

Concept Note

Making Nigeria's Cross River State Investment Ready for REDD+

Nigeria | UNDP

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Simplified Approval Process Concept Note

Project/Programme Title:	Making Nigeria's Cross River State Investment Ready for REDD+
Country(ies):	Nigeria
National Designated Authority(ies) (NDA):	Federal Ministry of Environment, Nigeria
Executing Entities:	United Nations Development Programme (UNDP)
Accredited Entity(ies) (AE):	United Nations Development Programme (UNDP)
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Date of current submission/ version number	N/A



Eligibility for SAP is determined by the review of the concept note and the ESS screening.

Please submit the completed form to fundingproposal@gcfund.org,
using the following name convention in the subject line and file name:
"CN-[Accredited Entity or Country]-YYYYMMDD"

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A. Project / Programme Information (max. 1 page)													
A.1. Project or programme	<input checked="" type="checkbox"/> Project <input type="checkbox"/> Programme	A.2. Public or private sector	<input checked="" type="checkbox"/> Public sector <input type="checkbox"/> Private sector	A.3 RFP	Not applicable								
A.4. Indicate the result areas for the project/programme	<p><i>All REDD+ SAP projects are categorized as 100% Forestry and Land Use projects.</i></p> <p>Mitigation: Reduced emissions from:</p> <p><input type="checkbox"/> Energy access and power generation: <u>Enter number</u> %</p> <p><input type="checkbox"/> Low emission transport: <u>Enter number</u> %</p> <p><input type="checkbox"/> Buildings, cities and industries and appliances: <u>Enter number</u> %</p> <p><input checked="" type="checkbox"/> Forestry and land use: <u>100</u> %</p> <p>Adaptation: Increased resilience of:</p> <p><input type="checkbox"/> Most vulnerable people and communities: <u>Enter number</u> %</p> <p><input type="checkbox"/> Health and well-being, and food and water security: <u>Enter number</u> %</p> <p><input type="checkbox"/> Infrastructure and built environment: <u>Enter number</u> %</p> <p><input type="checkbox"/> Ecosystem and ecosystem services: <u>Enter number</u> %</p>												
A.5. Impact potential	A.5.1. Estimated mitigation impact (tCO ₂ eq over project lifespan)		<table border="1"> <thead> <tr> <th>Year</th> <th>mtCO₂e</th> </tr> </thead> <tbody> <tr> <td>Year 3</td> <td>1.4</td> </tr> <tr> <td>Year 6</td> <td>7.1</td> </tr> <tr> <td>Year 20</td> <td>32</td> </tr> </tbody> </table>			Year	mtCO ₂ e	Year 3	1.4	Year 6	7.1	Year 20	32
	Year	mtCO ₂ e											
	Year 3	1.4											
	Year 6	7.1											
Year 20	32												
A.5.2. Estimated adaptation impact (number of direct beneficiaries)		<p>Direct beneficiaries are estimated at over <u>392,000</u>¹ and comprise members of agricultural cooperatives and forest management groups. Additional direct beneficiaries are the State Ministry of Climate Change and Forestry, the Forestry Commission (at least 360 forest officers in 18 areas) and the State Ministry of Agriculture's extension officers. National institutions include the REDD+ National Secretariat, the Climate Change Department in the Federal Ministry of Environment and the Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL). Indirect beneficiaries will include staff of conservation and development initiatives, staff of the CRS national park and the Federal Ministry of Environment.</p>											
A.5.3. Estimated adaptation impact (number of indirect beneficiaries)		<p>Indirect beneficiaries are estimated at 992,000 inhabitants in Cross River State,</p>											
A.5.4. Estimated adaptation impact (% of total population)		<p><u>24.8</u> % of Cross River State's total population of approximately 4 million</p>											
A.6. Financing information													
A. 6.1. Indicative GCF funding requested (max 10M)		<p>Amount: <u>9.18 million</u> USD Financial Instrument: Grants</p> <p><i>* Please expand the information if needed.</i></p>											

¹ This is calculated as follows; which include 200 people in each sub-group x 14 sub-groups x 20 groups. 56,000 x 7 family members in each family

