

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
INTERNATIONAL DEVELOPMENT ASSOCIATION

**THIRD PROGRESS REPORT**  
**ON THE**  
**IMPLEMENTATION OF THE MANAGEMENT ACTION PLAN IN RESPONSE TO**  
**THE INSPECTION PANEL INVESTIGATION REPORT (REPORT NO. 40746-ZR)**  
**ON THE**  
**DEMOCRATIC REPUBLIC OF CONGO**  
**TRANSITIONAL SUPPORT FOR ECONOMIC RECOVERY GRANT (TSERO)**  
**(IDA GRANT NO. H1920-DRC)**  
**AND**  
**EMERGENCY ECONOMIC AND SOCIAL REUNIFICATION SUPPORT PROJECT (EESRSP)**  
**(IDA CREDIT NO. 3824-DRC AND GRANT NO. H064-DRC)**

**MAY 14, 2012**



DEMOCRATIC REPUBLIC OF CONGO

TRANSITIONAL SUPPORT FOR ECONOMIC RECOVERY GRANT (TSERO) AND  
EMERGENCY ECONOMIC AND SOCIAL REUNIFICATION SUPPORT PROJECT (EESRSP)

THIRD PROGRESS REPORT

IMPLEMENTATION OF THE MANAGEMENT ACTION PLAN

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## ABBREVIATIONS AND ACRONYMS

AFR	Africa Region
ANE	<i>Agence Nationale de l'Environnement</i> (National Environment Agency)
BP	Bank Procedures
CSO	Civil society organization
DFID	Department for International Development (UK)
DRC	Democratic Republic of Congo
EESRSP	Emergency Economic and Social Reunification Support Project
FAO	Food and Agriculture Organization of the United Nations
FCPF	Forest Carbon Partnership Facility
FIP	Forest Investment Program
FY	Fiscal Year
GEF	Global Environment Facility
Ha	hectare
IDA	International Development Association
NGO	Nongovernmental organization
OP	Operational Policy
PARSS	Health Sector Rehabilitation Support Project
PARRSA	Agricultural Rehabilitation and Recovery Support Project
PASU	Emergency Social Action Project
PFCN	Forest and Nature Conservation Project
PREPAN	GEF National Parks Project
PUAACV	Emergency Living Conditions Improvement Project
PUSPRES	Emergency Economic and Social Reunification Project
Promines	Growth with Governance in Mining Sector Project
Proroutes	High Priority Roads Reopening and Maintenance Project
REDD	Reduced Emissions from Deforestation and Degradation
REPALEF	<i>Réseau des populations autochtones et locales pour la gestion durable des écosystèmes forestiers de la RDC</i> (Network of indigenous and local populations for sustainable management of DRC forest ecosystems)
TSERO	Transitional Support for Economic Recovery Grant
TSS	Transitional Support Strategy
UCOP	Unité de Coordination du Project (project coordination unit)
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme

**Third Progress Report**  
**On the Implementation of the Management Action Plan**  
**Democratic Republic of Congo - Transitional Support for Economic Recovery**  
**Grant and Emergency Economic and Social Reunification Support Project**

**I. Introduction**

1. This third progress report covers the progress made in the period March 2011 – March 2012 regarding the implementation of Management’s Action Plan in response to the Inspection Panel Investigation report on the Democratic Republic of Congo - Transitional Support for Economic Recovery Grant (TSERO) and Emergency Economic and Social Reunification Support Project (EESRSP).
2. The Request for Inspection was submitted on November 19, 2005, by a Congolese civil society organization (CSO) expressing concerns about the forestry sector reform activities supported by the EESRSP and the TSERO. The Requesters were in particular concerned with the implementation of a new commercial forest concession system and the preparation of a forest zoning plan for the forests of the Equateur and Orientale Provinces, where the Pygmies live. They claimed that if the Projects and these activities were implemented without consulting the Indigenous Peoples and considering their interests, the Projects might cause adverse impacts to the forests where they live and on which they depend for their subsistence.
3. On August 31, 2007, the Inspection Panel submitted its Investigation Report No. 40746-ZR to the Board, which addressed compliance with Bank policies with respect to specific forestry sector activities in two Bank-financed projects in the Democratic Republic of Congo (DRC). On November 19, 2007, Management submitted its Report and Recommendations in response to the Inspection Panel’s Investigation Report to the Board.
4. On January 10, 2008, the Board discussed the Inspection Panel Investigation Report and Management’s Report and approved the actions proposed by Management to address Panel findings. The Board asked Management to report back on the progress of the implementation of this Action Plan. The first and second progress reports were submitted to the Board of Executive Directors in March 2009 and February 2011, respectively.
5. This third and final progress report is aimed at providing information to the Board regarding the completion of all actions contained in the Management Action Plan. The status of implementation of the Action Plan is described below and summarized in the attached table.

