailed below.

Project Components	Project cost	Trust Funds	Counterpart Funding
Component 1	0.6 million	0.6 million	0
Component 2	3.2 million	3.2 million	0
Component 3	0.7 million	0.7 million	0
Total Costs			
Total Project Costs	4.50 million		
Total Financing Required	4.50 million		

IV. IMPLEMENTATION

A. Institutional and Implementation Arrangements

46. **The DGM program has two components:**

- A global component** for exchange of knowledge and building of networks and partnerships among IPLC organizations in DGM countries and elsewhere; and
- A country-based community small grants component** in each FIP country (Brazil, Burkina Faso, Côte d'Ivoire, Democratic Republic of Congo, Ghana, Indonesia, Mexico, Mozambique, and Peru) to support on-the-ground activities and capacity-building.

47. **The proposed project supports the national DGM project in Côte d'Ivoire.** The institutional arrangements for the DGM are based on the principle of being “for local communities by local communities.” The project will be conducted in collaboration with the Government of Côte d'Ivoire, specifically its SODEFOR agency and REDD+ National Secretariat, as well as development partners and other stakeholders (Refer to Figure 1 for a representation of the linkages between the Global and National Components of the DGM).

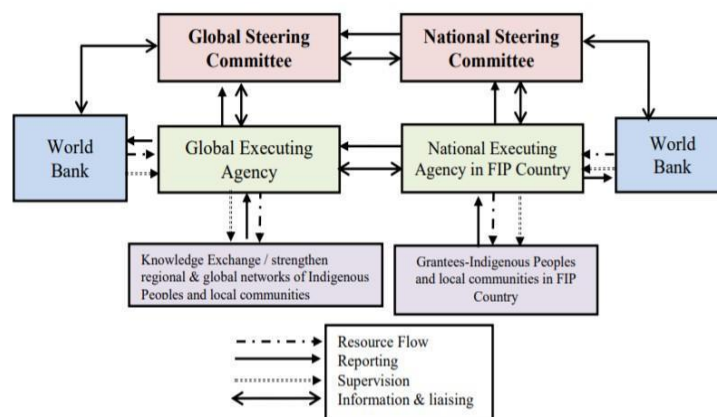


Figure 1: DGM Architecture

48. The National Steering Committee will have oversight of DGM implementation in Côte d'Ivoire. It will provide to the DGM's Global Steering Committee (GSC), with the assistance of the NEA, a semi-annual report on the implementation of the program. Its primary function will be to select proposals for and to monitor the progress of subprojects. The GSC membership include representatives from FIP and non-FIP countries, as well as representatives from FIP governments, World Bank, FCPF, and other relevant parties.

49. The NSC will liaise with the national REDD+ coordination unit to ensure that DGM lessons are routinely transmitted to inform ongoing national processes. Members will actively seek feedback about the program from the local communities, identify needs, collect and send ideas to the GSC (for support through the global component), and represent Côte d'Ivoire in the GSC as required. The NSC has a majority of local communities as decision-making members. Observers in the NSC can be from the government, private sector, MDBs, and other relevant agencies. The NSC's total number of 15 members was determined by stakeholders. Members of the NSC will act in their individual capacity and not as agents, officers or representatives of the GEA (Global Executing Agency), NEA, WB, the African Development Bank (AfDB), member countries of the FIP Subcommittee, beneficiary countries or any other organization or entity. The NSC is a subgroup of the representatives from each project area.

50. NSC members were chosen through a self-selection process conducted at the local and national levels. The time they serve on the NSC will be considered as a voluntary contribution. Representatives from the WB (one) and NGOs will be observers in the NSC. The NSC is composed of fifteen members, including eight voting members and seven observers. Voting members are representatives of local communities targeted by the DGM project. The seven observers are made up of representatives of the government, civil society, the private sector, NGOs, SEP-REDD+, and the WB.

51. Selection of the National Executing Agency was carried out through a competitive process. The WB will enter into an agreement after the WB Board approval with CARE International – Côte d'Ivoire as the selected implementing partner. The selected NGO will provide progress reports to the WB, including reports on safeguards, procurement, and fiduciary aspects of the project.

52. CARE International – Côte d'Ivoire will be the secretariat for the NSC. It will facilitate the work of the NSC during the project implementation, develop country-specific review and risk assessment criteria, and provide operational and financial reporting to the WB. Under the overall direction of the NSC, CARE International – Côte d'Ivoire will be responsible for entering into agreements with and disbursing funds to grant beneficiaries,



as well as monitoring the implementation of grant-funded projects and ensuring appropriate use of DGM funds. CARE International – Côte d'Ivoire will complement the framework operational guidelines with country-specific procedures, which will be reflected in the PIM. Thus, the project will allow for the DGM to be implemented in keeping with national circumstances and requirements. The NEA will also maintain documentation on the country's DGM subprojects, follow the communications strategy in coordination with the GEA, manage grievance and complaint redress procedures, and coordinate with and respond promptly to queries from the GEA.

B. Results Monitoring and Evaluation

53. A monitoring and evaluation assessment of the NEA has been undertaken to ensure accountability for the use of resources and progress towards achieving the objective of the National and Global DGM projects. The NEA has vast experience in working with local communities at the subproject level in Côte d'Ivoire, including substantive collection of data, monitoring, and reporting. Additionally, the project will have an M&E capacity-building component for subproject beneficiaries related to subproject implementation progress, as well as outputs and outcomes under the project.

54. The M&E training for the NEA will be conducted to learn from other countries' experiences in M&E, lessons learned, and best practices. The Global DGM will provide any support needed to ensure vital learning and transparency in the project, as well as to ensure dissemination of project results to the Global Steering Committee (GSC).

55. The progress and success of the project will be measured against the results (performance) indicators as shown in the results framework attached below (Section VII). M&E activities will help collect, analyze, and present data on progress towards achieving the project's objectives. This continuous feedback loop will help the project team and stakeholders to identify areas where mid-term corrections and adjustments may be necessary.

56. In order to measure progress toward achieving the Project Development Objective (PDO), the project has three PDO indicators (see the project Results Framework section). These indicators include various aspects designed to strengthen the capacity of local communities. PDO Indicator 1 is focused on capacity-building of local communities at local, national, and global levels. PDO Indicator 2 is a corporate forest indicator of the World Bank under the Forest Action Plan (FAP) 2016-2020. PDO Indicator 3 is a DGM indicator that monitors an increase of monetary and nonmonetary benefits received by project beneficiaries. Additionally, a set of intermediate indicators for each project component have been developed to track results critical to measuring project progress during implementation.

57. The project Results Framework includes a set of indicators, their respective units of measurement, baselines, annual targets, and data collection methodologies. The NEA is responsible for data collection and reporting. Data will be collected annually during the project lifespan in order to monitor progress towards the achievement of results. An annual implementation review mission will be carried out by the WB to help assess the progress that has been made with respect to the main PDO indicators and to verify that individual components have attained their goals.

58. The project will have a dedicated M&E specialist whose primary responsibilities will be to manage data production, collection, analysis, and presentation. This will include the development of a comprehensive M&E plan (including materials, methods, and procedures). To ensure consistent and systematic

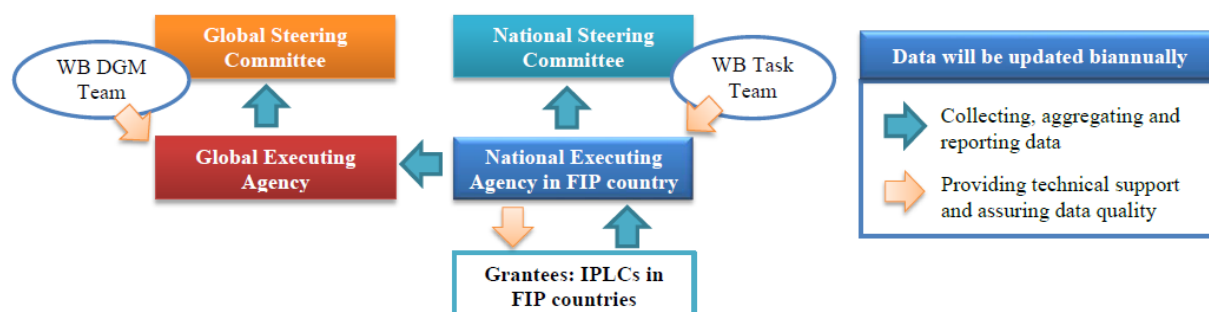


implementation of M&E efforts, the expert shall, during the first quarter of implementation of the project, develop a detailed M&E manual and system.

59. **The project will also work closely with the Global DGM to report on project results.** The Global DGM will actively coordinate with the NEA to develop a reporting framework on the project's implementation in order to monitor and document overall implementation progress; it will be consolidated with other national DGM projects and presented in a DGM-wide compilation of progress reports. The Global DGM project will also provide advice and coordination with other NEAs in DGM countries to ensure that information from national-level monitoring efforts on progress toward achieving global indicators flows effectively to reporting mechanisms.

60. **Institutional arrangements for monitoring, learning, evaluation, and reporting.** A standard DGM institutional arrangement structure for monitoring, evaluation, and learning will be applied in the project (Refer to Figure 2).

Figure 2: DGM Institutional Arrangements for Monitoring, Learning, Evaluation, and Reporting



Stakeholder Roles and Responsibilities

Project beneficiaries	<ul style="list-style-type: none"> Update and provide raw data (for example, number of beneficiaries); report to the NEA Draft results stories and submit to NEA
NEA	<ul style="list-style-type: none"> Collect, update, and aggregate raw data on subprojects and activities for capacity development, with input from grantees, and report them to the NSC, World Bank, and Global DGM; Help grantees draft “result stories” and present them to the global platform organized by the GEA Assess if DGM-funded subprojects achieved their objectives
NSC	<ul style="list-style-type: none"> Review progress of all subprojects/activities against indicators with the inputs from NEA Discuss lessons learned and apply them to the design and implementation of future projects
GEA	<ul style="list-style-type: none"> Collect, update, and aggregate raw data on the global project (for example, number of “results stories”) and report them to the GSC and World Bank



<i>GSC</i>	<ul style="list-style-type: none"> • Review progress of DGM-funded sub-projects and activities against indicators based on the inputs from GEA • Discuss the lessons learned and apply them to the design and implementation of future projects
<i>WB Côte d'Ivoire DGM Team</i>	<ul style="list-style-type: none"> • Provide technical support to the NEA for defining, measuring, and reporting results, assuring data quality; review drafted "results stories" • Review the NEA's evaluation of subprojects
<i>WB Global DGM</i>	<ul style="list-style-type: none"> • Provide technical support to GEA for defining, measuring, and reporting results

C. Sustainability

61. DGM activities are significant and transformational, particularly with respect to the involvement of communities. Successful implementation of DGM activities will create a new, collaborative, and sustainable approach to sustainable natural resource management (NRM). In particular, they will allow for: (i) communities' engagement in and ownership of forest management activities; (ii) quality in investments; (iii) strengthened capacity at the local level; (iv) effective participation of women in planning and implementation; (v) government commitment to improve forest and land management; and (vi) integration of environmental sustainability into investments and planning at national, subnational, and local levels. In addition, the capacity-building program supported under Component 1 will strengthen the skills of community representatives and community-based organizations to mobilize more financial resources from other donors through the design of more robust project proposals.