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A.6.2. Indicative co-financing	Amount: <u>640,000</u> Currency: USD Financial Instrument: Grants (If other financial instrument is opted, please specify: _____)		
A.6.3. Indicative total project cost (GCF + co-finance)	Amount: <u>9.82 million</u> Currency: USD		
A.7. Estimated duration of project/ programme:	a) disbursement period: 6 years b) repayment period, if applicable:	A.7.2. Estimated project/ Programme lifespan	20 years
A.8. Is funding from the Project Preparation Facility needed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	A.9. Is the Environmental and Social Safeguards Category C or I-3?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
A.10. Provide rationale for the ESS categorization (100 words)	Based on the ESS and UNDP's Social and Environmental Screening, the ESS categorization is low. The rationale for this is that project activities involves support communities, training, capacity building, monitoring and stakeholder engagement to strengthen systems and structures to prepare for REDD+ results based payments – including safeguards. The project will prepare CRS to undertake MRV of REDD+ actions and identify an approach/es for communities to access finance for agriculture and forest management activities whilst decreasing carbon emissions from these activities. It builds on work that has been done on REDD+ since 2012. It will strengthen governance and management of community groups/cooperatives and existing community forests management committees and enable the development of through their respective investment plans to identify benefits and services for small scale farmers/foresters whilst reducing deforestation in Cross River State. Given the risk of the intensification of unsustainable practices, an environmental and social action plan (ESAP) will be prepared in the initial stages of preparation of the funding proposal to identify the potential environmental and social risks and impacts that the project could be confronted with and integrate these measures during the funding proposal implementation. The project will support the meaningful participation and inclusion of all stakeholders and the existing grievance redress mechanism will be reviewed and enhanced if needed.		
A.11. Has the CN been shared with the NDA?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	A.12. Confidentiality ²	<input type="checkbox"/> Confidential <input checked="" type="checkbox"/> Not confidential
A.13. Project/Programme rationale, objectives and approach of programme/project (max 100 words)	<p>Cross River State (CRS) which contains 50% of Nigeria's forests has made significant strides towards REDD+ readiness and is unique in its clear sub-national approach to REDD+. The State has developed (1) a CRS REDD+ Strategy; (2) submitted a sub-national forest reference emission level (FREL) to the UNFCCC, (3) and established a sub-national approach to safeguards. This proposal aims to simultaneously complete and operationalize the Warsaw Components of REDD+ in order to seek result based payments and catalyze private finance for sustainable community forest management and low emissions land-use practices which will deliver carbon emissions reductions at this jurisdictional scale (sub-national level). The project will be led by the Cross River State Government through a multistakeholder, participatory approach to forest, agriculture and land use in community forests, forest reserves and farmlands.</p> <p>The project will have two components: firstly, activities will focus on supporting future access to REDD+ results-based payments from both market and non-markets sources through improving land use change monitoring and reporting capability, improving safeguards implementation capacity, as well creating a framework and readiness for market transactions by adopting appropriate regulations, setting up a registry and operationalizing a nested approach for REDD+. Implementing partners will include the Ministry of Climate Change and Forestry/ CRS Forestry Commission, the National REDD+ Secretariat/Federal Ministry of Environment.</p>		

² Concept notes (or sections of) not marked as confidential may be published in accordance with the Information Disclosure Policy ([Decision B.12/35](#)) and the Review of the Initial Proposal Approval Process ([Decision B.17/18](#)).

	Secondly, GCF financing will serve to create enabling conditions and mechanisms for low emission rural development through structuring of strong investible institutional entities of forest right-holders who will develop/strengthen forest investment plans and farmer groups for agricultural production. The project will create partnerships, establish value chains and attract investors suitable for this scale of operation with the engagement of the Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL) as the executing entity. These arrangements, trialled and set up by the time the project ends will result access to finance to enable improved agricultural and forest practices that would provide a win-win for livelihoods and climate change mitigation.
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B. Project / Programme details

B.1. Context and Baseline (500 words)

Progress on REDD+: Nigeria has made significant strides towards REDD+ readiness. With support from the Forest Carbon Partnership Facility (FCPF), the Government of Nigeria (GoN) has developed a draft National REDD+ Strategy, undertaken a Strategic Environmental and Social Assessment (SESA) and developed draft environmental and social management instruments to guide the implementation of the Strategy. It developed a proposal for a Benefit Sharing Mechanism and submitted a national FREL to the UNFCCC's for technical review posted on the UNFCCC website. With additional funding recently approved from the FCPF, Nigeria will finalize its National REDD+ Strategy with a detailed action and financing plan and support engagement at the political level, undertake forest carbon inventories to strengthen the FREL, develop a National Forest Monitoring System (NFMS) and develop a Safeguard Information System (SIS) by the end of 2022. The country also has a draft National Strategy which lays out the policies and measures to address the current rapid rates of deforestation and degradation. Initial priorities include (still in draft form):

- Implement sustainable forest management programmes, focusing on reduction of major drivers of deforestation and degradation across the ecological regions of Nigeria;
- Build capacity of local communities in improving forest management by introducing sustainable livelihood programmes;
- Promote good governance at all levels for the sustainable management of the country's forestry resources;
- Ensure that benefits and co-benefits of REDD+ program are accessed and distributed equitably to all affected parties, including women, youths and other vulnerable groups; and
- Facilitate access to global and national resources and partnership for the sustainable management of the country's forest resources.

Nigeria will promote sustainable management of existing forests and regeneration of degraded forest areas, and enhancement of agroforestry practices, presenting potential to make a significant contribution to national emissions reduction goals. The country's aim to achieve estimated emission reductions of 5,770,750 tCO₂e from its estimated total annual emissions of 32,397,230 tCO₂e per year (representing 17.8% reduction per year) from forest regeneration gives an indication interventions from the country's forestry and land use sector

Along side the development of these Warsaw Framework elements the GoN is looking to buttress the sub-national level readiness and implementation activities that have been pioneered in Cross River State since 2011 and is also exploring expansion of REDD+ readiness activities to five additional states. GCF financing will enable a clear reflection on the progress made in the development of the remaining Warsaw Framework elements and will support the realization of these components in Cross River State, where there are gaps.

