

OFFICE MEMORANDUM

DATE: July 16

TO: Mr. Ken King, Assistant Deputy CEO, GEF Secretariat
GEF PROGRAM COORDINATION

FROM: Lars Vidaeus, GEF Executive Coordinator



EXTENSION: 3-4188

SUBJECT: **PDF Block B Request**

Please find attached *one* PDF Block B request.

1. ***Benin: Integrated Management of Forest and Adjacent Lands***

We would appreciate receiving any comments by August 9 and look forward to discussing the request at the bilateral meeting scheduled for August 18.

Many thanks

Distribution:

Messrs.: R. Asenjo, UNDP (Fax: 212-906-6998)
A. Djoghlaif, UNEP (Nairobi) (Fax: 254-2-624-041)
R. Khanna, UNEP (Washington) (Fax: 202-331-4225)
M. Gadgil, STAP (Fax: 91-80-334-1683 or 9180-331-5428)
M. Griffith, STAP (Nairobi) (254-2-623-140)
H. Zedan, CBD Secretariat (Fax: 9-1-514-288-6588)
M. Zammit Cutajar, FCCC Secretariat (Fax: 49-228-815-1999)

cc: Messrs./Mmes. Topa, Esmail (AFTR2), Kiss, Crepin, Simeon (AFTE1), Beg (Climate Change Unit), Bossard, Towsey (ENV); ENVGC ISC, AFTE1 Divisional Files

Proposal for review

1. **Project Title:** Integrated Management of Forest and Adjacent Lands in Benin
2. **GEF Focal Area:** Multifocal
3. **Operational Program:** OP 12 – Promotion of multiple benefits of integrated ecosystem management (Carbon sequestration, soil and water conservation, sustainable use of biodiversity)
4. **GEF Eligibility:** Benin has ratified the Climate Change Convention on 6/30/94 and the Biodiversity Convention on
5. **Project Cost:** US\$ 21 million (IDA)
6. **GEF Financing** (estimated): US \$ 4 to 6 million
7. **PDF Block B request:** US \$ 295 000
8. **PDF B co-financing:** US \$ 600 000
9. **Requesting Agency:** The World Bank
10. **Executing Agency:** Directorate of Forests and Natural Resources / Ministry of rural Development
11. **GEF Operational Focal Point:** Letter of endorsement dated XX
12. **Duration:** 10 months

13. Project Objectives:

- a) This proposed project is designed to build upon and deepen the promising experiences of the Natural Resources Management Project (Projet de Gestion des Ressources Naturelles – PGRN) which closes in June 1999. The PGRN tested a number of inter-related pilot activities consisting of community-based management of watersheds, wildlife reserves and gazetted forests. The government have asked the World Bank to assist them to scale-up the community-based forest management component of the PGRN to an integrated management of gazetted forests and adjacent lands while bringing a special additional focus on promoting carbon sequestration and sustainable use of biodiversity as well as fighting land and water degradation.
- b) This project aims specifically to sustainably diversify sources of income from production forests and adjacent lands while supporting the country to meet the growing demand for household fuels, without the loss of forest cover, the degradation of soil and water and the reduction of the ecosystem's carbon sequestration capacity, through project interventions designed to:
 - (i) reform the institutional configuration of the forestry administration;
 - (ii) support community-based management of forest resources;
 - (iii) stimulate small scale private investment in sustainable forest-based enterprises;
 - (iv) halt encroachment of gazetted lands and improve the efficiency of the production of agriculture products on land that has already been encroached; and,
 - (v) improve the use and the efficiency of traditional sources of energy.

These sectoral issues are closely inter-linked. The forestry administration needs to be reorganized and reformed in order to effectively implement the reformulated forestry policy, laws and regulations that provide the framework for community-based forest management. Community-based forest management would both increase the economic returns realized by rural residents and provide for direct involvement of stakeholders with most to gain (or lose) in terms of environmental benefits from improved management. Private capital investment in forest enterprises (by forest inhabitants and external private companies) will only be possible if rights over forest products are adequately guaranteed by the forest law, the administration, and decentralized institutions. Most forest households in Benin continue to derive their primary source of income from agriculture. The project will seek to curtail the incentive to further encroach by improving agricultural productivity and also broadening sources of income by promoting forest-based enterprises. At last, existing livelihoods and related uses of traditional sources of energy, primarily woodfuels, need to be improved.