## **II. Project Description and Status**

6. The EESRSP (IDA Credit of US\$164 million equivalent and IDA Grant of US\$50 million equivalent) was approved on September 11, 2003. The Project became effective on December 5, 2003 and closed on March 31, 2011. The overall project development objectives were to assist the Government in the process of economic and social reunification to contribute to the stabilization of the country. Specifically, the Project would: (a) help introduce or begin to restore sound economic governance systems throughout the country by providing expertise and financial resources needed to ensure a satisfactory reunification of key institutions and the implementation of key economic reforms throughout the country; (b) complement actions to address urgent need, alleviate the suffering of the Congolese people, and generate quick “peace dividends” which could contribute to the stabilization of the country, by financing rehabilitation activities in reunified provinces; and (c) prepare for the rapid extension of an Emergency Multi-Sector Rehabilitation and Reconstruction Program to all parts of the country, in particular by activating implementation mechanisms designed to overcome existing capacity constraints and to deliver results with efficiency and transparency in areas administered by armed groups. The Project aimed at complementing earlier support by IDA and interventions by other donors (including humanitarian assistance, contributions to the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo), and political support, to help ensure a successful process of economic and social reunification.

7. The TSERO (IDA Grant of US\$90 million equivalent) was approved on December 8, 2005. It became effective on December 27, 2005 and closed on December 31, 2006. The Project intended to support selected strategic targets of the Transitional Support Strategy (TSS), approved by the Board in February 2004. The objective of the TSS was to support the recovery and transition process, that is, to help consolidate the transition and restore the foundations for effective poverty alleviation efforts. The TSS supported four strategic elements: (a) social stability and security with a focus on demobilization and reintegration of former combatants; (b) high and shared economic growth with a focus on improving macroeconomic and public management, infrastructure reconstruction, private sector development, natural resources management, and rural development; (c) governance and institutional strengthening with a focus on reunification of the country and decentralization of institutions, targeted institutional strengthening, judicial reform, and improved transparency; and (d) social development with a focus on HIV/AIDS, key social sectors, urban living conditions, and social protection.

## **III. Progress of Management Action Plan Implementation**

8. This third and final progress report is aimed at providing information to the Board regarding the completion of the implementation of the Action Plan. The main areas of progress over the reporting period were:

- (a) The application of Bank safeguards during Project preparation and implementation has been further strengthened, through country, sectoral

and portfolio reviews, and three-monthly monitoring by senior management, assisted by senior safeguard specialists, of identified high-risk projects;

- (b) Thorough preparation and implementation of Indigenous Peoples safeguards has been undertaken under newly approved and planned Bank projects. Also, as part of the Forest Investment Program (FIP), one of the Climate Investment Funds, DRC Indigenous Peoples Communities and Local Communities have been selected to receive around US\$6 million in grant financing from a Dedicated Grant Mechanism to implement some of their priority projects related to forest management and conservation;
- (c) The DRC government, supported by World Bank-managed grants from the Forest Carbon Partnership Facility (FCPF) and the FIP, has continued to reach out actively to nongovernmental organizations (NGOs) and Indigenous Peoples groups as part of the process of preparing for the REDD (“Reduced Emissions from Deforestation and Degradation”) mechanism planned under the UN Framework Convention on Climate Change. CSOs and Indigenous Peoples groups, funded by the Bank-financed Forest and Nature Conservation Project, held extensive consultations on the FIP in the provinces targeted for investments, and fully supported the Plan that was adopted in June 2011 in Cape Town. As part of the Economic Governance reform dialogue, the Ministry of Environment, Nature Conservation and Tourism is publishing concession contracts and social responsibility contracts on its website, <http://www.mecnt.cd/>; and
- (d) Once their concessions had been legally converted in January 2011, logging companies were legally obliged to enter into social responsibility contracts with local communities, under the monitoring and supervision of government agencies. Thirty-nine of these social responsibility contracts were signed over the past year and the negotiation of the remaining forty-one contracts is being facilitated by an NGO consortium funded under the Bank’s Forest and Nature Conservation Project. A Decree establishing a registration process for REDD+ projects and institutionalizing a national registry of REDD+ projects and initiatives to ensure overall transparency was signed in 2012.

Further details on progress achieved over the reporting period and additional background information are provided below.