Cross River State (CRS), located in south-east part of the Country has more than 50% of Nigeria's remaining tropical high forests (See Figure 1). It has a relatively high level of deforestation and forest degradation and in response to this concern, the Governor of CRS launched REDD+ to explore the potential of climate change finance mechanisms to further protect the forests, with a priority focus on enhancing the livelihoods of forest-dependent communities and rural dwellers (NPD, 2011). The State level leadership and commitment to create a low-carbon economy based on the sustainable management of its forests has triggered and sustained the interest and active engagement of Nigeria in REDD+, from Cross River State through to the Federal level. A revised NDC will include the actions and targets from CRS and other States.

The Government of Nigeria therefore continues to support the strategic goal of Cross River State to pilot REDD+ RBP activities as a way to bolster the protection of the 1,366,929ha of the country's forest area that the State was estimated to have contained by 2014. Having worked on REDD+ since 2012, the State has developed a sub-national REDD+ Strategy, submitted a sub-national FREL to the UNFCCC and has a sub-national approach to safeguards defined, with previous support from the UN-REDD Programme (Sept 2012-Dec 2017- See Annex 3 – Final Evaluation report of the Programme)

and the Forest Carbon Partnership Facility (2016-2021). The accomplishments make CRS the most REDD+ advanced state in the country.

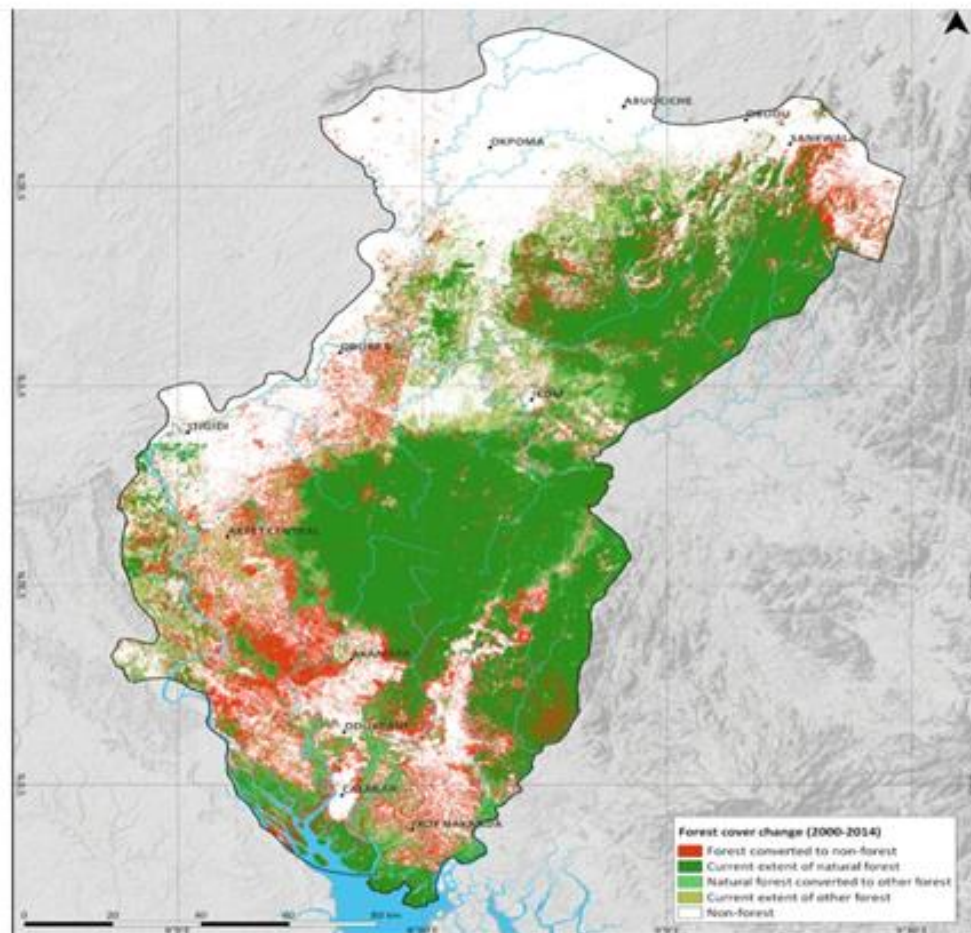
This, combined with the GoN's goal of developing the state into a centre of excellence for REDD+ activities and the fact that about 17 more states in the country express willingness to implement REDD+ activities, presents a huge potential for the work that GCF funding will support in CRS to be scaled up and replicated across the country, beginning with the application of the lessons that will be learnt in the ongoing expansion of REDD+ readiness activities to the five states of Edo, Nasarawa, Ogun, Ondo and Plateau.

Cross River State has joined the Governors' Climate and Forest Task Force (GCFTF) and received funding for 2019 and 2020 (USD 390,000) to increase its capacity to act on REDD+ and develop a CRS REDD+ investment plan.