62. The high rate of deforestation and degradation observed in Côte d'Ivoire over the past five decades led the country in 2011 to become involved in the international REDD+ process. Côte d'Ivoire signified its political commitment to a national REDD+ process in Decree No. 2012-1049 of October 24, 2012, which was signed by the President. This decree lays the foundation for the national REDD+ process and provides for the establishment of REDD+ preparation management structures. Commitment to REDD+ is also manifested in the country's endorsement of the New York Declaration on Forests, which aims to eliminate deforestation caused by the production of agricultural raw materials by encouraging companies to adopt zero-deforestation policies and working with local administrations to manage their forest resources appropriately. Engagement in the REDD+ process provides the basis for direct government support to the implementation and goals of the FIP and DGM and ensures the sustainability of project results.

V. KEY RISKS

A. Overall Risk Rating and Explanation of Key Risks

63. The overall risk of the project is considered Substantial. An explanation of the most relevant risks and mitigation measures is detailed below.

64. Political and Governance – High: There is a risk that NSC members may favor their constituencies in the allocation of resources. To mitigate this, the NSC's by-laws will set rules to ensure that there is no bias or conflict of interest in the selection of subprojects and beneficiaries. Furthermore, the PIM will set out procedures and selection criteria of subprojects under NEA oversight (the NEA also serves the role of NSC Secretariat).



65. Technical Design of Project – Substantial: The project design may appear ambitious given the wide range of interventions proposed, that is, a subset of capacity-building activities at the local, national, and global levels, in addition to the number of incentive-based agroforestry and reforestation subprojects to be implemented -- the selection process of beneficiaries is prone to be lengthy given the novelty of the DGM itself. To mitigate this risk, CARE International, a seasoned NGO experienced in community-driven development projects, was hired as the NEA. CARE will put in place robust organizational and logistics arrangements, including: (i) development by November of each year of annual work plans and related procurement plans, and annual training and workshops that are to be reviewed and approved by the World Bank by December so that implementation of activities can promptly start in early January of the following year; and (ii) development of procurement plans in such a way that activities can be regrouped in limited lots to facilitate acquisition of goods and services for subproject recipients, thereby facilitating smooth and timely implementation of project activities.

66. Institutional Capacity for Implementation and Sustainability – Substantial. The NEA was selected for its experience and its capacity in developing and implementing communication and advocacy strategies as well as M&E systems, and for its proven experience in working with communities, and on gender issues and community-based NRM initiatives. To ensure that the NEA maintains the skills and capacities necessary to effectively implement this project and conduct quality monitoring, NEA staff will periodically receive supplementary training from the WB throughout the course of the project. Another factor that may affect the quality of implementation is the capacity level of local beneficiary organizations. This risk will be minimized through the provision by NEA of on-site training and technical assistance aimed at institutional strengthening of CBOs as well as the development of individual, communal, and entrepreneurial skills.

67. Fiduciary – Substantial: This project entails a substantial amount of financial transactions from the NEA to local communities for the implementation of subprojects. Because the financial management capacity of subproject recipients is considered low or nonexistent, fiduciary risks related to the project are substantial. To mitigate these risks, recipients will receive training in basic accounting and financial management (FM) principles, and their use of funds will be closely monitored by the NEA. Specific FM supervision missions will be undertaken by the World Bank's FM Specialist -- based in the Côte d'Ivoire country office -- and additional financial oversight will be conducted by the fiduciary services department of the Integrated Projects Management Unit for World Bank-financed NRM and Environment projects tasked with FM support to the FIP project.

VI. APPRAISAL SUMMARY

A. Economic Analysis

68. The DGM project for Côte d'Ivoire has been designed to maximize sustainability and efficiency. The project will invest in demand-driven community initiatives that will generate a combination of immediate and long-term benefits for communities. This includes direct project benefits of: lowered greenhouse gas (GHG) emissions, increased income and poverty reduction, lowered soil erosion, improved water regimes, and biodiversity conservation. Measurable benefits will derive from successful implementation of Component 2. The project will finance performance-based agroforestry and afforestation subprojects. The subprojects will be selected on a biannual basis by the NSC. Given the demand-driven nature of this project, selection of the subprojects will be on a rolling basis. Uncertainty about many input variables makes cost-benefit assessment difficult to assess at this stage. Therefore, DGM economic analysis is based on assessments conducted under



the baseline Côte d'Ivoire FIP and previous operations, as well as on relevant studies on similar interventions in the Africa region and in Côte d'Ivoire. This analysis counts benefits from reforestation, improved climate, and watershed services under two scenarios: (i) beneficiaries at the same number as those in FIP; (ii) beneficiaries numbering 30 percent of FIP (as a proportion of the DGM grant to the amount of FIP). Benefits of bioprospecting in the Tai National Park were not accounted for in this analysis.

69. The simulation generated positive results at the 6 percent discount rate scenario and assuming only 30 percent of the FIP beneficiaries received assistance under DGM. The benefit/cost ratio accounting for all benefits delivered under the project is assessed at 8.9, and the Net Present Value (NPV) is positive, at US\$30.1 million. Without climate benefits at 6 percent discount rate the benefits cost ratio is 5.5 and NPV is assessed at US\$19.9 million.

70. Capacity-building in, and technical trainings on, agroforestry, restoration, and REDD+ activities will bring certain intangible benefits that improve technical understanding of reforestation, agroforestry, and forest and land management practices for the beneficiaries of the FIP and REDD+ processes. In the long term, technical training and the building of partnerships between the private sector and beneficiaries will result in increased income levels within local communities. This training is expected to lead to improved land management skills and increased resilience for participating members.

B. Safeguards

71. Environmental: From the environmental perspective, the project is a category B-partial assessment. No significant negative environmental impacts and/or risks are expected. However, the project is directly linked to the FIP, which triggers the following safeguards policies: (i) OP/BP 4.01: Environmental Assessment; (ii) OP/BP 4.04 Natural Habitats; (iii) OP 4.09 Pest Management; (iv) OP/BP 4.11 Physical Cultural Resources; and (v) OP/BP 4.36 Forests. The DGM triggers the same safeguards policies as a precautionary measure to address potential environmental impacts and risks resulting from implementation of Component 2 activities. The government has developed an Environmental and Social Management Framework (ESMF) which includes a chapter on Pest Management in line with the triggering of OP4.09 with the aim of guiding the sound and safe potential use of pesticides. After its preparation, the document was reviewed by the WB, approved, consulted upon, and disclosed in-country on February 28, 2019 and on the World Bank website in March 2019.

72. Social: The project is expected to have overall positive social impacts, especially for the communities adjacent to GFs targeted in the project. The project is not expected to require any land acquisition or involuntary resettlement of people. However, for precautionary measures, a Process Framework (PF) and a Resettlement Policy Framework (RPF) have been prepared under due diligence to ensure that the appropriate measures will be taken for the implementation of Component 2. These reports (PF and RPF) have been prepared by the government and reviewed by the WB. Both social safeguards instruments were disclosed in-country and on the World Bank Website, respectively, in March 2019. The social safeguards policy triggered is OP/BP 4.12 (Involuntary Resettlement).

73. Gender: The DGM project will pay special attention to gender gaps and associated issues. The recent Forest Investment Project¹¹ identified several “gender gaps” that are relevant to the current project. These include the following:

¹¹ IDA, Project Appraisal Document PAD2613 Forest Investment Project, Jan. 3, 2018



- a. Women are not co-signatories on performance-based contracts, such as those for planting trees in GFs.
- b. Women participating in reforestation activities have faced insecure access to land for agroforestry.
- c. Women's knowledge of high-potential agroforestry species for livelihood diversification and market opportunity is extremely limited.
- d. Women typically face limited access to water for activities, for instance, establishing tree nurseries.

74. **Gender actions.** In the design of the DGM project, several women's associations were consulted. They were involved in various awareness-raising campaigns in the DGM's targeted project areas during project preparation.

75. **Women representatives for local communities have been elected to the regional NSCs in all eight regions implementing the DGM.** Women lead several associations, federations, and NGOs involved in project implementation. During the preparation phase of the project, several women's associations with proven experience in running nurseries, and in agroforestry and reforestation efforts, met in the South-West and Center regions. During the gender assessment, needs expressed by these women's groups included: the creation of permanent water sources; the provision of work materials; the search for seedling flow markets produced for female nursery developers; creation of agricultural frameworks; and the need for financial support for maintenance of agroforestry reforestation activities.

76. **The DGM will go beyond merely ensuring participation in it by women, but instead seeing to it that women are empowered by it,** primarily through targeted capacity-building activities (for example, training activities) that address critical gender gaps. The capacity-building component set an ambitious target for women's participation at 50 percent, this target is higher than any other gender target on capacity-building in existing DGM projects. As a result, the specific training needs of women will be identified as a prelude to the planned training so that teaching modules can take them into account, particularly trainings will focus on high-potential of agroforestry species for livelihood diversification and access to markets. This means that the themes and approaches of training must take into account the needs of both men and women.

77. **The DGM project team will also establish a quota to ensure that women and men benefit equally from subproject grants.** Women or women's organizations, or a mixed group that undertake livelihood improvement activities (for instance, income generation), which have direct benefits for both women and men, must lead 50 percent of the subprojects supported under the project. This will likely require targeted assistance to the women/women leaders' groups in the preparation of the project proposal, and therefore, such assistance will be a component of special capacity-building activities for women. All relevant indicators will be disaggregated by gender and monitored respectively.