9. **Safeguards.** Bank management continues to further strengthen the application of Bank safeguards during project preparation and implementation. Rosters of environmental and social experts have been constituted, allowing task teams to draw on such resources, while also helping countries develop networks of technical expertise. The Region has also been carrying out periodic country and sectoral portfolio reviews (e.g.,

on Environmental and Social Management Frameworks, Strategic Environmental Assessments, and resettlement issues) – with a particular focus on riskier projects – to better anticipate and plan for safeguards risks and mitigation. Training for task teams and project implementation units continues via mobile clinics (e.g., Senegal, Mozambique, Tanzania, and Ethiopia), as well as dedicated sessions for the Sustainable Development sector teams. The Region is also engaging clients at a more strategic level to address environmental and social management more effectively and systematically, including technical assistance and lending to strengthen country environmental and social management capacity. Through these efforts, the Region is going beyond compliance with safeguards and moving towards the “triple bottom line” of economic, social and environmental sustainability. In the DRC, a new “Environment Law” was promulgated by the President in 2011. This law establishes the National Environment Agency (Agence Nationale de l’Environnement – ANE) in charge of evaluating environmental impact assessments of investments projects in the country. Capacity building efforts for the ANE are planned under ongoing (e.g., Proroutes) and planned (e.g., mining sector) World Bank operations.

10. **Indigenous Peoples.** A “DRC Strategic Framework for the Preparation of a Pygmy Development Plan”<sup>1</sup> was developed by the Bank with the Government and development partners, following consultation with key stakeholders. The Framework was disclosed and disseminated in English and French in December 2009. Its aims are to analyze factors which threaten the cultural identity of Pygmy populations and contribute to their impoverishment, and develop a set of proposed mitigation actions. The preparation of the Framework was an important opportunity to discuss at various levels the status of and issues connected to Indigenous Peoples Communities in DRC. Furthermore, on the operational side, the Indigenous Peoples and Physical Cultural Resources safeguard policies have been triggered by a number of investments in the Bank’s portfolio and adequate safeguard instruments and plans developed and adopted, as appropriate. Many Bank Task Team Leaders used the Strategic Framework for the Design of DRC Project Components involving or affecting indigenous peoples. Where implementation has been constrained this has been, as with other aspects of the portfolio, because of security issues and the practical difficulties of working in remote areas.

11. An overview of how Indigenous Peoples issues have been handled in World Bank projects is included as Annex 1. DRC Indigenous Peoples Communities and Local Communities have received funding from a Dedicated Grant Mechanism under the FIP to implement some of their priority projects related to forest management and conservation, as noted above. The implementation arrangements for the management of the US\$6 million in grant financing as well as the selection of priority areas for intervention are currently under discussion, led by REPALEF, the national network of Indigenous Peoples in DRC.

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<sup>1</sup> Published by the Fragile States, Conflict & Social Development Unit of the Sustainable Development Department of the World Bank’s Africa Region (Report No 51108-ZR, December 2009).

12. **Forestry.** The Government has continued to pursue the reform agenda defined in the 2007 “Forests in Post-Conflict Democratic Republic of Congo: Analysis of a Priority Agenda,” moving towards a more modern approach to forest management supporting a mosaic of different uses. It has completed a legal review of concessions which has resulted in a dramatic reduction in the area of forest under concession management, from 22.4 million ha in 2005 to 12.2 million ha in 2011. The moratorium on the issuing of new forest concessions declared by the Government in 2005 has been maintained, and will be lifted only when conditions are fulfilled.

13. The US\$70 million World Bank financed Forestry and Nature Conservation Project that became effective in FY10 assists the Government in implementing a number of forest policy reforms, including the following: (a) supporting community based forest management;<sup>2</sup> (b) respecting the rights of traditional users; (c) developing innovative payment for ecosystem services models; and (d) ensuring community participation and consultation in all decision making processes related to forest management. Development partners have remained engaged, and the Bank is now preparing a US\$36.9 million project based on DRC’s Forest Investment Plan, which was approved for funding by the FIP sub-committee at its meeting in Cape Town in June 2011. It must be recognized however that building capacity to realize these reforms on the ground is a long term endeavor, a challenge that will be addressed only in part by the Forest and Nature Conservation Project.