This project builds on the REDD+ readiness work funded through UN-REDD which set up REDD+ pilot sites and groups (four in Ekuri, Umbe, Afi and the Mangrove Cluster), and a range of different activities funded through GCFTF which will end at the end of 2020. Coordinated work with partners such as CEPF, DEVCON (long term engagement) and the Wildlife Conservation Society (long term engagement) serves to proffer tested methods and demonstration activities to allow the progression to receiving results based payments. Agricultural reform programmes, especially for cocoa have been initiated along with forestry initiatives for reforestation and enrichment planting, such as CRS's 5 million tree programme. The Critical Ecosystem Partnership Facility has funded a programme to reduce immediate threats to three CRS gorilla sites. Other initiatives are listed in Table 1 below.

Significant challenges however exist in transferring these federal and state level REDD+ readiness activities into implementation with current progress highly dependent on development partner support.

Figure 1: Forest loss in CRS



Data sources:

Natural forest map: NASRDA and FAO on behalf of the UN-REDD Programme (2015) Study on the Drivers of Deforestation and Forest Degradation in Cross River State. Based on the 13 land cover classes derived from satellite imagery: Natural forest is a combination of the 'Montane forest', 'Tropical High forest', 'Open forest' and 'Mangrove' classes; Other forest is a combination of the 'oil palm', 'rubber' and 'Gmelina' classes; the non-forest class is a combination of the farmland, grazing field, swamp, settlement and derived savannah land cover classes in the 13-class dataset.

Current Challenges Nigeria has undergone a rapid period of forest loss, FAO's Global Forest Assessment indicates that the country had the second highest rate of deforestation globally from 1990-2015 peaking at 5% between 2010-15³. Such high levels of forest loss result in significant GHG emissions as well as reducing removals and the resilience of many ecosystems to climate change. The country's first Forest Reference Emissions Level (FREL) submitted to the UNFCCC provides data from Cross River State (CRS), which contained 1,366,929ha of the country's forests in 2014⁴, estimated to be close to 50% of the remaining forest area in the country. The FREL indicates that, CRS lost an average of 9,176ha of forest per annum between 2004-2014 equating to emissions of 89mtCO₂e over this period⁵. The current levels of both encroachment and unsustainable harvesting in Nigeria's forests is causing an environmental crisis as the country's forest areas disappear almost completely⁶.

High levels of forest loss in Nigeria and in CRS in particular can be attributed to direct drivers of forest loss including the *expansion of agriculture* (both community and large scale) – which has resulted in extensive deforestation, and *logging* – which has resulted in significant forest degradation as well as acting as a precursor to forest clearance of agriculture with

³FAO (2015) Global Forest Resource Assessment. Desk Reference. Available at <http://www.fao.org/3/a-i4808e.pdf>

⁴GoN (2018) Nigeria Forest Reference Emission Level – Modified and submitted to UNFCCC in May 2018

⁵ Ibid

⁶Accurate statistics on Nigeria's forests are limited, a study by ACP FLEGT (2013) on timber legality, supply and demand noted that current levels of harvesting in three main timber producing states were well above sustainable levels and that illegality in the timber supply chain was over 50%.

fuel wood harvesting also important although less extensive in its impacts. The impacts of these direct drivers have occurred across the three major forest management regimes; forests managed by communities (through community associations or Community Forest Management Committees), forest reserves and wildlife sanctuaries (managed by State governments), and National Parks (managed by the Federal Government). See Annex 2 for coverage of parks and reserves in CRS.

These direct drivers have increased to unsustainable levels due to a number of underlying factors including:

- *population growth (at 3%)* the impact of which has been amplified by a lack of off-farm employment opportunities due to *weak economic performance* resulting in expansion of agricultural areas by young farmers entering the market place.
- *demand for land* – increasing population, as well as poor agricultural techniques result in land degradation and decrease in soil fertility over time.
- *a high demand for food and cash crops* with forests being cleared to make way for their expansion. Global demand for cocoa is high, while there is also high demand for palm oil in Nigeria with the country importing 300-400mt of palm oil annually despite high tariffs and with domestic prices some 25% over international market rates. Incentives due to increasing productivity of farmers through extension work results in more forest land being cleared.
- *demand for timber and fuel wood*– while statistics on levels of timber supply and demand are limited, assessments indicate a significant shortfall in levels of sustainably produced domestic and fuel wood with an absence of planted timber and decline in reserves indicating that this situation will continue to worsen.

These challenges relate to a number of **key barriers** to change with relation to action on REDD+ including:

Approaches to sustainable agricultural practices and forest management; There are barriers to both the large scale uptake of sustainable approaches by local communities and financial commitment that will result in increased options for livelihoods and avoiding further deforestation. CRS has made some progress in addressing some of these gaps through community's own initiatives, awareness raising and activities (See Table 2) as well as the GCFTF project, all of which lays the ground for this current project to organise and scale-up impact. However, there is still work needed to enable large scale change in the State and these include organisation of farmers and communities into cooperatives and group. Once this takes place, activities with these groups on agricultural extension that creates incentives for forest protection, targeted technical capacity and knowledge for sustainable practices, information on farming and forestry inputs and support for processing and marketing can be carried out. Lack or inadequacy of these organised groups with clear investment plans, hamper access to financing for the sustainable production of deforestation free commodities.