C. Financial Management

78. **A financial management capacity assessment has been conducted** in conformity with the Financial Management Practice Manual for WB-Financed Investment Operations that became effective on December 11, 2014. The objective of the assessment was to determine whether CARE International – Côte d'Ivoire, the DGM NEA, has acceptable financial management arrangements which will ensure that: (i) the funds are used only for the intended purposes in an efficient and economical way; (ii) accurate and timely periodic financial reports are prepared; and (iii) assets are safeguarded.



79. The findings of the FM capacity assessment of CARE International – Côte d'Ivoire conducted in December 2018 revealed that the Care International's FM arrangements meet the World Bank's minimum requirements under Bank Policy and Bank Directive for IPF, including having both staffing and tools in place to manage the resources of the DGM operation. While the FM team is headed by a qualified and experienced finance manager, the entire team needs additional capacity-strengthening in WB FM procedures and requirements. The NGO has past experience in implementing well-known donor-financed operations from the Global Fund, AfDB, WBG, the United Nations Children's Fund (UNICEF) and the European Union. Acceptable FM procedures, including the manual and accounting software "PEOPLESOFT", are in place. The financial statements of donor-financed projects are regularly audited by reputable auditing firms that are acceptable to the WB. The auditors expressed a clean opinion (unqualified) on the 2015, 2016, and 2017 annual accounts of projects implemented by the NGO. However, the management letters prepared by the auditor following the audits raised some concerns, including some internal control weaknesses and minor ineligible expenditures. The action plans developed following these audits have been or are being implemented.

80. The use of the FM team of CARE International – Côte d'Ivoire to manage the financial management aspects of the project will enable the establishment of a financial fiduciary management system for the project that satisfies the Bank's minimum requirements under Bank Policy and Investment Project Financing (IPF) Directives. Based on the findings of the assessment, the following actions are required to ensure effective FM systems: (i) strengthening the capacity of the FM team mainly through the appointment of dedicated FM staff assigned to the project and familiar with WB FM procedures; (ii) opening of a Designated Account in an eligible commercial bank in Abidjan that is capable of receiving funds from the WB; and (iii) drafting of a short note as an annex to the existing FM Manual to reflect the Bank's FM procedures and requirements. These actions are to be completed in a timely manner to help implement the project: Actions (i) and (iii) are conditions of effectiveness of the Trust Fund (TF). Action (ii) is a dated covenant and should be implemented not later than two months after the project goes into effect.

81. The NGO will be required to prepare and submit to the WB the following reports and documents: (i) an annual work program and budget (AWPB) to be submitted not later than November 30th of the year preceding the year when the work plan should be implemented; (ii) a quarterly unaudited interim financial report (IFR) within 45 days following the end of each calendar quarter; and (iii) audited annual financial statements not later than six months following the end of each fiscal year.

82. Disbursements. Upon TF (Grant) effectiveness, transaction-based disbursements will be used. The project will finance 100 percent of eligible expenditures inclusive of taxes. A Designated Account (DA) in XOF will be opened in a commercial bank located in Côte d'Ivoire under terms and conditions acceptable to the WB. The ceiling of the DA will be stated in the Disbursement and Financial Information Letter (DFIL) and will represent four to six months of forecasted project expenditures expected to be paid from the DA during Year 1 and based on the AWPB of Year 1. An initial advance up to the ceiling of the DA will be made and subsequent disbursements will be made against submission of a Statement of Expense (SOE) reporting on the use of the initial/previous advance. The option to disburse against submission of quarterly unaudited IFRs (also known as report-based disbursements) could be considered as soon as the project meets the related criteria. Other methods of disbursing the funds (reimbursement, direct payment, and special commitment) will also be available to the project. The minimum value of applications for these methods is 20 percent of the DA ceiling. The project will sign and submit Withdrawal Applications electronically using the eSignatures module accessible from the WB Client Connection website. The NGO will then transfer money to communities/beneficiaries of project funds and contractors/services providers based on the contracts and Memorandum of Understanding associated with the AWPB. The criteria for payment and reimbursement will be detailed in



the project implementation manual. The NGO will consider the findings of the internal auditor and WB and external auditors while approving the requests for subsequent replenishment of communities/beneficiaries' subaccounts opened in a commercial bank. The FM team of the NGO will reserve the right to verify the expenditures ex-post, and refunds might be requested for no-respect of contractual/convention clauses. Misappropriated activities could result in the suspension of financing for a given community and implementing entity.

83. Based on the current risk assessment, which is Substantial, at least two full supervision missions are planned over the first year of the project implementation.

84. The project/CARE International – Côte d'Ivoire will comply with the WB disclosure policy of audit reports and place the information provided on the official website within two months of the report being accepted as final by the team and by the Bank.

D. Procurement

85. An assessment of the NEA procurement capacity was conducted to determine the capacity of the NEA to carry out the project's procurement activities. The assessment evaluated the following: (i) experience in procurement; (ii) staff capacity; (iii) capacity of filing of procurement documents; and (iv) the existence of an implementation manual on procurement. The assessment concluded that the CARE capacity was acceptable to the Bank based on its implementation of projects similar to the DGM, and as such can be responsible for project implementation, assuming a number of mitigation measures are in place to overcome identified capacity constraints.

86. Guidelines. Côte d'Ivoire's procurement code and regulations generally do not conflict with International Development Association (IDA) guidelines. However, certain provisions in Côte d'Ivoire's code that diverge with IDA guidelines (related to the use of point systems and rebidding when at least three bids have not been submitted) will not be permitted for national competitive bidding. The procurement for the proposed project will be carried out in accordance with the following WB guidelines summarized in the following sources: (i) Guidelines: Procurement of Goods, Works, and Nonconsulting Services under IBRD Loans and IDA Credits and Grants (July 1, 2016); and (ii) Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by WB Borrowers (July 1, 2016).

87. Procurement documents. Procurement would be carried out using the Bank's Standard Bidding Documents (SBD) for all International Competitive Bidding for goods and works and for Standard Request for Proposal (RFP) for the selection of consultants through competitive procedures. The Recipient will develop standard documents based on the Bank's SBDs for National Competitive Bidding for goods and works and the Bank's RFP for the selection of consultants through methods other than Quality and Cost Based Selection (QCBS), with modifications that will be submitted to IDA for prior approval.

88. Pending actions. To enhance the NEA's procurement capacity to implement the project, the following recommendations in advance of project launch, will be implemented after the project becomes effective: (i) capacity-building of CARE procurement staff in Bank procurement policies and procedures; and (ii) the adoption of the project implementation manual specifying procurement procedures specific to the project. As such, the following areas will be specified: the various procurement methods or consultant selection methods; any activities requiring prequalification; estimated costs of activities; prior review requirements; and a procurement calendar. The procurement plan will be updated at least annually, or more frequently as required to reflect actual project implementation needs and capacity.



E. World Bank Grievance Redress

89. Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.



VII. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY : Cote d'Ivoire

Dedicated Grant Mechanism for Cote d'Ivoire

Project Development Objectives

The Project Development Objective is to strengthen the capacity of targeted local communities to participate in REDD+ processes at the local, national, and global levels.

Project Development Objective Indicators

Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Name: % of DGM participants with an increased role in the FIP and other REDD + processes at local, national or global levels, disaggregated by gender (Percent)		Percentage	0.00	75.00	Annual	Field Surveys	NEA

Description: The indicator is related to the capacity of local communities in project areas. The indicator measures the percentage of participants that have participated in capacity building and other related activities supported by the project and which shows an increased role to participate in FIP and other REDD+ processes.

DGM participants are defined as individuals from communities directly participating in DGM-funded capacity building activities.



Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
<p>% is a measure of individuals from participating DGM communities with an increased role</p> <p>Increased role will be measured by their capacity to describe issues such as deforestation, degradation, FIP, REDD+ etc. and/or train other stakeholders in the FIP and other REDD+ processes.</p> <p>Participants with an increased role in the FIP and other REDD+ processes. This indicator is a proxy for knowledge and participation, as well as empowerment and enhancement of participants' capacity in advocacy as a result of the project. For example, it will measure the extent to which participants increase their involvement, role, and voice in the discussions of FIP, REDD+ and climate change issues. This perception will be captured through field and participation surveys conducted by the NEA.</p> <p>Disaggregation is by gender.</p>							
Name: Area under agro-forestry schemes (Hectare)		Hectare(Ha)	0.00	200.00	Annual	Field Surveys	NEA
<p>Description: This indicator measures the total forest area of implementation as a result of technical or financial support provided by sub-projects, thus showing the improved capacity of target beneficiaries (learning by doing approach). This indicator measures the number of hectares of gazetted forests that will be restored as a result of the project.</p> <p>Forest area refers to two zones in the Central and South-West regions in the country.</p> <p>Agroforestry schemes refer to the development of incentive schemes for agroforestry and plantations to individuals or communities engaged in the DGM. Each sub-project will be subject to a performance-based contract between the beneficiaries and the project with explicit provisions and actions that will trigger payments.</p> <p>Sub-projects are initiatives identified and led by local communities related to natural resources management and financed by the Project through sub-projects managed by the NEA.</p>							
Name: People in the targeted forest and adjacent communities with increased monetary		Number	0.00	1100.00	Annual	Field Surveys	NEA



Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
or non-monetary benefits from forests, disaggregated by gender (Number)							
<p>Description: This indicator measures the extent to which local people have seen improved livelihoods as a result of the project intervention. This indicator captures the scale of sub-projects/activities' impact, including both monetary and non-monetary benefits, as well as incentivizing active participation and involvement of women. The indicator includes both monetary income and non-monetary benefits such as access rights, tenure security, increased cultural values, improved understanding or awareness of forest-climate policies and negotiations, etc.</p> <p>Benefits of targeted and adjacent communities will only be measured for direct and indirect participants in sub-projects.</p> <p>Monetary benefits include an increase in income, number of jobs, and other benefits that are identified in the Project Implementation Manual (PIM).</p> <p>Non-monetary benefits include the perception of better access to forest and forests products and perception of better management of forest resources and others identified in the Project Implementation Manual (PIM).</p> <p>People are those who directly participate in interventions funded by the DGM and derive benefits from them. Persons who benefit from interventions without directly participating in the activity will not be counted (i.e., community members receiving media outreach or radio broadcasts funded by DGM). During the estimation of the number of people trained, double counting will be avoided, i.e. if the same individual participates in a series of similar training events he/she is counted only once.</p> <p>Disaggregation is by gender.</p>							