14. Global environmental objective:

The global environmental objective of the proposed GEF project would be mainly to develop a multiple benefits approach supported by integrated ecosystem management. This approach is expected to stop losses in, maintain and expand carbon sequestration capacity, promote a zero net carbon emission from woodfuels-related activities in the project area and to have cross-cutting benefits on sustainable use of biodiversity and land and water degradation reduction. A special focus will be put on the development of the relevant basis for dissemination and replication over the medium and the longer term by influencing forests ecosystems management trends strategically with the view to achieve global benefits.

15. Background:

Benin has a population of 5.8 million (1997 figures) and covers an area of 112,622 sq. km. It is a long, narrow country, stretching from the Sahelian north to the Atlantic Ocean in the south. The north is dry and arid, whereas the south supports lush tropical vegetation. Poverty in Benin is widespread. GNP per capita in 1997 was estimated at US\$380 which is considerably below the Sub-Saharan Africa average of US\$500. However, improved management and political stability has enabled Benin to maintain a 6 percent annual economic growth rate since 1995

Some form of tree cover is found on about 65% of Benin's territory, although most of this vegetation is greatly degraded. Only some 200,000 ha are still covered with species of economic value, while the bulk of the cover (60% of the country) consists of the most open stands, namely woodland and bush savannah. About 2.6 million ha (19% of Benin's land area) are officially classified as gazetted forests (1.3 million ha), national parks (750,000 ha), hunting zones (580,000 ha) and reforestation area (4,000 ha).

The Environmental Action Plan (1993) of the government estimates the economic cost of environmental degradation in the country to be between 3 and 5 per cent of GDP. Some of the major causes of degradation of forests are:

(i) Farming encroachment on the forests. In the coastal area of the South, the original forests have already been destroyed and replaced by grassed fallow through expansion of cultivation zones and poor pastures in the cultivable zones and poor pastures in the uncultivable and overgrazed areas. Further north, farmers nibble away an estimated 100,000 ha of forest cover every year (including part of the classified forests). At this rate the forests will have disappeared within about 30 years.

(ii) Bush fires. The causes of this are mainly of human origin and related to the shifting slash and burn cultivation which is still the predominant form of agriculture in Benin. In addition, brush fires are also started for hunting and pasture renewal. The damage done comprises of destruction of plant cover, erosion and water losses.

(iii) Firewood and charcoal production. Firewood is lacking in the South, and a large proportion of energy wood is today hauled for distances of well over 100 Km in increasingly dry areas, involving the risk of aggravating the process of desertification. Classical ring deforestation is observable around cities all over the country. The supply of woodfuels to the urban and peri-urban areas is based on geographically concentrated and non-sustainable forest resource management practices; Given also the relatively low

efficiency of wood-to-charcoal conversion due to inefficient carbonization, total charcoal consumption is equivalent to 1.2 to 1.4 times the total consumption of fuelwood.

(iv) Animal husbandry practices. In order to meet their animal fodder needs, especially during the dry season, herders resort to setting fires, lopping branches, pollarding and even felling trees.

(v) Multiple benefits are not recognized. The lack of incentives and of relevant technical and institutional frameworks (see below) limits the development of an integrated management approach that would be able to produce multiple benefits.

Over the years, these unsustainable operations have resulted in the gradual loss of forest cover and thus of the ecosystem's carbon sequestration capacity, in the degradation of the rural environment (particularly land degradation) and the impoverishment of the rural areas.

Lessons learned from past operations in the country/sector

The four most important lessons to be drawn from past sector-wide and project-specific experiences are: (i) the need to have clear and supportive national policies; (ii) the need to change the role of public institutions and to greatly increase the participation of local communities, local professional organizations, NGOs, and local consultants; (iii) the importance of decentralizing control and authority over all resources (natural, forest and financial) to local communities; (iv) the importance of ensuring that sufficient incentives (e.g. matching-grants and long-term lease arrangements over forest resources) are provided to encourage adoption of sustainable micro-level enterprises; (v) the importance of ensuring that participating populations obtain tangible benefits directly, and obviously, linked to project activities; and, (vi) the importance of empowering local populations through the regular provision of information, education and communication about forest policies, institutional arrangements, and sharing of actual experiences of communities involved in participatory forest management.