Access and use of data on climate, land and resources to support sustainable agricultural practices and exploration of zero deforestation supply chains for palm oil and cocoa is also needed. The opportunities for the timber certification within the framework of FLEGT have yet to be realised.

Prioritisation and implementation of commitments in the policy, legal and regulatory framework relating to climate change and the sustainable management of resources The capacity of key government bodies (Ministry of Forestry, State Planning Commission and Ministry of Climate Change and Forestry) to implement Cross River State's Forestry Commission Law of 2010 and to apply the synergies expected by the mandate of the Ministry of Forest and Climate Change is improving but will need further targeted support in strengthening and implementing policies such as benefit sharing and setting up the planned State Forest Trust Fund. The existing policies are supportive and would enable communities to benefit from the community and forest reserves in the State in a sustainable manner but there is not the wherewithal to apply and operationalise these policies at scale.

The Forest Trust Fund is being designed at the national level as a strategic tool for a diversified pool of dedicated funding resources for promoting reforestation, sustainable trade in wood products and sustainable forest management in the State. The Fund will be a receptacle for collecting revenues from sale of timber generated under the state's permit system; fees from license, certification, forest product and service access, and land use applications; levies including degradation-related and CITES fines; government allocations; and voluntary contributions. The Fund can present a useful opportunity for the state's forestry sector to capture the financial resources that accrue from its natural assets and services, and for the sector to gain more control and direct and quicker access to the financial resources collected and the prerogative to distribute the resources based on its goals and priorities. In this way the sector will be more assured of financing for its forest management activities than it would be when it has to rely on the conventional state-budgetary allocation processes which tend to neglect the sector due to it being perceived as a low-priority sector. The modalities of how the Fund can be extended at the State level can be piloted in CRS and woverseen by the Ministry of Climate Change and Forests through the Forestry Commission (FC), and managed by a Board that will superintend the policies of the Fund and provide policy guidelines relating to its functions and operations.

Commitments to addressing unsustainable logging led to a logging moratorium which resulted in the increase of illegal logging. The moratorium was not supported by approaches to address levels of timber demand or establish a financing system to ensure ongoing forest management. This was also combined with policies to promote agricultural expansion incentivizing clearing of forest an attractive approach as it allowed for both timber incomes to be achieved through timber

salvage permits while also opening up new fertile land. The moratorium in place for more than 10 years has eroded the capacity of the FC to operate effectively to manage the forest resources in the State.

The location and choices of sites for large scale development projects do not reflect integrated planning that consider criteria to reduce emissions from forests and land use and the sustainable management of resources. A few investment plans exist, but more are needed scale up impact and should include participatory land use planning and controls against encroachment of forest areas by federal and state government when issuing permits for development and by communities into forest reserves. In the CRS National Park, out-dated Federally gazetted boundaries do not match those being used for management creating difficulties in supporting effective development and protection activities in some areas, hindering effective management.

High costs of engaging small-holders in sustainable agricultural production – In some areas, the challenges of limited government extension services have been addressed with provision of extension support by cocoa buyers whose market access is linked to demand for sustainably produced commodities. The high costs of linking with individual farmers, developing their base levels of capacity and obtaining clarification on areas of farmland and ownership, however, create barriers to the further expansion of these forms of support. Farmers grow other food crops as well and a package that would offer support for the mix of food and commodity crops grown on a farmer's land would be required.

In Cross-River State as in many other regions, part of the reason for **low-investment climate mitigation activities** lies in the lack of obvious 'investible entities' at the forest frontier in terms of rightsholders institutions with clear tenure and forest rights to whom payment could be made in return for emission reductions, or which could provide return to investors through the supply of deforestation-free commodities. This raise a critical issue that is often overlooked, the limited absorption capacities of less developed countries, especially in remote rural areas

Access to public finance – it has been recognised globally that action to address climate change requires finance from multiple sources to be mobilised towards coordinated goals. Challenges currently exist in this area within Nigeria especially with regard to addressing issues of deforestation, forest degradation and land use change. Reduced government income has made spending on new programmes relating to action on climate change and forests more difficult. Private sector investment in forest areas is also limited by the high cost of borrowing (over 20%) and policy uncertainty relating to long-term investments such as forestry.

Access to private sector investment in more sustainable land-use practices – Limited understanding of REDD+ and how to demonstrate results and projects at jurisdictional level have curtailed investment in early REDD+ implementation activities. Agricultural credit facilities such as the Anchor Growers Programme, provide short loan periods (1-5 yrs.) that make them unsuitable for tree crops and present challenges in farmers transitioning to some sustainable production techniques that take longer to deliver returns. In many areas, small-holders also struggle to access these funds due to their limited capacity and ability to raise guarantees, to develop funding applications and limited knowledge within banks of small-holder processes and the requirements and potential benefits of sustainable production processes. There is on-going dialogue with the private sector coordinated by the Calabar Chamber of Commerce with regards to the regulatory framework for sustainable production and investments, and certification schemes; and these need to be applied and tested with groups.