Intermediate Results Indicators

Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
Name: Local people with improved knowledge of the FIP and other REDD+ processes, disaggregated by gender (Percent)		Percentage	0.00	75.00	Annual	Field Surveys	NEA
<p>Description: This indicator measures the effectiveness of the training activities from the capacity building learning events with respect to the FIP and REDD+ related processes.</p> <p>Knowledge relates to technical capacity and skills, related on one hand to: business development and value chains, organizational management and finance, policy planning and advocacy; and on the other hand, to: sustainable resource management, agriculture, conservation and ecological issues.</p> <p>Participants with improved knowledge are measured by those who perceive an increase in capacity and skills as described above as a result of the Project, measured through field surveys conducted by the NEA.</p> <p>Disaggregation is by gender.</p>							
Name: NSC members with increased capacity, disaggregated by gender (Number)		Number	0.00	15.00	Annual	Surveys	NEA
<p>Description: This indicator measures the participation in training activities of the National Steering Committee members.</p> <p>NSC participants are defined as individuals who are members of the National Steering Committee.</p> <p>NSC members that received training are measured by those who participated in DGM organized training activities as described above as a result of the Project, measured</p>							



Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
<p>through surveys conducted by the NEA.</p> <p>Increased capacity of the NSC members relates to technical capacity related to decision-making skills, monitoring of sub-projects, grievance processes, technical trainings, and national/international trips with other DGM and non-DGM countries.</p>							
Name: People with enhanced knowledge on formulating sub-project grants disaggregated by gender (Percent)		Percentage	0.00	70.00	Annual	Field Surveys	NEA
<p>Description: This indicator measures the effectiveness of the training activities on the grant proposal writing for potential applications to receive funding from the DGM sub-projects.</p> <p>People are defined as individuals from communities who directly participate in DGM capacity building activities in grant proposal writing.</p> <p>People with enhanced knowledge of DGM sub-project grant proposals are measured by those who perceive an increase in capacity and skills in DGM micro-project grant proposals as described above as a result of the Project, measured through field surveys conducted by the NEA.</p>							
Name: Sub-projects provided to targeted beneficiaries under the project (Number)		Number	0.00	75.00	Annual	Project and activity records	NEA
<p>Description: This indicator measures the cumulative number of sub-projects under the project.</p> <p>Targeted beneficiaries are communities in two project areas, project beneficiaries that receive financial support with a signed financial agreement and with funds transferred to a bank account held by them.</p> <p>Sub-projects are initiatives led by local communities related to sustainable forest and land management (agriculture, forest-related value chains, and restoration, among</p>							



Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
others) and financed through grants managed by the NEA.							
Name: Share of women among community sub-project beneficiaries (Percent)		Percentage	0.00	50.00	Annual	Review of implementation reports	NEA
<p>Description: This indicator captures the percentage of women sub-project beneficiaries.</p> <p>This is measured through a review of the NEA monitoring reports and evaluation of sub-project implementation.</p>							
Name: % of sub-projects successfully completed and achieving their objectives		Percentage	0.00	75.00	Annual	Review of implementation and financial reports	NEA
<p>Description: This indicator that measures the level of success of sub-projects funded through DGM, promoting learning on what worked and what did not, and applying lessons learned to future project design and implementation.</p> <p>This indicator will be assessed “if the sub-project successfully completed and achieved their objectives”, based on the following criteria; (i) activity completed; (ii) funds disbursed; and (iii) results achieved.</p> <p>Sub-projects are initiatives identified and led by local communities related to natural resources management and financed by the Project through grants managed by the NEA.</p> <p>Activities completed: All activities presented in the proposal of the sub-project are completed within the project period.</p> <p>Results Achieved: Target(s) of indicator(s) on the sub-project objective is mostly achieved.</p> <p>To be considered as “successfully completed and achieved their objectives”, the sub-project needs to fulfill both criteria, as documented the by National Executive</p>							



Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
<p>Agency (NEA) and reviewed by National Steering Committee (NSC) in the country.</p> <p>Funds disbursed refers to the allocated funds for each sub-project that have been disbursed.</p> <p>Mostly achieved refers to 75% achievement of expected results. To be considered as “successfully completed and achieved their objectives,” the subproject needs to fulfill both criteria, as measured by reviewing NEA monitoring reports and its evaluation of subproject implementation.</p>							
Name: Grievances registered related to the delivery of project benefits that are actually addressed (Percentage)		Percentage	0.00	100.00	Annual	Review of GRM monitoring platform	NEA
<p>Description: This indicator measures the effectiveness Grievances Redress Mechanism (GRM). It is a simple percentage of (a) the number of grievances made and (b) the number of these grievances that are addressed.</p> <p>Grievance registered includes all local communities and other affected stakeholders’ grievances registered in the Project’s, Grievance and Redress Mechanism related to a grant award decision, representation in the National Steering Committee (NSC) or Global Steering Committee (GSC), or the governance of the DGM.</p> <p>Actually addressed are those grievances that are addressed in a timely manner, according to guidelines to be determined in the GRM Manual of Procedures that will be applied by the NEA.</p> <p>The Project Implementation Manual establishes the timeframe for each level of grievance resolution, and the monitoring platform will register if the grievances are solved in a timely manner.</p>							
Name: Satisfaction of beneficiaries (Level of commitment disaggregated by gender and age) (Percent)		Percentage	0.00	70.00	Annual	Review of Qualitative and quantitative data resulting from beneficiary surveys (the survey needs to have equal numbers of men and	NEA



Indicator Name	Corporate	Unit of Measure	Baseline	End Target	Frequency	Data Source / Methodology	Responsibility for Data Collection
						women)	
<p>Description: This indicator measures the satisfaction percentage with respect to the project's intervention focus.</p> <p>Satisfaction relates to the percentage of whether project interventions are effective and meet the demand of project beneficiaries.</p> <p>Beneficiaries are those that participated in capacity building events or those that implement DGM sub-projects. This is measured through a review of surveys by the NEA.</p>							

**Target Values****Project Development Objective Indicators**

Indicator Name	End Target
% of DGM participants with an increased role in the FIP and other REDD + processes at local, national or global levels, disaggregated by gender (Percent)	75.00
Area under agro-forestry schemes (Hectare)	200.00
People in the targeted forest and adjacent communities with increased monetary or non-monetary benefits from forests, disaggregated by gender (Number)	1100.00

Intermediate Results Indicators

Indicator Name	End Target
Local people with improved knowledge of the FIP and other REDD+ processes, disaggregated by gender (Percent)	75.00
NSC members with increased capacity, disaggregated by gender (Number)	15.00
People with enhanced knowledge on formulating sub-project grants disaggregated by gender (Percent)	70.00
Sub-projects provided to targeted beneficiaries under the project (Number)	75.00
Share of women among community sub-project beneficiaries (Percent)	50.00
% of sub-projects successfully completed and achieving their objectives	75.00



Indicator Name	End Target
Grievances registered related to the delivery of project benefits that are actually addressed (Percentage)	100.00
Satisfaction of beneficiaries (Level of commitment disaggregated by gender and age) (Percent)	70.00



ANNEX A: Detailed Project Description

COUNTRY: CÔTE D'IVOIRE DEDICATED GRANT MECHANISM FOR LOCAL COMMUNITIES

Background

1. The Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM) is a global initiative that was conceived and developed as a special window under the Forest Investment Program (FIP) for providing grants to Indigenous Peoples and Local Communities (IPLCs) intended to enhance IPLCs capacity in FIP and other REDD+ processes at the local, national, and global levels.
2. Projects and programs under the FIP are designed and implemented under the leadership of the governments of FIP countries,¹² with the assistance of the World Bank (WB). The DGM Design was developed by a working group of IPLCs, facilitated by the Climate Investment Funds' (CIF) Administrative Unit (AU). The program is implemented in FIP countries through Country Grants Projects under an overarching umbrella of a Global Component, which serves as the learning and knowledge-exchange platform for the DGM. The World Bank has the responsibility to operationalize the Global Component as well as the Country Grants Projects in FIP countries. The Framework Guidelines¹³ for the DGM define the common framework for implementation of the DGM and serve as guidance to all stakeholders participating in the program, including FIP Focal Points in the countries, National Executing Agencies (NEAs), members of National Steering Committees (NSCs), the Global Executing Agency (GEA) and Global Steering Committee (GSC) of the DGM, civil society, IPLCs, CIF AU and the World Bank.
3. The DGM project in Côte d'Ivoire is a five-year stand-alone project that has strong synergies with the FIP in Côte d'Ivoire, currently implemented by the World Bank and the African Development Bank in support of Côte d'Ivoire's REDD+ program. The DGM project in Côte d'Ivoire is consistent with FIP objectives and is fully aligned with FIP projects in Côte d'Ivoire, complementing FIP's aim to promote sustainable forest and land management.
4. The DGM Côte d'Ivoire has a funding envelope of US\$4.5 million in grant resources and will be executed by the NEA with the oversight of the NSC and the World Bank. The NEA will report to the NSC and GSC, as well as to the World Bank, on progress, safeguards, and fiduciary aspects of the program.
5. The DGM Côte d'Ivoire focuses on two zones in the Center and South-West regions comprising

¹² Brazil, Burkina Faso, Côte d'Ivoire, Democratic Republic of Congo, Ghana, Guatemala, Indonesia, Mexico, Mozambique, Nepal and Peru.

¹³ Framework Operational Guidelines for the DGM could be found here:

<https://static1.squarespace.com/static/550abd2ce4b0c5557aa4f772/t/550adcb4e4b0178d56b4c7d3/1426775226201/13-09-12DGMGuidelines-website.pdf>



approximately 344,786 people. The project aims to test agroforestry schemes to reduce pressure on forest resources. As part of the project preparation process, 311 communities were already engaged in preparation of the FIP Investment Plan.

To achieve the goals of DGM Côte d'Ivoire, the project will work at three levels:

- *At the global level*, the project aims to: (i) support the organization and facilitation of knowledge exchanges, learning, and capacity-building on REDD+ and climate change issues of the NSC, and (ii) to strengthen the networks and alliances of local communities and community organizations within and across regions to enhance their representation and voice in regional and global spaces. These goals will be achieved through strengthening the participation of local communities in national and international multi-stakeholder policy-dialogue platforms.
- *At the regional level*, the project will focus on two zones of Côte d'Ivoire -- Center and South-West -- where the DGM Côte d'Ivoire aims to enhance informed participation and to influence communities in decision-making processes related to sustainable natural resources management. This will be achieved by strengthening the capacity of local communities through awareness-raising, training, and workshops.
- *At the local level*, the project will operate within the two targeted zones of Center and South-West regions. The project aims to increase the capacity of local communities through subprojects using a "learning by doing" approach. Selected participants will receive financial and technical support to implement subprojects.