14. DRC is currently actively engaged in an international initiative to reward countries for reducing emissions from deforestation and forest degradation. With support from the World Bank-managed FCPF, along with other donors, in particular the UN-REDD program (UNDP, UNEP and FAO), the country is preparing a national strategy to achieve REDD+, working with various stakeholders (CSOs, private sector, local governments), while also establishing a legal and institutional framework for REDD+, dealing with issues such as equitable benefit sharing of REDD+ revenues and managing future REDD+ financial flows in a manner to ensure local communities benefit. DRC is also strengthening its capacity to monitor and report on its forest cover change and associated greenhouse gas emissions, in addition to the establishment of national reference emission levels, against which future international compensation would be measured. As part of this activity, the Government will carry out a Strategic Environmental and Social Assessment of the REDD+ strategy, to identify the main social and environmental risks of the strategic options identified by the Government to achieve REDD+, and propose an Environmental and Social Management Framework to mitigate and manage these risks.

15. **Outreach and Communications.** The Bank has scaled up its work, especially inside DRC. The Ministry of Environment, Nature Conservation and Tourism, with financing from the Forestry and Nature Conservation Project grant, has stepped up its

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<sup>2</sup> A Decree to be signed by the Prime Minister was agreed a year ago between the Ministry of Environment, Nature Conservation and Tourism and NGOs but this is still pending, despite repeated mentions of the issue in the Bank’s Economic Governance dialogue with the government. This constitutes a risk for the Bank, to the extent that it constrains implementation of the PFCN sub-component and preparation of the FIP project.

efforts to make available basic information on forest management through its website ([http:// www.mecnt.cd/](http://www.mecnt.cd/)), including concession agreements and social responsibility contracts. The implementation decrees for the 2002 forest law make provision for direct consultation with local communities through the process of developing social plans to benefit local communities. These plans are to be agreed upon through social responsibility contracts to be entered into by logging companies and local communities, under the monitoring and supervision of government agencies, and forest management plans to be developed by logging companies and agreed upon by competent government agencies. The communities will thus have access to all relevant information about the concession terms and related management plans even if they cannot access the internet. Thirty-nine of these social responsibility contracts have now been signed and the negotiation of the remaining forty-one contracts is being facilitated by an NGO consortium funded under the Bank's Forestry and Nature Conservation Project. The Consultative Councils at the provincial and national levels, established respectively in 2006 and 2008, are also an important conduit for information-sharing with citizens that do not have access to the internet.

16. The National REDD Coordination program, which is financed by the Bank and other donors, has a full time staff member responsible for "Information, Education and Communication." This professional is responsible for ensuring that basic information on REDD is shared with stakeholders at the national, provincial and local levels. The staff member works in close collaboration with civil society representatives to prepare the necessary communication tools, including innovative media such as theater and music. A series of national and provincial workshops to share knowledge on REDD has been completed in the country, bringing together various stakeholders on the ground to discuss REDD-related issues. Under the 2nd FCPF Grant, the National REDD Coordination is in the process of recruiting 11 provincial REDD focal points and 2 civil society focal points (self-selected by civil society) to scale up its outreach activities. The FCPF has also been working directly with the Working Group on Climate and REDD ("Groupe de Travail Climat REDD"), supporting their outreach to and capacity building efforts with local communities, including through grants managed directly by this Working Group.

17. The FIP will provide DRC with US\$60 million to implement a Forest Investment Plan aimed to support "transformational investments" towards REDD+. DRC was the first country to have its Investment Plan approved by the FIP sub-committee, at a meeting held in Cape Town in June 2011. CSOs and Indigenous Peoples groups held extensive consultations on the FIP in the provinces targeted for investments, and fully supported the Plan that was adopted. The World Bank will execute US\$36.9 million of the approved budget (with the rest implemented by the African Development Bank) through a Specific Investment Loan, which is currently under preparation and is expected to go to the Board in FY13. The FIP will be closely aligned with other World Bank projects in DRC, including the Growth Poles Project and the Forestry and Nature Conservation Project.