Nigeria's Sustainable Banking Principles (NSBP) were developed to provide guiding framework for banks to use when assessing credit applications. These efforts have shown some progress, however, approaches to address deforestation were ranked tenth out of issues being addressed by banks through the NSBP and remain a minor focus when looking at small-scale investments⁷. The GoN therefore established the Nigeria Incentive-Based Risk Management System for Agricultural Lending (NIRSAL), to provide for risk guarantees for banks' lending to agriculture as well as several tools to improve lending standards, including a technical support facility to banks, a holistic bank rating mechanism and a bank incentive mechanism that is targeted to strengthen the quality and availability of credit to agriculture. NIRSAL is an appropriate partner for the project given its coverage of tree crops and agroforestry under its interventions and support programmes. The institution programme, however, has a limited focus on deforestation and there are opportunities to integrate a component which links to this.

B.2. Project / Programme description (1000 words)

The proposed project will support the GoN to address the barriers pointed out in B.1 to ultimately support the enabling requirements for REDD+ implementation and RPBs in Cross River State It will build on the work that has been undertaken in the state to organise groups and structures of governance, identify investment options and activities that reduce emissions across relevant sectors through improved land use and agricultural practices, access to value chains of principal commodities

⁷Deloitte (2017) Sustainable Banking as a Driver for Growth: A survey of Nigerian Banks

and enable community forest management. It seeks to improve the livelihoods of rural communities whose lives are intricately linked to the productivity of their natural resource base, especially forests.

If the support is provided to communities in Cross River State, the Ministry of Climate Change and Forestry and the Ministry of Agriculture to enable planning and implementation of sustainable forest management and zero-deforestation agriculture, then deforestation and forest degradation will be reduced and agricultural productivity increased because these communities can access the financing to transition to low emission development pathways

In tandem with the GCF financing, additional funding from the Governors' Climate and Forests Taskforce and Forest Carbon Partnership Facility will complement the project through co-financing activities identified in Section C.1.

Component 1 – Compliance with UNFCCC requirements for REDD+ RBP

Support through the UN-REDD programme and the FCPF has led to development of REDD+ structures and processes. Building on this work (see Table 1), Cross River State at the jurisdictional level will require additional targeted field level monitoring, reporting, verification and accountability deliverables to provide accurate and transparent information on the performance of on-going initiatives during the project period and after the project ends to monitor REDD+ implementation. These will include a REDD+ Annex and summary of information on safeguards to the UNFCCC.

The project will enable completion of the sub-national REDD+ architecture thus allowing Cross River State to meet the needs of multiple financing sources for REDD+ results based payments. It will also prepare the country for opportunities which may be presented by the operationalization of cooperative approaches and the mechanism established through Article 6 of the Paris Agreement. This work will inform the national systems including the NFMS and SIS. The activities in this output will be carried out early on in the project period and will form a clear incentive and a strong basis for the establishment of partnerships to attract financing for implementation of investment plans based on the emission reduction credits.

The outputs and activities are;

Output 1.1: Monitoring systems and a nested approach fully operationalised at the sub-national level to measure and report carbon emissions reductions and removals for results based payments or emission reductions in a market approach.

- *Activity 1.1.1 Operationalize the forest monitoring system at the State level for local data collection and analysis.*
This will involve three sub-activities that support a level of granularity below that covered by FCPF funding;
 - Equip the MRV Unit in the Forestry Commission (GPS, data collection tablet and computers – see Table 1),
 -
 - Carry out a forest inventory to build on the remote sensing assessment that was conducted for the State. The sub-national inventory will involve the collection of bio-physical data that can satisfy national and international information requirements on forests, their management, carbon stock and biodiversity. Socio-economic information is to be collected to understand the impact on forests and their role in sustainable livelihoods. GCF finance will support the detailed mapping of forest areas (community areas, forest reserves and national park) and watersheds and will integrate this knowledge into the State Planning Commission.
 - Strengthen capacity for forest monitoring in the forest reserves of the FC through GIS as well as capacitate groups or entities including forest management committees (FMCs) to monitor forest resources on community land and timber products that are covered by government permits. These efforts will also provide accurate information on changes in forest cover and type in Cross River State, report emission reductions and reduce uncertainty estimates for other standards such as TREES;
- *Activity 1.1.2 Develop a nested approach⁸* A national FREL was developed and submitted to the UNFCCC in 2019, following the sub-national FRL submission in 2018. Presently, deforestation is the main emission activity addressed in Nigeria's FREL. Further improvement will require the inclusion of forest degradation which also leads to emissions through timber harvesting, fuelwood harvesting, and forest fires. The estimation of emissions from forest degradation

⁸ Public and private demonstration projects are already being implemented that reduce greenhouse gas (GHG) emissions in CRS as Nigeria has been developing national policies, data, and capacities. These sub-national activities will need to be brought under the national accounting framework to ensure that any carbon credits issued to projects or programs "add up"—maintaining environmental integrity while catalyzing action at multiple scales of implementation. Integrating different local and national levels of action has come to be referred to as "nesting" and is important as incentives need to be placed at the appropriate level of governance and broader policy reforms may take years to be implemented, REDD+ action may be developed faster at the regional or project level, delivering near-term reductions in emissions. Secondly, the project level is a key entry point for private sector engagement provides important options for direct community-level engagement with REDD+. Finally, subnational activities are a critical piece of emerging national frameworks for REDD+ management and accounting.

is more challenging than for deforestation. Afforestation (enhancement) could be one of the areas of improvement given the long history of plantation silviculture in Nigeria during which parts of forest reserves were replanted. Field inventory revealed this, especially in the lowland rainforest.