16. Project Description:

The project for which a GEF contribution is requested, will have the following components:

(i) Strengthen the institutional and technical capacity of the forest administration. A key component of the new program will be a reorganization of the forest administration to enable the effective and efficient implementation of the existing forestry policy including the enforcement of the forestry law of 1993 and its implementing regulations. An institutional audit of the forest administration will be conducted during preparation. This will include a review of the relative roles and responsibilities of the Forest Guards and Community Associations; the role of the Regional Rural Development Agencies (CARDER's) in community organization and forest management; existing structure of the DFRN including entities such as the "*Cantonnements Forestier*"; staffing levels; human resource capacity of communities and forest staff including training and equipment requirements. This component may also include some minor reviews and

amendments of the regulatory aspects of forest policies and laws. The project will also support the elaboration and the implementation of monitoring systems (vegetation, fuelwood exploitation, biodiversity monitoring, carbon sequestration capacity, changes in ecosystems management patterns as well as national woodfuels trade flows to enable the correct quantification of the market requirements and the preparation of the long term wood fuels supply strategies at the national level).

(ii) Facilitate sustainable community-based utilization of forest and other renewable natural resources. A major part of the gazetted forests which should cover more than 500, 000 ha (plus 300 000 ha of adjacent lands), will be targeted for capital investments, including at least the following sites: Tchaourou Toui-Kilibo; Oueme Superieur et N'Dali; Dogo Ketou; Dan-Atcherigbe; Oueme-Boukou; Dassa-Logozohe-Savalou . In these forests, some additional data collection will be needed (vegetation cover inventories...) and NGOs will be used to conduct participatory micro-level planning exercises with local populations to develop management plans including forest fire control and response system, and a multiple benefits approach. Communities will establish forest associations, identify, prioritize, co-finance, implement, operate and maintain sustainable forest-based enterprises including carbonization units. Support could be brought to the reorganization, modernization and diversification of the charcoal trade to establish long-term contract supply agreements between rural communities and selected traders.

(iii) Establish concrete fiscal and administrative relationships between Forest Community Associations and decentralized local government entities and other deconcentrated units of forest administration. The new program will develop transparent and accountable mechanisms to enable greater decentralization of fiscal and executive responsibilities to these community institutions. This will reduce the potential for rent-seeking while strengthening the autonomy and managerial capacity of the community institutions. Multi-stakeholder perspective financial analysis will also be developed to highlight externalities not captured by the market. It should be used to encouraged changes in ecosystems management patterns over the medium and longer term.

(iv) Establish a sustainable mechanism for community-driven information sharing, awareness-raising and communication. This component will complement the decentralization process of the program and will promote dissemination and replication. A radio communication strategy will be established for non-literate forest users. Stakeholders will determine the subject matter of communication materials and assist in their production. The radio programs will be used for mass dissemination of information related to sustainable forest use, integrated environmental management and other aspects as identified.

The project would be implemented over a period of 5 years (2000 to 2004). Given that a large part of this project is concerned with the institutional reorganizing of the forestry administration, implementation responsibility would rest squarely with the Directorate of Forests and Natural Resources (DFRN) which falls under the Ministry of Rural Development. There will not be a separate project implementation unit as was the case under PGRN. Instead, the DFRN would be responsible for: developing work plans,

budget planning, issuing contracts, coordination between other institutions, and monitoring and evaluation of project activities. DFRN would establish and maintain communication with the Ministry of Rural Development and the Regional Rural Development Agencies (CARDERS). It will also be responsible for ensuring that other donor and government supported projects are in compliance with the reorganized forest administration and that activities are coordinated.

At the provincial level, the project would work in collaboration with extension agents and animators from NGOs, private enterprises, and the CARDERS. Intermediary NGOs will be contracted to facilitate micro-level participatory exercises with local communities to develop local management plans and establish Forest Community Associations for the collective implementation of those plans. In addition, NGOs and training institutes will be contracted to train and develop the capacity of local communities, forestry administration staff, and also those staff of the CARDERS who will also be working with forest inhabitants.