**Table 1: Action Plan and Implementation Progress Summary**

ISSUE	ACTION	STATUS	DESCRIPTION
<b>REGIONAL LEVEL</b>			
SAFEGUARDS	<p>Continue to strengthen safeguards quality control across the AFR portfolio to ensure that: (i) projects are properly classified and relevant Operational Policies are triggered; (ii) Environmental Assessments and other safeguard instruments are prepared on time, including for emergency operations; and (iii) implementation of safeguard instruments is adequately monitored.</p> <p>In particular:</p> <ul style="list-style-type: none"> <li>▪ Ensure task team leaders are adequately trained in safeguards.</li> <li>▪ Review the AFR portfolio.</li> </ul>	<i>Completed</i>	<p>Safeguards implementation strengthened with recruitment and decentralization: 20 environmental and 19 social staff working on safeguards in headquarters and country offices.</p> <p>Regional Safeguards portfolio reviews (Environmental and Social Management Framework, Strategic Environmental Assessment) and one country-specific review conducted.</p> <p>High risk projects reviewed quarterly by senior management, with senior safeguards staff assigned to them.</p> <p>Safeguards training provided to task team leaders and managers.</p>
<b>COUNTRY LEVEL</b>			
INDIGENOUS PEOPLES	<p>Integrate Indigenous Peoples as a cross-cutting theme across the Bank’s activities in DRC. In particular, the Bank will:</p> <ul style="list-style-type: none"> <li>▪ Analyze the current situation of vulnerable groups in DRC, including Pygmies, and draw and disseminate lessons from ongoing efforts to reach and support them with: (i) the Social Fund in terms of access to education, health and rural infrastructure; (ii) the Indigenous Peoples Plan of the Emergency Recovery Project; and (iii) the dialogue with Indigenous Peoples in the context of the forest reform agenda.</li> </ul>	<i>Completed</i>	<p>All infrastructure, forest, agriculture and other relevant projects under preparation and supervision are integrating the Indigenous Peoples policy and other safeguards, as appropriate. Also, the Agricultural Rehabilitation and Recovery Support Project, approved in FY10, includes an Indigenous Peoples Action Plan, which was prepared through a consultative process.</p> <p>In collaboration with key stakeholders, including Indigenous Peoples representatives, the Bank completed and delivered in December 2009 a formal Economic and Sector Work, “Strategic Framework for the Elaboration of a Pygmy Development Program”.</p>

ISSUE	ACTION	STATUS	DESCRIPTION
	<ul style="list-style-type: none"> <li>▪ Ensure the upcoming Agriculture Project will include capacity building components to strengthen social safeguards and implement Indigenous Peoples Frameworks, and ensure that such frameworks developed for ongoing Roads and Forest Projects are implemented.</li> <li>▪ Dialogue with Government on ways to address the special needs of Indigenous Peoples groups in the framework of the Poverty Reduction Strategy Paper.</li> <li>▪ Based on the above actions, discuss and agree with Government and other donors on measures to further strengthen development of Indigenous Peoples in DRC.</li> </ul>		<p>As part of the FIP, DRC Indigenous Peoples Communities and Local Communities have been selected to receive from a Dedicated Grant Mechanism around US\$6 million in grant financing to implement some of their priority projects related to forest management and conservation. The implementation arrangements for the management of these funds as well as the selection of priority axes of intervention is currently under discussions led by REPALEF – the national network of Indigenous Peoples in DRC.</p>
FORESTS	<p>Stay engaged in the DRC forest sector. Continue to monitor the Legal Review and the moratorium and assist the Government to help ensure compliance with the 2005 Presidential Decree; continue to mobilize attention of the highest level of Government, and ensure that forest governance benchmarks feature in possible future policy lending or similar instruments. In particular, the Bank will:</p> <ul style="list-style-type: none"> <li>▪ Continue to provide advice on the Legal Review and follow-on steps.</li> <li>▪ Continue to support and monitor progress on five TSERO indicators.</li> <li>▪ Agree with Government on key benchmarks and policy instrument.</li> </ul> <p>Ensure that capacity-building, participatory zoning, customary rights, critical natural habitats, and law</p>	<b><i>Completed</i></b>	<p><u>Legal Review</u> of forest concessions was formally completed in January 2011, with 76 concessions cancelled and 80 legally converted. As a follow-up, thirty-nine social responsibility contracts (a legal requirement) were signed between logging companies and local communities, and the negotiations on forty-one more are being facilitated by an NGO consortium funded under the Bank-financed Forest and Nature Conservation Project.</p> <p><u>TSERO indicators</u> monitored successfully.</p> <p><u>Key benchmarks</u> and policy instruments agreed.</p> <p><u>Chatham House event</u> held in London in December 2007 and follow-up conference held in Kinshasa in June 2008.</p> <p><u>Forest Operation</u> included in Country Assistance Strategy, has been effective since September 2009 and</p>