As regards emission factors (EF) determination, the inventory design attempted to sample all major ecological zones from coastal mangroves and Fresh Water Swamps to Sudan and Sahel savanna ecosystems; and EFs have been computed per major ecological zones. However, from the confidence intervals obtained, the level of uncertainty is still high for some ecological zones, and so the forest inventory that will be undertaken in Activity 1.1.1 will improve the precision and accuracy of the estimates. The estimates used in the present FREL can serve in the optimization of a future inventory sampling design;

- *Activity 1.1.3 Develop a registry platform to track REDD+ emissions reductions and corresponding payments.* This will ensure that there is no past or future double payment or use of such results, including information to identify the area where the results were achieved, the entity eligible to receive payment, year(s) generated, source(s) of payments received, and identifying code. The registry will form the basis of a national platform to operationalize Art.6 of the Paris Agreement once specific provisions are in place, namely for the purpose of tracking of authorization, first transfer, transfer, acquisition, cancellation and use of ERs towards NDC or towards other mitigation purposes, including domestic voluntary transactions.
- *Activity 1.1.4 Methodological guidance for REDD+ results reporting and related issues.* The currently adopted guidelines for national GHG inventories for developing countries were agreed in 2002 by the UNFCCC. In 2011, these were extended to Biennial Update Reporting. In 2009–2013, several UNFCCC decisions were taken to embed guidelines for FREL submissions and REDD+ results reporting in the framework of the national GHG inventories. BURs provide updates on institutional arrangements, mitigation actions, constraints and gaps, domestic measurement reporting and verification and other information. Nigeria's second BUR is due in March 2020 and the REDD+ technical annex should be submitted at the same time. The federal Ministry of Environment is currently working on this and support will be provided through the FCPF project to enable the REDD+ technical annex to be submitted. If this is delayed then there will be a request to delay the submission of the 2nd BUR until the technical annex is finalized. GCF financing will be used to set in place a clear timeframe and roadmap for the submission of the consequent BURs and accompanying technical annexes so that Nigeria can be eligible for RBPs.

The reporting of REDD+ results will enable Nigeria to consider the various options for climate financing under the UNFCCC, Article 6 of the Paris Agreement and comply with reporting through the NDC. Additional beneficiaries of this guidance are Cross River State and investors and partners interested in exploring options. For instance a Payment for Ecosystem Services (PES) scheme to provide cash payments as an incentive for local communities to promote forest protection and restoration could be considered through the Forest Trust Fund in conjunction with the State's Ministry of Finance, Planning Commission to actualize such a scheme. By linking directly to the NFMS and the registry platform, accountability, transparency and environmental integrity will be enabled, attracting climate finance.

The two lead implementing agencies are the MCCF/Forestry Commission and the National REDD+ Secretariat with technical support from UNDP

Output 1.2: Safeguards and Safeguards Information System (SIS) are operational at the sub-national level

- *Activity 1.2.1 Operationalize a methodology and protocols for information collection and assessment on safeguards and recommendations for the design, and a roadmap for the national SIS.* This will include two main sub-activities; GCF financing will be used to revive the safeguards working group in order to assess the demonstration activities that have been carried out in CRS, record safeguards related data and create a database of measures and interventions used to reduce and manage environmental and social risks. A gaps analysis will be conducted to identify any missing safeguard criteria and measures will be implemented to address the gaps. The capacity of the MCCF and FC in CRS to report on social and environmental risks and multiple benefits will be built and the sub-national safeguard working group formalized.

Depending on the time line for the work that is being undertaken by FCPF on the national level SESA and ESMF, there can be exchanges with the State level work on lessons learnt and gaps that need to be filled. (FCPF financing does not include enabling institutional capacity at the CRS, as the focus is in three other States in order to extend

REDD+ work nationally) The sub-national safeguard working group will maintain close contact with the national level safeguards working group as the national SIS develops.

- *Activity 1.2.2 Submission of summaries of information on safeguards to the UNFCCC.* Relevant information will be collected by the safeguards working group and the summary of information on how the Cancun/GCF and other standards are addressed and respected in implementation of REDD+ activities will be submitted. The roadmap towards the submission of the Sol will be described in the funding proposal.
- *Activity 1.2.3 Finalization of a Benefit Sharing Mechanism.* This activity will conclude the work commenced on a benefit sharing mechanism or plan for Cross River State. The State's legal system historically already sets out the formula for sustainable logging and the sharing of the benefits in CRSFC law. Revenue from sawn timber in community forests is split 70 (Community) /30 (State); forest reserves – 50/50 and Plantations 20/80. Currently all proceeds belong to individuals who harvest non-timber forest products such as bush mango and afang from community forests. However, further work is required to enable the application of these edicts to ensure the social and economic benefits for communities are clarified and confirmed. The FMCs receive royalties on behalf of communities. The ongoing GCFTF project is supporting the efforts that are being undertaken to lift a logging moratorium, a critical outcome that will contribute significantly to how communities will be able to benefit from the ownership, access, transfer and scale of timber products in community forests and private lands. This activity will therefore use GCF financing to reinstate the benefit sharing for the community through a multi-stakeholder approach as a whole rather than just those who benefit from illegal logging. This then unleashes the possibility of investments through FMCs.