6. The project has three components:

- Component 1: Capacity-building for local communities;
- Component 2: Development and implementation of a performance-based system to reduce pressure on forest resources;
- Component 3: Project management, monitoring, and communication.

Component 1: Capacity-building for local communities (estimated amount US\$0.6 million)

7. Component 1 will finance workshops, training, awareness-raising campaigns, a knowledge management specialist/master trainer, a natural resources/climate change expert, four to six field level staff, training materials and venues, radio campaigns, transportation costs to training venues and locations, vehicles (one per region), and motorcycles (one per region) for field work, operation and maintenance of the vehicles, and other costs associated with training sessions and workshops.
8. Capacity-building. Training sessions will take place in the project zones. Component 1 will impact at least 11,000 people. Prior to capacity-building learning activities, the NEA will conduct a community-level assessment to determine a socio-cultural baseline, as well as a knowledge baseline pertaining to REDD+, sustainable forest management, and climate change.



9. General Training. This is the widest part of the project seeking to capture most of the beneficiaries. Awareness-raising will focus on informing the communities about the project, its objectives, and the components and will provide a general overview of REDD+ issues and climate change and their linkages to human activities, including the long-term impact on livelihoods. Marginalized members of society (women and youth) will be encouraged to participate. The training may include radio, media, and other awareness-raising campaigns. By the end of general awareness-raising, most of the 11,000 targeted beneficiaries will know about the project and its aims, but more important they will be able to outline key basic messages about REDD+, SFM, climate change, and both how their livelihoods impact deforestation and how deforestation may impact their livelihoods over the short-, medium-, and long-terms. Additionally, each person will understand about three to four ways that deforestation negatively impacts their livelihoods and well-being. They will also be able to list ways to reduce deforestation and the impacts of climate change on their lives.
10. In addition, the NEA will choose several locations for intensive training sessions that specifically target women, youth, and vulnerable populations. The training will be prepared by the NRM and knowledge specialists, and be guided by an approved training plan and methodology. Field assistants will be skilled in conducting field-level training in a pedagogically interactive manner. Finally, the NEA and NSC will also select a subgroup of extension-service workers to undergo training to ensure that even after the project ends, the same messages are being reinforced. It should be clear to participants that (i) general training for community members is a prerequisite for applying for a subproject grant, and (ii) one has to be a member of the two regions of the project in order to apply for a subproject grant.
11. Additionally, special technical assistance for the selection of subgrants under the performance-based incentive system will be provided to subproject beneficiaries, as well as NEA. During the implementation of subprojects, ongoing assistance will be provided which will support beneficiaries throughout the implementation of the performance-based scheme, which will help to reduce the risk of noncompliance in subproject execution. The purpose of general training is as follows:
 - a. To bring community members to the same level of understanding about REDD+, sustainable forest management practices and climate change, and how their activities on the ground are linked to these concepts, both locally, nationally, and globally. It is essential to ensure the relevance of the training to community livelihoods by highlighting the linkages between negative and positive human activities and the impacts on natural resources, climate change, and REDD+.
 - b. To ensure that communities understand that there is a link between what is being learned about sustainable forest management practices, climate change, and REDD+ and why grantees are receiving grants for subprojects.
 - c. To teach communities to make long-term decisions by thinking about the consequences of each action in the short-, medium-, and long-term as a basis for rationalizing natural resource-related decisions.
 - d. To ensure that a broad segment of society is part of this learning process, for example, women, the poor, traditional rulers, and other farmers.
12. To ensure uptake and understanding of the general training messages, it is essential to plan the training and emphasize its relevance to the daily lives of community members. For this reason, the general training sessions should: (i) be hands-on and field-based (for example, conducted in the field,



where targeted communities reside); (ii) be conducted in the local language; (iii) use videos and films for issues that need to be understood outside of the community setting; (iv) be conducted at all levels of the community, including elders, women, youth, and community-based organizations; (v) use local means of communication such as radio, cell phones, newspapers, and so forth, to spread critical messages; and (vi) allow for discussion and bottom-up learning, because communities have considerable relevant traditional knowledge to share.

13. Specialized basic training for women. As part of the aim to ensure female participation at all levels, a special basic training session will be dedicated to women. The training will focus on the typical content of basic training and will add a course on female leadership in natural resource management and the role women can play to protect forest resources for the welfare of their families and communities. After the training, the women will be presented with a certificate of participation. Women can choose whether to attend the regular general training along with men or to attend these women-only training sessions.
14. NSC training. Special training will be provided to the NSC members of the DGM Côte d'Ivoire project with a focus on decision-making skills, monitoring, grievance processes, and technical training. Additionally, NSC members will participate in South-South exchanges, and international, regional, and national conferences and meetings.
15. Training for writing/developing sub-project proposals. Component 1 will also finance short training sessions for the preparation of the individual, community, and community-based organization (CBO) window proposals. The training will be offered to interested recent graduates of the general training who wish to apply for a grant. It will focus on the following topics: (a) investment options, according to thematic areas outlined, and including any other investments the communities are interested in that are related to the themes; (b) assessment (through discussion) of the type of activities the communities, CBOs, and individuals would want to engage in; (c) how to assess the costs and benefits of the proposed activities; and (d) how to fill in the proposal forms developed by the NEA and NSC. Where literacy is a factor, the NEA staff will have a discussion and come to oral agreement with the potential grantee, and afterwards will fill out the form for them. By the end of the training sessions, all proposals will be ready for submission. The goal of this training is to prepare community members to apply for grant funding for subprojects. This training will only be on a volunteer basis to support those interested in applying for a subproject.
16. All training sessions will be assessed on their effectiveness and potential for behavior change leading towards better and sustained management of forest resources.

Component 2: Development and implementation of a performance-based system to reduce pressure on forest resources (estimated amount US\$3.2 million)

17. This component aims to increase the capacity of local communities to implement activities on the ground through a “learning by doing” approach, and to perform agroforestry activities in the project areas in a manner that reduces pressure on forest resources. This will contribute to reducing deforestation and promoting sustainable management of natural resources and livelihoods improvement. Component 2 will utilize the performance-based system to support subprojects,



leading to on-the-ground capacity-building of local communities. To achieve these objectives, selected beneficiaries within project target areas will receive a package of incentives, made up of capacity-building, technical assistance, and financing for agroforestry subprojects.

18. It is expected that the DGM Côte d'Ivoire will support subprojects that contribute to increasing rural income and reducing deforestation. These subprojects will simultaneously foster sustainable land use and natural resource management, promote economic activities and rural livelihood development practices, and enhance climate-change mitigation and adaptation.
19. Subprojects are expected to support: (i) an initial supply of seedlings to individuals or communities engaged in the DGM; (ii) subgrant payments triggered first, by the introduction of a certain number of plants onto landholdings (for example, 50 to 100 per hectare, on the basis of a fixed price per planted tree), and second, by a survival rate at the end of a specified period (up to five years); and (iii) long-term tree conservation. Performance-based contracts will be established between the beneficiaries and the DGM project with explicit provisions and actions that trigger payments to subprojects. The Côte d'Ivoire DGM will support subprojects, but not limited to, the following activities (i) establishment of nurseries; (ii) environmental education; (iii) forest regeneration and reforestation; (iv) sustainable forest management of timber and non-timber products; (v) agroforestry; (v) climate-smart agriculture; (vi) water resource management; and community forest management.
20. Component 2 will include culturally-appropriate training sessions and technical assistance to support financed subprojects. This technical assistance is designed to facilitate the grantees in the preparation and/or actual implementation of subprojects, and will, therefore, be tailored to ensure effectiveness in meeting beneficiary capacity needs. Where possible, subproject proposals should identify the type of technical assistance requested. For example, in the case of subproject beneficiaries who require financial and managerial skills, technical support may include project development, preparation of business plans, partnership development, networking, market identification, access to credit and financial resource avenues, and so forth. For subproject beneficiaries who require technical skills, technical assistance may include sustainable forest and land management practices, adoption of new technologies, agricultural and environmental conservation, and participatory natural resource management, among others.
21. The NSC and NEA will select the DGM Côte d'Ivoire subprojects for financing based on a selection process, including eligibility and selection criteria. The NSC's by-laws and operational procedures also detail the procedures to be applied. The NEA will conduct a screening of the first round of simplified proposals based on the eligibility criteria. Shortlisted applicants will be invited to submit full project proposals, with the NEA providing technical assistance where necessary. The NSC will deliberate on all project proposals using the selection criteria and make a final selection on the subprojects to be financed. The NEA will enter into a subgrant agreement with subproject beneficiaries, and the NEA will procure goods and services on behalf of subproject beneficiaries for the subprojects' implementation, including training and technical assistance, as needed. Performance-based contracts will be established between the beneficiaries and the DGM project with explicit provisions and actions that will trigger payments to subprojects. The subprojects will be signed by men and women, and will not be tied to land ownership (because that could exclude women from obtaining the benefits of the



program).