ISSUE	ACTION	STATUS	DESCRIPTION
	<p>enforcement, and independent monitoring featuring in ongoing forest-related operations are implemented, as are provisions to help provide equal opportunities to Indigenous Peoples. In particular:</p> <ul style="list-style-type: none"> <li>▪ Include in FY08-10 CAS a forest sector project.</li> <li>▪ Launch Global Environment Facility (GEF) Grant for national parks.</li> <li>▪ Launch Multi-Donor Trust Fund for Forest Governance.</li> </ul> <p>Continue to foster high-level public debate on alternative uses and innovative models, and to stimulate Government’s commitment and donors’ interest. In particular:</p> <ul style="list-style-type: none"> <li>▪ Help organize a Chatham House Meeting on innovative uses.</li> <li>▪ Help the DRC access the new FCPF.</li> <li>▪ Help pilot conservation concessions in DRC.</li> </ul>		<p>under implementation.</p> <p><u>GEF Grant</u> for national parks was approved and is under implementation.</p> <p><u>FCPF DRC</u> first accessed the World Bank-managed FCPF in July 2008 and is currently executing a US\$3.4 million FCPF grant to develop its Readiness Strategy for REDD, an international initiative to reward countries for reducing emissions from deforestation and forest degradation. With support from FCPF and other donors (mainly the UN-REDD program: UNDP, UNEP and FAO), the country is preparing a national strategy to achieve REDD+, working with various stakeholders (CSOs, private sector, local governments), while also establishing a legal and institutional framework for REDD+, dealing with issues such as equitable benefit sharing of REDD+ revenues and managing future REDD+ financial flows in a manner to ensure local communities benefit. DRC is also strengthening its capacity to monitor and report on its forest cover change and associated greenhouse gas emissions, in addition to the establishment of national reference emissions levels, against which future international compensation would be measured.</p> <p>The concept of “Conservation Concessions” is being explored through REDD+ projects led by the private sector. The World Bank is supporting the Government in establishing a legal framework for dealing with this type of project. A Decree establishing a registration process for REDD+ projects and institutionalizing a</p>

ISSUE	ACTION	STATUS	DESCRIPTION
			national registry of REDD+ projects and initiatives to ensure overall transparency was signed in 2012.
OUTREACH	<p>Continue to implement the Congo/Forest communication strategy, with media, civil society and donors, in-country and internationally. Mainstream forests in Bank’s core communication and high-level events. In particular:</p> <ul style="list-style-type: none"> <li>▪ Disseminate the multi-author “Forests in Post-Conflict DRC.”</li> <li>▪ Implement a strengthened outreach strategy, and update annually.</li> <li>▪ Conduct targeted meetings with Pygmy communities and their representatives to discuss forest issues.</li> </ul>	<i>Completed</i>	<p>The consortium facilitating negotiations on social responsibility contracts in thirty-three concessions under the Bank-financed Forest and Nature Conservation Project since December 2011 is involving pygmy communities actively in negotiations.</p> <p>Safeguards training was provided to local stakeholders and staff involved in the implementation and monitoring of the Bank country portfolio. This training included a side event with journalists and media on the implementation of the Bank’s Indigenous Peoples policy in DRC.</p> <p>Consultative Councils (national and provincial level) provide information-sharing through various networks.</p> <p>National REDD Coordination team includes an information, education, and communication professional, leading various communication activities with stakeholders.</p> <p>The World Bank has scaled up its presence in the forest sector in DRC. Under the US\$60 million FIP, the implementation of an Investment Plan aims to support “transformational investments” towards REDD+, including support to private sector agroforestry activities, biomass energy production, dissemination of cooking stoves, and promotion of an “integrated development” model, combining sectoral with enabling activities (land use planning at local</p>

ISSUE	ACTION	STATUS	DESCRIPTION
			level, strengthening local-level community organizations, and testing payment for environmental services).

## **Annex 1 – Overview: Indigenous Peoples’ Issues in World Bank Operations in DRC**

1.1. The World Bank has triggered the safeguard policy on Indigenous Peoples (OP/BP 4.10)<sup>3</sup> when implementing development activities in areas where Pygmy populations are present. In such cases, Indigenous Peoples’ Plans (IPPs) or frameworks have been prepared as appropriate. Since 2004, Bank staffs have regularly met with Pygmy groups and representatives.

1.2. Nine projects have triggered OP/BP 4.10 for which mitigation measures have been identified and prepared. These projects are: PASU (Emergency Social Action Project, including an Additional Financing); PUSPRES (Emergency Economic and Social Reunification Project), PUAACV (Emergency Living Conditions Improvement Project), Proroutes (Priority Roads Reopening and Maintenance Project), PFCN (Forest and Nature Conservation Project), PREPAN (Rehabilitation of National Parks Project, GEF), PARRSA (Agricultural Rehabilitation and Recovery Support Project), Promines (Growth with Governance in Mining Sector Project) and the PARSS (Health Sector Rehabilitation Support Project). All but two (PUSPRES and PUAACV) are still under implementation.