17. Description of PDF activities:

The GEF PDF B will contribute to the preparation of the whole project. Its activities will focus on the following aspects:

a/ Identification of specific monitoring and evaluation systems with regards to : global environment objectives (maintenance and enhancement of carbon sequestration capacity, carbon emission abatement, sustainable use of biodiversity, land and water conservation); comprehensive vegetation cover; fuelwood exploitation; fuelwood trade flow; community participation; charcoals market flows; change in ecosystems management trends in targets areas with a specific focus on the expected outputs on the short term as well as on the medium term.

b/ Design of community-based fuelwood supply schemes for major urban centers (include issues such as carbonization efficiency, fuelwood and charcoal trade)

c/ Design of communication and information dissemination systems (aiming, in particular, at promoting in the medium and longer term similar activities without GEF support)

d/ Multi-stakeholder financial analysis to establish local, state and global benefits and costs and design project financing plans accordingly

e/ Definition of project's target areas and further analysis of their associated economic and global environment values

18. PDF Block B outputs:

PDF Block B activities will contribute to the Project Preparation and should, in particular, enable the preparation of:

- A fully developed GEF Proposal designed to contribute to achieve the objectives described above;
- A detailed assessment of medium and long term impact on carbon sequestration trends, as well as of issues related to sustainable use of biodiversity and to soil and water conservation in the target areas;
- An agreed-upon methodology for project monitoring and evaluation, particularly with regards to multiple global environment benefits as mentioned above, enabling quantitative characterization of changes in ecosystem management patterns and related sequestration benefits (sequestration trends and replication rates over the medium term).

19. Eligibility:

The Project qualifies for GEF support under OP 12 because of its cross-cutting benefits on carbon sequestration capacity, land and water degradation reduction and sustainable use of biodiversity. The GEF contribution will be fully blended with the IDA financing in order to buy down the transaction costs accruing from the promotion of activities that will lead to multiple global benefits as well as from the dissemination of alternative practices expected to change ecosystems management patterns over the medium and longer term. The project will ascertain leadership and broad participation of local constituents and promote strategic cooperation between interested public and private entities to ensure that stakeholder concerns and interests are taken into account in project design and implementation. This is to support sustainable development objective, as identified within the context of the national strategy (operational principle 4).

The participation of the GEF is necessary in order to assist in removing barriers to integrated ecosystem management by financing community-participatory activities, monitoring and evaluation systems, dissemination activities that promote replication on the medium term; It is justified because of successful experience elsewhere to be referred to during the preparation phase; under the present non-sustainable forests and adjacent lands management (including destruction of forest by uncontrolled forest fires, agricultural expansion and land degradation) and woodfuels supply systems, the annual harvest and carbonization of wood result in significant loss of carbon sequestration capacity as well as in increased net carbon emissions, biodiversity loss and land degradation. Without GEF financing, global environmental benefits would not be very much realized and not enough focus would be put on dissemination over the medium and longer term as well as on monitoring and evaluation.

20. National Level support:

The government of the Republic of Benin has demonstrated a clear commitment to the development of the proposed project. This is evidenced by the fact that they began to identify the need for a follow-up project to PGRN as early as the mid-term review conducted in 1996. Furthermore, during June 1998, the Ministry of Rural Development also sponsored a workshop to make recommendations regarding the reorganization of the forestry administration. The Ministry of Plan has submitted to the Bank a detailed request for a Project Preparation Facility prepared by DFRN and including substantial detail on the objectives and design of the proposed project. Finally, the Ministry of Rural Development explicitly just lent its support to the proposed institutional and sector reforms that are part of this project design and expressed a strong interest in mobilizing additional resources through the GEF to proactively promote carbon sequestration as an additional and synergic objective.

21. Timetable:

GEF Council Approval: FY 00

PDF duration: 10 months

Budget (US \$):

- a/ Identification of specific monitoring and evaluation systems : 60 000
- b/ Design of community-based fuelwood supply schemes : 95 000
- c/ Design of communication and information dissemination systems : 50 000
- d/ Multi-stakeholder financial analysis : 45 000
- e/ Definition of project's target areas and further analysis : 45 000