22. Subprojects supported under this component will pay particular attention to gender issues. It is expected that at least 50 percent of the funds from the subprojects will be dedicated to women for specific targeted activities. This provision will be included in the Project Implementation Manual (PIM).
23. This component will also include an innovative approach to data access of the subprojects. The Côte d'Ivoire DGM project will include a technological approach to improve the transparency of disbursements while also making the process more efficient. For example, the project will include designing an online network which will allow actors along the development chain (including donors, recipients, NSC, NEA, GEA and the World Bank) to simultaneously track information about subprojects and how they are progressing and to show the flow of funding. It will allow all participants in the network to view the same information at the same time. This would also lead to inclusive, transparent, equitable, and gender-balanced processes.
24. Côte d'Ivoire DGM subprojects are to be aligned with the Global DGM and FIP's core objectives. All proposals within this component will be screened to ensure compliance with the World Bank's Operational Policies on environmental and social safeguards as well as with Ivorian legislation pertaining to land, natural resources, and communities.
25. The project will not support a number of activities, including:
 - a. Activities involving the purchase of land that are to be undertaken on lands under dispute, or are related to the adjudication of lands under dispute;
 - b. Activities adversely affecting local communities, or where communities have not provided their broad support to such activities;
 - c. Activities that may promote involuntary physical and economic displacement;
 - d. Activities leading to restriction of access to natural resources, unless there is evidence that these restrictions have been agreed to through transparent and inclusive participatory community decision-making processes which have provided for identification of measures to mitigate adverse impacts on the most vulnerable members of the community and which lead to broad community support;
 - e. Removal or alteration of any physical cultural property (including sites having archeological, paleontological, historical, religious, or unique natural values);
 - f. Conversion, deforestation, or degradation or any other alteration of natural forests or natural habitats;
 - g. Activities related to commercialization of illegal timber and nontimber products; or to the purchase and use of formulated products that fall in World Health Organization (WHO) classes IA and IB, or formulations of products in Class II, if they are likely to be used by, or be accessible to, lay personnel, farmers, or others without training, equipment, and facilities to handle, store, and apply these products properly;
 - h. Financing of elections or election campaigning;
 - i. Construction and/or restoration of religious buildings;
 - j. Purchase of tobacco, alcoholic beverages, and other drugs; and,



- k. Purchase of firearms or ammunition.

Component 3: Project Management, Monitoring, and Communication (estimated amount US\$0.7 million)

- 26. This component will support the management, coordination, monitoring, and communication of project activities. This component covers the incremental operational and managerial costs of the NEA to carry out its tasks and overall responsibilities. In its role as the project NEA, Care International's responsibilities include: i) financial management, procurement, and auditing; ii) technical coordination, monitoring, and evaluation; iii) implementation supervision of community initiatives and results assessments; iv) reporting on technical progress, results indicators, fiduciary management and safeguards compliance to the World Bank, the NSC, the FIP coordination unit in Côte d'Ivoire, the DGM GEA, and the DGM GSC (twice a year); and v) design and implementation of the Côte d'Ivoire DGM GRM.
- 27. The component also covers the incremental costs for the design and implementation of a robust M&E system and an efficient project-related GRM. The GRM will be culturally appropriate and able to address and resolve in a timely manner any project-related grievances as per the DGM Operational Guidelines. The GRM will build on the GRMs implemented by other projects within the World Bank's Côte d'Ivoire portfolio.
- 28. Expected outputs include: (i) the overall management of the project; (ii) M&E of project implementation; (iii) operationalization of the GRM; and (iv) communication. The project will finance staff, consultants, goods, and operational costs.
- 29. The Côte d'Ivoire DGM will also be supported by the Global DGM project, particularly in the areas of global learning and knowledge exchange.



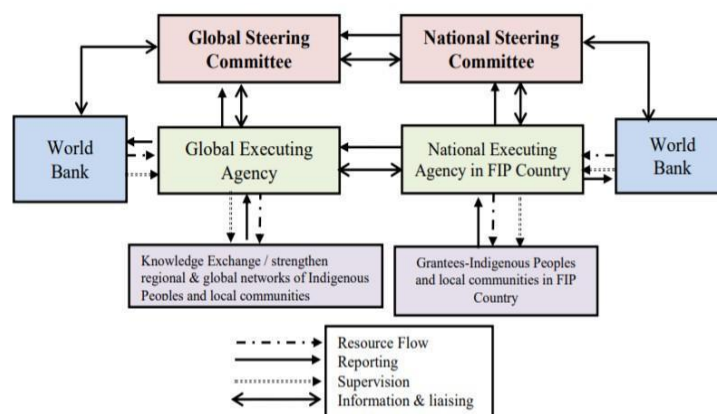
ANNEX B: Institutional Arrangements

COUNTRY: CÔTE D'IVOIRE DEDICATED GRANT MECHANISM FOR LOCAL COMMUNITIES

Project Institutional and Implementation Arrangements

1. Côte d'Ivoire DGM will have a National Steering Committee (NSC) and a National Executing Agency (NEA). The NEA and the Global Executing Agency (GEA) will support the NSC and GSC in executing the program, and will have fiduciary oversight. In accordance with the Global DGM guidelines, the Côte d'Ivoire Dedicated Grant Mechanism (DGM) has developed a governance and management arrangement for handling coordination, partnership, and synergies. The NSC will oversee project implementation, with the NEA actually implementing the project (See Figure B.1 below).

Figure B.1. DGM Architecture



2. The NSC in Côte d'Ivoire will oversee the Côte d'Ivoire DGM implementation. The NSC, assisted by the NEA CARE International, will provide a semi-annual progress report to the GSC on the implementation of the program. The NSC's main functions will be to select proposals and award grants for subprojects, and monitor progress of the Côte d'Ivoire project and subprojects. The NSC will participate in national REDD+ coordination committees or their equivalent in the country and ensure that DGM lessons are transmitted back to inform other ongoing national processes. The NSC will actively seek feedback from local communities on the program, identify needs, and collect and send ideas to the GSC to be supported by the Global Component.



3. One or two NSC members will participate as members in the GSC. NSC members will be representatives from local communities, balanced to the extent possible by geographic area, community, and gender. As appropriate, a government representative will be a member of the NSC. In addition, NSC will have observers from civil society and the private sector. A representative of the NEA will support NSC meetings.
4. Government members will provide inputs during these meetings on technical soundness, operational feasibility, and alignment of proposals with national policies. They will also help the NSC to link DGM activities with relevant rural development/forestry programs in Côte d'Ivoire in order to strengthen synergies and explore cofinancing for activities. They will enable the NSC to establish linkages with FIP activities in Côte d'Ivoire, as well as with national or regional REDD+ committees and climate-change programs, so as to enhance learning and outreach. They will participate in the decision-making process for strategic NSC decisions but will not take part in the selection of grant proposals for subproject funding by DGM Côte d'Ivoire, which will be decided solely by NSC members.
5. The World Bank (WB) will also be a member of the NSC as an observer. The WB member will provide guidance on technical soundness and feasibility of the proposals and on their alignment with WB policies. The WB member will not take part in the decision-making process of the NSC with respect to selection of grant proposals for funding.
6. CARE International, the NEA, will be the secretariat for the NSC. Selection of the NEA was done through a competitive process administered by the World Bank and the Government of Côte d'Ivoire. The NEA is a not-for-profit and nonstate organization that meets the programmatic, fiduciary, and safeguards requirements of the World Bank. The NEA will facilitate the work of the NSC, develop country-specific review and risk assessment criteria, and provide operational and financial reporting to the WB. The NEA will be responsible for disbursing grant funds to subprojects selected by the NSC as well as for monitoring subprojects and ensuring appropriate use of DGM funds, in accordance with the operational and safeguards policies of the WB. The NEA will report to the WB. The NEA will complement the DGM Operational Guidelines with country-specific procedures and update them as needed so that the DGM procedures are tailored to respond to national circumstances and requirements. Other NEA responsibilities will also include: maintaining documentation for the Côte d'Ivoire DGM project; following the communications strategy in coordination with the GEA; managing grievance and complaint redress processes; responding promptly to queries; and coordinating with the GEA and sending information, as requested, to the GEA.
7. The Global Steering Committee (GSC) will provide intellectual and policy leadership to and monitor the overall implementation of the DGM. It will report to the FIP SC on the progress of the program. The GSC also has an important role in external interactions with contributor countries and other partners to advocate for IPLCs in international forums on issues involving climate change and REDD+. Representatives of the GSC will also assist in disseminating information and raising awareness about the DGM in their countries and in identifying opportunities for additional resources and expansion of the program. The GSC will ensure that lessons derived from the program are widely disseminated. The GSC will mediate complaint and grievance issues if requested by the NSC. The GSC will also approve the annual work program to be implemented by the GEA for the Global Component.



Membership of the GSC will be as follows:

8. *Decision-making Members:* One IPLC representative from each FIP pilot country and one representative from a non-FIP pilot country. One additional IPLC representative shall be selected as an alternate and, if needed, called upon to attend GSC meetings or otherwise execute GSC functions.
9. *Non-decision-making Members:* Two representatives from FIP pilot country governments; two from multilateral development banks (MDB) including the World Bank and one other MDB; one from the FCPF Facility Management Team (FMT)/UN-REDD Secretariat; and one from the CIF AU. The role of non-decision-making Members is to provide expert advice and inputs on technical and global REDD+ and climate change policy issues in the discussions and also to recommend experts to the GSC. Non-decision-making members may request the addition of items to the agenda and propose linkages of the Global Component with DGM and other REDD+ activities in countries. They can voice concern that an activity or program proposed for decision by the GSC is not consistent with the DGM Design Document, and they can appeal to the FIP Subcommittee acting as the governing body of the FIP, of which the DGM is part.

The Secretary to the Committee will be the representative of the Global Executing Agency.

10. The GEA will provide secretariat functions for the GSC. The GEA will carry out the agreed activities of the Global Component and will have responsibility for the overall communications and outreach activities of the DGM. It will coordinate actively with the NEAs in the FIP pilot countries to monitor and document implementation progress, and to coordinate knowledge and learning exchange activities. The GEA will provide liaison with global partners working on similar issues to enhance synergies and learning opportunities through the DGM.
11. The GEA will facilitate a grievance redress and complaints mechanism on behalf of the GSC. For implementation of the Global Component, the GEA will seek approval of its work plan by the World Bank and report to the World Bank on the program, including on fiduciary aspects. The GEA will implement activities of the Global Component in compliance with the World Bank's operational policies, including safeguards.

Grievance and Redress Mechanism (GRM)

12. In accordance with the DGM Framework Operational Guidelines, a GRM will be established by the NEA. The processes and procedures of the GRM shall ensure that all complaints received from local communities and other interested stakeholders related to project implementation will: (i) have a properly written record; (ii) receive timely resolution of issues; and (iii) be publicly reported (with regard to complaints received and actions taken on each complaint). Regardless of the nature of the grievance, the NEA shall ensure that a transparent, timely, and fair process is adopted to address each complaint.
13. The NEA will use and adapt to its specific needs the common GRM that has been established for all projects included in the World Bank's Côte d'Ivoire programs. A manual of procedures, a monitoring system, and a communication strategy will be prepared.