1.3. *PASU (Emergency Social Action Project)*. This US\$60 million project was approved in August 2004 with the objective to improve access of the poor to social and economic services and increase the availability and management of development resources at the community level. The project used an Environmental and Social Management Framework to screen community micro-projects and an IPP, including a program for ensuring that the Pygmy populations benefit from project activities. The project’s strategy to support Pygmy communities consists of: (a) a series of outreach activities to inform Pygmy communities about the project and help develop proposals for micro projects that would benefit them; and (b) promoting the inclusion of Pygmy communities as beneficiaries of activities such as schools and clinics proposed by non-Pygmy communities in the same area.

1.4. *PUSPRES (Emergency Economic and Social Reunification Project) and PUAACV (Emergency Living Conditions Improvement Project)*. These two projects, totaling US\$296 million are taking steps to strengthen mitigation measures related to Indigenous Peoples.

1.5. *PUSPRES*, approved in 2003, was one of the projects subject to the Inspection Panel and included balance of payments support, and support for institutional strengthening, infrastructure rehabilitation, urban rehabilitation and community empowerment. An Action Plan was prepared by the implementing agency, UCOP (Unité de Coordination du Projet), with support from the World Bank. The Action Plan was

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<sup>3</sup> OP 4.10 provides rules, principles and guidelines for Bank financing of projects that may have an impact on Indigenous Peoples. Indigenous Peoples are viewed as a distinct, vulnerable, social and cultural group possessing certain characteristics in varying degrees. The Bank provides project financing only where free, prior, and informed consultation results in broad community support to the project by the affected Indigenous Peoples.

structured around five main components: (a) citizenship; (b) income enhancement; (c) education; (d) health and other basic social services; and (e) sensitization campaigns.

1.6. The implementation of the Action Plan was initially delayed due to implementation difficulties and to the withdrawal of the local NGO that had been selected to facilitate the Plan. Since then, responsibility for implementation has been divided among three different local NGOs that were recruited subsequently. These NGOs are in charge of: improving the citizenship status and living conditions of Pygmy communities; and facilitating health and education activities, access to other basic services, housing, agriculture and income generation. Implementation of the Action Plan has started and is being monitored monthly by the UCOP.

1.7. *PUAACV*, approved in 2005 with an IDA grant of US\$82 million, aimed to improve living conditions in key urban centers and two isolated areas, and to improve transport links. The project included a Pygmy Action Plan, prepared in consultation with local groups, to address the concerns of Indigenous Peoples related to the project.

1.8. *Proroutes (High Priority Roads Reopening and Maintenance Project)*. This is a US\$123.0 million project financed by the United Kingdom Department for International Development (DFID) (US\$73 million) and IDA (US\$50 million, approved in May 2008). Its objective is to re-establish lasting access between provincial capitals, districts and territories in three provinces in a way that is sustainable for people and the natural environment in the project areas. OPs on environmental assessment, natural habitats, Indigenous Peoples, physical cultural resources, involuntary resettlement, and forests (4.01, 4.04, 4.10, 4.11, 4.12, and 4.36) were triggered. All safeguard instruments have been prepared and are being implemented accordingly through a delegated management contract concluded on December 31, 2009. An Environmental and Social Advisory Panel is assisting the project with monitoring and supervising effective implementation of the environmental and social program and will make public the results of its reports. The first mission of this panel was completed on April 30<sup>th</sup>, 2012.

1.9. The objective of the environmental and social program (US\$18.7 million) is to support participatory land use planning and local livelihoods initiatives in the vicinity of the roads to be rehabilitated, as well as improved protected areas management. It includes specific measures to support Pygmy groups and an HIV/AIDS prevention campaign. The recruitment of firms for the strategic studies related to the protected areas management, HIV/AIDS prevention and Indigenous People's Plan in the project areas are underway and while awaiting conclusions and recommendations from these studies, interim activities have been put in place and implemented. In addition, fixed check points have been installed at Bawhi and Sukisa on RN4, while patrols are organized in sensitive locations, such as markets for the trade of bush meat and river access for the transport of illegal timber, covering also the RN5. The Board approved on June 28, 2011 Additional Financing to the project amounting to US\$ 125.2 million (of which US\$63.3 million from IDA, US\$46 million equivalent from DFID and US\$15.9 million from the Government). This will also fund an environmental and social program amounting to US\$13.2 million and the northern part of Equateur province will be added to the project area.

