

February 20, 2014

Comments from the United Kingdom—Approval by mail: Democratic Republic of the Congo (DRC) Improved Forested Landscape Management Project (FIP) IBRD

Dear Patricia

Thank you for providing the UK with the opportunity to comment on the DRC project proposal *Improved Forested Landscape Management (IFLM)*, submitted by the Government of DRC and the International Bank for Reconstruction and Development (IBRD), for our review and approval of a FIP allocation of USD 36.9 million in grant funding.

Overall, this is a **well presented proposal** setting out many of the elements that we have been asking for in other proposals. We are also pleased to see the alignment with other REDD+ processes, and the clear demonstration of FIP as a mechanism that contributes to the implementation phase along the Readiness-Implementation-Performance-Based payment continuum.

We have a number of questions, however these are mainly for clarification rather than requiring amendment to the project proposal.

We would firstly appreciate further details on the IFLM project's **link with the FCPF** and the planned submission of the DRC ER-PIN at the next FCPF meeting later this year. In particular:

- Where do you see the FCPF-Carbon Fund building on FIP work? Have you taken into account the Methodological Framework of the Carbon Fund when calculating expected results? How strongly does the sustainability of the activities depend on securing Performance Based Payments from FCPF-C or the Bio-Carbon Fund?
- Under component 1 of the project, support for tree plantations is also a programme activity of the forthcoming ER Program, so the IFLM Project funds are contributing to the overall ER Program budget that is in the ER PIN being prepared for resubmission to the Carbon Fund. What are the implications of delays to the FCPF process for the sustainability of the IFLM project?

Component 1 of this project, and the AfDB project are described as offering different approaches to testing the same objectives. It would be helpful to have a table that highlights the salient features of the two approaches so as to make comparison and lesson learning easier at a later date.

Project coherence:

We have some points concerning the extent to which the various components of the project are linked to maximise impact.

There is a “gap” between the supply of sustainably managed fuel wood and the promotion of efficient and clean charcoal stoves. The conversion of wood to charcoal is only addressed briefly in the annexes. We would like to know more about if and how the

project will address the charcoal value chain, and have a clearer understanding of the way in which the project's work on wood supply links through to the focus on improved cook stoves. For example: will the project encourage actors currently engaged in unsustainable wood harvesting within project areas, potentially identified under component 1, to invest in more sustainable approaches through the support of component 2a?

Payments/support to the private sector:

We would like further details on the various "contractual" and payment systems envisaged under the project, both performance based incentives and support to entrepreneurs/investors.

- Under component 2, will funds be channelled through commercial lenders or administered by the project? Is it possible to provide some indication of expected contributions from the private sector?
- Could you clarify whether the call for proposals envisaged under component 2 is nationwide or restricted to the project area.

CO2 savings:

- Can you clarify why the year 2000 is considered the appropriate baseline year. Have you tested what it would mean to use a more recent/an earlier baseline (e.g. 2010)? Is this agreed across all the REDD+ initiatives in DRC?
- Why is GHG emission reduction NOT considered a core indicator in the logframe/results matrix?
- Could you provide an explanation for the 0 baseline for GHG emissions. Do we infer from this that there are no other land use related interventions in the project areas?
- Reporting against the GHG indicators relies on the FAO supported MRV system. Can we have an update on whether this is going to be up and running for use by the project.

Specific technical questions/observations:

- The political economy of charcoal supply chains is not covered.
- Will there be an element of work on behavioural/cultural issues in the dissemination of cookstoves component?
- It would be helpful to have a map upfront which shows the IBRD project and the areas of the AfDB project.
- The proposal could benefit from having a few more details on what the investments in infrastructure might entail, and where. We have some concern with the statement on page 41 para 126 "The project will operate in areas with potential natural habitats, but will not include activities that involve significant conversion or degradation of these natural habitats". Can we have clarity on how "significant conversion" is defined by the project?

Women and girls:

- Reference to women's participation in various processes, and inclusion in benefit sharing systems is addressed well. Reference to sex disaggregation of monitoring

information is made. However, are there any examples of activities that will proactively target women as primary beneficiaries?

Institutional questions:

- Who are the implementing agencies going to be? There is reference to potentially the same group described under the AfDB project. Since there is a limited number of international organisations, what is the absorptive capacity of these organisations?
- Will due diligence be carried out on downstream partners?

Fiduciary/financial questions:

- Could we hear a bit more about the proportion of disbursements that are likely to come through government systems (pg 76).

We look forward to discussing these points with the project team

Best wishes
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