14. The project will use the same channels for the collection of grievances as the previously mentioned GRM. The focal point for Côte d'Ivoire DGM's GRM will be CARE International's safeguards specialist. The levels for resolution of grievances will be discussed and agreed upon with the NSC. It is expected that the NEA will resolve the majority of grievances. When the NEA cannot resolve the issue, the grievance will be elevated to the NSC. If the NSC cannot resolve the issue, it will be elevated to the GSC. If the complaint is related to the NSC's decisions on grant applications, the complaint will be referred to the NSC. If it relates to World Bank policies, a World Bank staff member may be invited by the NSC to its meeting to interpret the relevant policy. If the complaint does not fall under the mandate of DGM operations at the country level, but relates to either (i) the policies of the DGM, (ii) the governance of the DGM in the country, or (iii) complaints that could not be resolved at lower levels, the matter will be taken to the GSC's Grievance Subcommittee, which will be formed to handle escalated grievances.
15. The monitoring platform under the common GRM will be used. The NEA will record all complaints received in a publicly accessible online system that will allow complaints to be tracked and monitored. All feedback and complaints received will be displayed on the DGM website in an appropriate manner, depending on local circumstances.
16. In each instance, the written response will indicate which entity (for example, NEA, NSC or GSC) will handle the complaint. That entity will then seek agreement with the complainant on the approach to be followed. The parties will engage in the process, implement the agreed actions, and record the outcome. Alternatively, the parties could be unwilling or unable to engage in the process. In this instance, the complainant will be offered the options of taking the matter to the next level, that is, NSC or GSC, referring the issue for mediation, or closure. The appropriate entity will record all outcomes in writing. It is expected that resolution and closure should occur within 30 days of receipt of the initial complaint at the staff level.
17. Regardless of where a complaint is handled (that is, at staff, NEA, NSC, or GSC levels), the dedicated staff member will prepare a brief written note on the options discussed with the complainant(s) and the agreed action(s) to be taken to resolve the issue. Following implementation of the agreed action(s), the outcome will be recorded (that is, resolution and/or closure) and both parties will sign the document. Whether agreements are reached through direct conversations or mediation, all supporting documents of meetings needed to achieve resolution should be part of the file related to the complaint. At all stages of the process, the NEA will keep the World Bank team informed and maintain a comprehensive record of all correspondence and decisions on the issue. The above-mentioned grievance and complaint mechanisms are to be conducted without prejudice to any additional mechanism established by the World Bank to address related issues of damage.



18. The NEA will ensure easy access to culturally appropriate information about the Côte d'Ivoire DGM and its GRM. The contact persons and contact channels will be disclosed in the NEA and GEA websites. They will also be disseminated through information-sharing meetings organized by the NEA in each region, and through radio and other culturally appropriate means of communication. All documents and reports related to the implementation of the Côte d'Ivoire DGM will be translated into French and available on the NEA website. The NEA will also maintain open lines of communication and actively reach out to stakeholders. The NEA will regularly review feedback received, respond to questions and comments on the websites, and report to the NSC and GSC on actions taken.

Financial Management, Disbursements and Procurement

19. The World Bank's FM assessment concluded that Care International's FM arrangements meet the World Bank's minimum requirements under Bank Policy and Bank Directive for IPF. The overall residual risk rating is Substantial.
20. A financial management capacity assessment has been conducted in-line with the Financial Management Practice Manual for World Bank-Financed Investment Operations, which became effective on December 11, 2014. The objective of the assessment was to determine whether FIE has in place acceptable financial management arrangements to ensure that: (i) the funds will be used only for their intended purposes in an efficient and economical way; (ii) accurate and timely periodic financial reports will be prepared; and (iii) the assets will be safeguarded.
21. The findings of the FM capacity assessment of CARE International - Côte d' Ivoire conducted in December 2018 revealed that the NGO has made acceptable FM arrangements, including having staffing and tools in place to manage the resources of the DGM operation. The FM team is headed by a qualified and experienced Finance Manager, but the entire team needs further capacity strengthening relating to Bank FM procedures and requirements. The NGO has had past experiences in implementing well-known donor-financed operations such as Global Funds, AfDB, WBG, UNICEF and the European Union (EU). They have in place an acceptable FM procedures manual and the accounting software "PEOPLESOFT". The financial statements of donor-financed projects are regularly audited by reputable auditing firms that are acceptable to the World Bank. The auditors expressed a clean opinion (unqualified) on the 2015, 2016, and 2017 annual accounts of projects implemented by the NGO. However, the management letters prepared by the auditor following completion of the audits raised some concerns, including about some weaknesses in internal controls, and about minor ineligible expenditures. The action plans developed following these audits have been or are being implemented.
22. The use of the FM team of CARE International - Côte d Ivoire FM to manage the financial management aspects of the project will enable the establishment of a financial fiduciary management system for the project that satisfies the Bank's minimum requirements under Bank policy and directives regarding investment project financing (IPF). Based on the findings of the assessment, the following actions are required to ensure effective FM systems: (i) strengthening the capacity of the FM team, primarily by appointing a dedicated FM staff assigned to the project who is familiar with WB FM procedures; (ii) opening a Designated Account (DA) in an acceptable commercial bank in Abidjan capable of receiving funds from the World Bank; and (iii) drafting of a short Note as an Annex to the existing FM Manual to reflect the Bank's FM procedures and requirements. These actions are to be



completed in a timely manner to help implement the project: actions (i) and (iii) are conditions of effectiveness of the TF; actions (ii) is dated covenants and should be implemented not later than two months after the effective date of the project.

23. The NGO will be required to prepare and submit to the World Bank the following reports and documents: (i) an annual work program and budget (AWPB) not later than November 30 of the year preceding the year the work plan should be implemented; (ii) quarterly unaudited interim financial reports (IFR) within 45 days following the end of each calendar quarter; and (iii) audited annual financial statements not later than 6 months following the end of each fiscal year.
24. Disbursements. Upon the effective date of the TF (Grant), transaction-based disbursements will be used. The project will finance 100 percent of eligible expenditures inclusive of taxes. A DA in XOF will be opened in a commercial bank located in Côte d'Ivoire under terms and conditions acceptable to the World Bank. The ceiling of the DA will be stated in the Disbursement and Financial Information Letter (DFIL) and will represent four to six months of forecasted project expenditures expected to be paid from the DA during Year 1 and based on the AWPB of Year 1. An initial advance up to the ceiling of the DA will be made, and subsequent disbursements will be made against submission of a Statement of Expenditures (SOE) reporting on the use of the initial/previous advance. The option to disburse against submission of quarterly unaudited IFRs (also known as report-based disbursements) may be considered once the project meets the related criteria. Other methods of disbursing the funds (for example, reimbursement, direct payment, and special commitment) will also be available to the project. The minimum value of applications for these methods is 20 percent of the DA's ceiling. The project will sign and submit Withdrawal Applications electronically using the eSignatures module accessible from the World Bank's Client Connection website. The NGO will then transfer money to communities/beneficiaries of project funds and contractors/service providers based on the contracts and MOU associated with the AWPB. The criteria for payment and reimbursement will be detailed in the PIM. The NGO will consider the findings of the internal auditor and of World Bank and External Auditors while approving the requests for subsequent replenishment of communities/beneficiaries' subaccounts opened in a commercial bank. The FM team of the NGO will reserve the right to verify the expenditures ex-post, and refunds might be requested for no-respect of contractual/convention clauses. Misappropriated activities could result in the suspension of financing for a given community and/or implementing entity.
25. Based on the current risk assessment, which is rated Substantial, at least two full supervision missions are planned over the first year of the project implementation.
26. The project/CARE International - Côte d'Ivoire will comply with the World Bank's disclosure policy of audit reports and place the information provided on the official website within two months of the report being accepted as final by the team and the World Bank.

Applicable procedures

27. Procurement for the proposed operation will be carried out in accordance with the World Bank Procurement Regulations for Borrowers under Investment Project Financing dated July 1, 2016, and the provisions stipulated in the Financing Agreement. The Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants, dated October



15, 2006, and revised in January 2011 and as of July 1, 2016, will also apply.

28. Procurement strategy. A simplified Project Procurement Strategy for Development (PPSD) have been prepared. The procurement plan will be entered by the borrower in the World Bank's Systematic Tracking of Exchanges in Procurement (STEP) and cleared by the World Bank.
29. Procurement arrangements. Considering the size of the activities, all of them small in value and complexity, under the PPCSD, the main procurement methods to obtain goods, works, and services for the project will be shopping, direct selection, and consultant qualification selection. Any other procurement methods will be used in accordance with the requirements set forth or referred to in the Procurement Regulations, with due consideration to the core principles of the World Bank's procurement policy: value for money and fit-for-purpose.
30. Training-related expenditures mean the reasonable costs, approved by the World Bank, for expenses incurred in project preparation and coordination relating to training and workshops conducted under the project, including: (i) tuition, travel, and subsistence costs for training and workshop participants; (ii) costs associated with securing the services of trainers and workshop speakers; (iii) rental of training and workshop facilities; (iv) preparation and reproduction of training and workshop materials; (v) vehicles and motorcycles and (vi) other costs directly related to training courses and workshop preparation and implementation (but excluding goods and consultants' services). Procurable items must follow the adequate procurement or selection process in accordance with the paragraphs above.
31. Operating costs include reasonable incremental expenses, based on annual budgets approved by the World Bank, including office equipment and supplies, operation and maintenance of vehicles, maintenance of equipment, communication, rental, utilities, consumables, transport, accommodation, travel costs, and *per diem*. These contracts will be procured following the NEA's administrative procedures.
32. Procurement plan. The NEA will develop a procurement plan, acceptable to the World Bank for the first 18 months of project implementation with the basis for the procurement methods for each contract. Immediately upon approval of the Grant, with the Recipient's agreement and any needed revisions, the plan will be published on the World Bank's public website and the NEA's Intranet website. The procurement plan will be updated in agreement with the World Bank on an annual basis, or as required, to reflect the actual project implementation needs and improvements in institutional capacity. The recommended thresholds for the use of procurement and consultant selection methods will be stipulated in the Procurement Plan. The Procurement Plan will be managed through the World Bank's tracking system, STEP.

Monitoring & Evaluation

33. The Project's M&E system will generate timely information and analytical evidence required for assessing and managing the project's implementation performance and ensuring progress toward meeting the PDO and results.
34. The project's Results Framework (RF) defines the performance indicators and targets (at the outcome



level) for each component. These output indicators and targets provide the basis for monitoring systematic financing of priority project activities.