1.10. *PFCN (Forest and Nature Conservation Project)*. This project includes an IDA grant of US\$64 million and a GEF grant of US\$6 million and became effective in September 2009. Its objectives are to increase the capacity of the Ministry of Environment, Nature Conservation and Tourism and improve collaboration among government institutions, civil society and other stakeholders in order to manage forests sustainably and equitably for multiple uses in selected pilot areas of DRC. Under this project, the Bank's grant financing will support reconstruction of the infrastructure of forest sector institutions, long term capacity building, and community support in three important forested provinces of DRC (Bandundu, Equateur and Orientale). The GEF grant will support improving management of Maiko National Park and strengthening the Congolese Institute for Nature Conservation. The PFCN grant will contribute to strengthening government law enforcement capacity, for example rehabilitation and construction of operational bases in 3 provinces, 12 districts and 53 territories, and equipping these bases with vehicles and other logistics support. Training and retraining of staff is another large expenditure category.

1.11. The operation has triggered OPs 4.01, 4.04, 4.10, 4.11, 4.12, and 4.36. It was subject to a thorough environmental and social assessment and analysis. Appropriate safeguard instruments based on the findings and conclusions of these assessments were prepared as required under each of the respective policies. These safeguard instruments were disclosed as drafts and as final documents. Disclosure included translation of executive summaries in French and English as well as local languages (Lingala, Swahili, Tshiluba and Kikongo) and presentation and distribution to local and Indigenous populations. National and local radio stations were also used for enhanced outreach. The project benefits Indigenous Peoples in a number of ways. It finances international conservation and local development NGOs to help local communities and Indigenous Peoples develop innovative income-generating activities in forest landscapes in four large conservation landscapes in the Equateur, Orientale and Bandundu Provinces, for a total of US\$8 million. It also finances a mixed international/local NGO consortium to facilitate negotiations of the social responsibility contracts between forest concessionaires and local communities and Indigenous Peoples required under the forest law. Thirty-nine such contracts have now been signed and a further forty-one are under negotiation. In addition, the monitoring of the implementation of forest management plans (including their social clauses) is an integral part of the PFCN.

1.12. *PREPAN (Rehabilitation of National Parks Network, GEF)*. The objective of the project is to improve management of selected protected areas and strengthen the capacity of the Congolese Institute for Nature (ICCN). This project, financed by the GEF for US\$7 million, became effective on September 25, 2009. It is being implemented by the Congolese institution in charge of conservation (ICCN) and closely supervised by the Bank's task team leader based in DRC.

1.13. *PARRSA (Agricultural Rehabilitation and Recovery Support Project)*. This FY10, US\$120 million IDA Grant is to increase agricultural productivity and help smallholder farmers to improve processing and marketing of crops, fish and animal products in

selected areas. OP/BPs 4.01, 4.09, 4.10, and 4.12 have been triggered, including the preparation of process framework documents covering all these OPs. Four safeguard documents, including: (a) an Environmental and Social Impact Management Framework; (b) a Pesticide Management Plan; (c) an Involuntary Resettlement Policy Framework, and (d) an Indigenous Peoples Action Plan, have been prepared through a consultative process and disclosed.

1.14. *Promines*. This US\$50 million Technical Assistance project, approved in June 2010, is aimed at strengthening the Government's capacity to manage the mineral sector, improve the socio-economic impacts of industrial and artisanal mining for the Congolese, and improve conditions for increased mining sector investments and revenues. The project triggered OP/BP 4.01, 4.04, 4.10, and 4.11. Terms of Reference for a Strategic Environmental and Social Assessment have been consulted upon and disclosed. This will help the Government to: (a) look more broadly at DRC's policies and regulations for addressing environmental and social issues in the mining sector; (b) identify key gaps through multi-stakeholder consultations, including culturally appropriate consultations with Indigenous Peoples; and (c) strengthen DRC's institutional capacity to address these impacts through the environmental and social impact assessment process as potential investments in the sector are identified in the future. As the project may affect and/or involve Pygmy communities, an Indigenous Peoples Planning Framework has been prepared.

1.15. *PARSS (Health Sector Rehabilitation Support)*. This US\$150 million project was approved by the Board on September 2005 and became effective on April 2006. A first Additional Financing of US\$80 million to support malaria control was approved in December 2010 and a second Additional Financing for US\$30 million to control poliomyelitis was approved in July 2011. A third Additional Financing of US\$75 million is currently awaiting Board approval. The project supports 83 Health Zones in the 5 Provinces of Bandundu, Equateur, Maniema, Katanga and Kinshasa. The project objective is to ensure that the target population in the Health Zones (11 million people) has access to and uses a well defined package of quality essential health services. The closing date has been extended to June 2013. OP 4.10 was triggered in recognition of the fact that indigenous pygmy communities are located in the Health Zones supported by the project. An Indigenous Peoples Planning Framework was prepared and disclosed on September 25, 2011. Indigenous Peoples have benefited from the original and additional financing along with other beneficiaries in the project targeted areas and have not been adversely affected by the activities carries out under the project.