35. The Project's M&E reports will include:

- *Biannual Progress Reports*: These reports will monitor and consolidate progress on key activities and outputs and will be produced on a biannual basis. These progress reports will provide useful inputs to support the six-month joint implementation support reviews that the World Bank will conduct. The World Bank will also request information, outside of the reporting schedule, should a conflict, grievance, or other event warrant it.
- *Yearly Progress Reports*: These reports will track and consolidate progress on key activities, outputs, and outcomes, and will be provided annually to key stakeholder participants.
- *Mid-term review*: Towards Year 3, an independent party, along with the WB and other implementing entities, will undertake a comprehensive mid-term review of the project that will focus on assessing progress being made in accomplishing the impact and outcome targets and corresponding indicators (with special attention paid to assessing the key indicators outlined in the RF). Selected thematic in-depth assessments will be identified in Year 3 and performed as evidenced-based inputs for the mid-term review (for example, assessing the emerging viability of the business plans that the project supports);
- *Final Evaluation*: Six months before the project is completed, an independent evaluation will be conducted with a special focus on identifying key operational lessons that can be used for designing the next project.

36. Project M&E will be the responsibility of an experienced M&E specialist, who will be a core member of the NEA project coordination team. The M&E specialist will work and coordinate closely with the relevant M&E specialists from the various departments and directorates at the provincial and district levels. The M&E specialists will be strengthened through strategic capacity-building activities financed under the project.

To facilitate the M&E system, the M&E specialist will prepare a project-level M&E manual as part of the Project Implementation Manual (PIM). The M&E manual will provide numerous details, including: the definition of the results framework; methodology and instruments to be used for data collection; institutional arrangements and responsibilities for M&E functions, including at provincial and district levels; the GRM; and mechanisms and arrangements for disseminating information.



APPENDIX C: ECONOMIC/FINANCIAL AND COBENEFITS ANALYSIS

DEDICATED GRANT MECHANISM FOR LOCAL COMMUNITIES – Côte d'Ivoire

1. According to the study “Classifying drivers of global forest loss,”¹⁴ more than a quarter of the loss of global tree cover between 2001 and 2015 was associated with commodity-driven deforestation and will not likely be forested again. Globally, nearly 27 percent of all forest disturbances between 2001 and 2015 was associated with commodity-driven deforestation, with the rate of 5 million hectares per annum. Forestry represented about 26 percent of total forest disturbance, followed by shifting agriculture (24 percent) and wildfire (23 percent).
2. A recent study into the drivers of deforestation and forest degradation in Côte d'Ivoire (BNETD 2016) reported that the country's forest cover declined from 7.85 million ha in 1990 to 5.09 million ha in 2000, with an annual loss rate of 4.32 percent. In 2015, forests covered 11 percent of the country (3.4 million ha), with an annual deforestation rate of 2.7 percent between 2000 and 2015. The average forest loss between 1990 and 2015 is estimated as 0.25 million ha/year.
3. The surface area covered by gazetted forests (GF) declined from 2.13 million ha in 1990 to 0.84 million ha in 2015. The annual deforestation rate in GFs increased in the last 15 years, reaching 4.2 percent during the period between 2000 and 2015, compared to 3 percent between 1990 and 2000. Forest cover in protected areas and reserves, estimated at 1.41 million ha in 1990, was estimated at 1.32 million ha in 2015, with an annual deforestation rate of 0.3 percent during the period 2000-15.¹⁵
4. To address the growing deforestation trend, Côte d'Ivoire received funding under the Forest Investment Program (FIP) to facilitate the reduction of deforestation and forest degradation and to promote sustainable management of forests. This DGM project contributes to the implementation of the FIP in Côte d'Ivoire. There are strong linkages between project objectives and the UN SDGs, as well as poverty reduction efforts, reduction of deforestation, and former and ongoing programs and investments implemented in the country.
5. Existing practice demonstrates that reforestation projects deliver many environmental benefits beyond GHG reductions. These develop further as more trees are planted and existing trees mature. Benefits include improvement of soil quality and reduced soil erosion, improvement of water catchment areas, increased groundwater recharge, increase in vegetation cover (which minimizes surface runoff and improves infiltration), and enhanced biodiversity.

¹⁴ Philip G. Curtis, Christy M. Slay, Nancy L. Harris, Alexandra Tyukavina, and Matthew C. Hansen, “Classifying drivers of global forest loss,” *Science* (2018): September 14, 1108-1111.

¹⁵ UNDP, *Forest Friendly Cocoa in Côte d'Ivoire*, (2017), http://www.undp.org/content/dam/gp-commodities/docs/UNDP_GCP_%20Forest%20Friendly%20Cocoa%20Note%202017.pdf



6. **Economic analysis.** Measurable benefits will be generated from successful implementation of Component 2 of this project. The project will finance performance-based agroforestry and afforestation subprojects through: (i) initial supply of seedlings to individuals or communities engaged in the DGM; (ii) subgrants payments triggered by, first, introduction of a certain number of plants onto landholdings (for example, 50 to 100 per hectare, on the basis of a fixed price per planted tree) and by, second, survival rate at the end of a specified period (up to five years); and (iii) long-term tree conservation. The subprojects will include: (i) agroforestry operations involving the introduction of trees, including ones of nutritional value, onto cocoa, rubber, palm oil and vegetable farms; and (ii) village afforestation or reforestation and planting of trees with nutritional value. The subprojects will be selected biannually by the NEA.
7. Given the demand-driven nature of this project, selection of the subprojects on a rolling basis, and uncertainty about many input variables, a cost-benefit analysis cannot be fully done at this stage. Therefore, economic analysis is based on the assessments conducted under the baseline Côte d'Ivoire FIP and previous operations, as well as on relevant studies on similar interventions in the region and country.
8. **Cost-benefit analysis conducted during preparation of Côte d'Ivoire FIP indicates that the project interventions implemented in the same areas as those targeted by the DGM are economically feasible and will generate significant and positive benefits.** FIP project interventions will ensure successful implementation of the DGM through participatory development and implementation of GF management plans, creation of GF governance frameworks, conduct of reforestation programs, use of agroforestry contracts with existing cocoa farmers in GFs, and promotion of partnerships between local communities and the private sector. FIP-specific interventions include similar landscape-level activities (such as performance-based agroforestry and afforestation schemes) to those supported under DGM. Therefore, FIP analysis is applicable.
9. **Direct benefits.** The project's direct benefits include reduction of GHG emissions, increased income and poverty reduction, including for the most vulnerable segments of the population, reduction of soil erosion, improved water regime and optimized soil nutrition regime, and improved biodiversity conservation. Benefits accounted for in the FIP economic analysis included:
 - Carbon and climate benefits – the lower carbon price ranging from US\$15 in 2015 to US\$50 in 2050; the conservative value of climate regulation benefits at US\$50/ha/annum;
 - Assumed watershed values following a conservative approach, estimated at US\$27/ha/annum;¹⁶
 - Estimates of the value of medical bioprospecting for Tai National Park at US\$25.61/ha/annum; and
 - Estimated livelihood and poverty alleviation - income increase of one percent or US\$11 received by people impacted by project activities (345,000).
10. FIP economic analysis simulation demonstrated that the net present value (NPV) and the benefit-cost

¹⁶ *The Changing Wealth of Nations – Measuring Sustainable Development in the New Millennium*, (2011)



ratio yielded positive results under different discount rate scenarios, even for situations where carbon benefits were excluded. The NPV for the lowest case scenario (without carbon benefits, 20 percent discount rate) was US\$28.4 million with a benefit-cost ratio of 4.18.

11. The DGM project will contribute to the area under FIP implementation, which is expected to result in a total of 20,000 hectares of reforested land and agroforest and 226,386 hectares of improved forest management and surface area under GF management through Public Private Partnerships (PPP). For the area of afforested and new agroforestry areas, the economic value of incremental benefit is assessed at 100 percent, since the “without project” situation is “no forest”. Because the FIP economic assessment included only direct improvement of forest area, it is reasonable to suggest that few assumptions made in this analysis could also be applied to DGM.
12. Thus, assumptions under the DGM economic analysis included the same ones as in the FIP area under reforestation: the value of climate benefits and watershed services; and the number of beneficiaries. These follow two scenarios: the first one being the same as in FIP; and the second one being 30 percent of the FIP beneficiaries (as a proportion of the DGM grant to the amount of FIP). Benefits of bioprospecting in the Tai National Park were not accounted for in the analysis.
13. **The simulation generated positive results at the 6 percent discount rate scenario** and assuming only 30 percent of the FIP beneficiaries received assistance under DGM. The benefit/cost ratio accounting for all benefits delivered under the project is assessed at 8.9, and the Net Present Value (NPV) is positive, at US\$30.1 million. Without climate benefits at 6 percent discount rate the benefits cost ratio is 5.5 and NPV is assessed at US\$19.9 million. (See Table G.1 below).

Table 1: Summary of Economic Simulation Results

	Without climate benefits			All benefits			30% beneficiaries, Without climate benefits			30% beneficiaries, FIP All benefits		
Discount rates	6%	10%	20%	6%	10%	20%	%	10%	20%	6%	10%	20%
NPV, US\$ million	44.7	28.2	13.6	57.2	36.6	18.4	19.9	10.2	4.5	30.1	18.7	9.3
B/C ratio	12.4	9.5	6.03	15.67	11.7	7.8	5.5	3.8	2.7	8.9	6.5	4.5

14. Qualitative analysis was limited to the values that can be attributed to the project but cannot be quantified. Thus, as in FIP, additional benefits may arise from biodiversity conservation related to decreased pressure on native forests, improved soil quality and reduced erosion, economic benefits



resulting from sustainable cocoa production, better land use planning, and promotion of partnerships between local communities and the private sector.

15. Capacity-building and technical training on agroforestry, restoration, and REDD+ activities will bring certain intangible benefits which may result in improved technical understanding of reforestation and agroforestry, and improved forest and land management practices to the beneficiaries of FIP and REDD+ processes. Technical training and building of partnerships between the private sector and beneficiaries in the long-term will result in increased income levels in local communities. This training is expected to lead to improved land management skills, and increased resilience for the participating members and their households.
16. Moreover, project interventions aimed at building PPPs with cocoa producers will have long-term benefits. Sustainable cocoa production through climate-smart practices could enhance the climate resilience and incomes of smallholders, while contributing to forest protection and prevention of soil erosion.



APPENDIX D: MAP OF PROJECT SITE IN CÔTE D'IVOIRE