The project will support the implementation of a stakeholder engagement process which will involve focus group discussions with in the community clusters ensuring that women and men, civil society and government (both at State and Local Government level) are included. The aim will be to review how benefits are being harvested and distributed and who is involved. Information will be triangulated across groups. The project management unit supported by the existing Technical Committee and Stakeholder Forum can design a questionnaire that can be used. The aim is for the Benefit Sharing Mechanism to be embedded in policy and practice that results in equitable, inclusive and effective revenue generation. This process is key to inform the approach at the national level and when CRS potentially seeks results based payments and will have to manage the use of proceeds.

The Forest Trust Fund which has been set up to collect, hold and distribute the financial benefits that the state will realise from forest product-related revenues, and earnings from carbon markets and RBP schemes, however it is not operationalised. Discussions can be held on the manner in which the Fund can be up and running to manage the funds to allow vertical sharing of benefits as well how funds will be ploughed back into sustainable forest management system and nested REDD+ framework. For instance, funds would be used a) to conduct monitoring, supervision and technical support functions by the FC; b) to carry out forest protection and restoration activities by local government; and c) to undertake forestry, agroforestry, and woodlot projects by community groups. Only groups that were accredited (both local government and community groups) based on criteria that will be designed to assess performance and capacity to use and manage the financial effectively and efficiently, would be allowed to participate.

Table 1 below indicates further which elements of the Warsaw Framework the project will provide support to. It lists the progress or status of the individual elements at the CRS state level and at the national level and the gaps or remaining activities to be carried out. The final column provides information as to whether there is funding for these gaps or whether funding is requested from the GCF.

Table 1 – Status and Gaps in the Warsaw Framework and supporting elements in Nigeria

Warsaw framework components	Status	Gaps	Source of Funding for Gaps
National REDD+ Strategy	Draft is available. It will be completed and published on-line in 2020	Final consultations and validation of the Strategy	FCPF
CRS Sub National REDD+ Strategy	Complete - <u>CRS REDD+ Strategy</u>	Finalized	UN-REDD

National Forest Monitoring System	Initial discussions have commenced.	Completion of the NFMS	FCPF
Sub national monitoring and MRV/FREL	<p>GIS Laboratory in the Forestry Commission and capacity has been built to run it. A LAN line (to allow internet access) and SEPAL software have been installed.</p> <p>Land use and land cover maps produced for 2000 (2004) and 2014. Drivers of deforestation study completed. 2014 Inventory data, above ground biomass</p> <p>National Forest definition agreed upon, equipment and submission of subnational FREL.</p>	<ul style="list-style-type: none"> - Data-base management system (DBMS) - Continue satellite data collection and management - Systematic and repeated data collection over the project period (forest inventory) including field data and analysis and modelling of pools not considered in the FREL; litter, soil; and data on degradation as well as other gases – methane. - Data on fauna and non-timber forest products and other ecosystem services from forests - Modern forest inventory equipment such as Truepulse, Criterion 2000. - Stable and reliable internet connection - stable power source (Solar) - License Image classification and visualization software (ERDAS Imagine and Idrisi Selva) 	Requested from GCF
National FRL	Complete, and published on UNFCCC website in 2020	Further data collection for a possible submission of a modified FREL with the inclusion of other pools like degradation, enhancement and soil carbon.	FCPF
Sub-National FRL – Cross River State and MRV	Complete and submitted to the UNFCCC but will require to be updated and improved based on forestry inventory data. This will be done in the first year and consequent collection of data during the project period and beyond.	See above – sub national monitoring, MRV and FREL.	Requested from GCF
SIS	<p>No platform at the national level yet. SIS design work will follow SESA and ESMF completion in 2020</p> <p>Safeguards at the sub-national level – work has included</p> <ul style="list-style-type: none"> - Analysis of Policies and Measures - Criteria and indicators for safeguards monitoring - Study on multiple benefits - Study benefit sharing 	<ul style="list-style-type: none"> - Stakeholder consultation and system for a national safeguards information system and SIS design workshop - Grievance Mechanism to be discussed and proposed (can build on the participatory governance assessment) - Monitoring risks, and measures to address risks. - Roadmap agreed to result in submission of summary of information to the UNFCCC. 	Requested from GCF
Registry	-	Consultation to be held on the options to consider and a national platform set up to enable a sound and transparent registry which can start with cataloging from CRS during the project period and beyond when emission reductions can be registered.	Requested from GCF

REDD+ Technical Annex	This is being developed and is targeted to be complete by the end of the first quarter in 2020	Ongoing. A clear schedule/roadmap for all key reports will be provided in the funding proposal and activities to ensure that the project delivers on this.	FCPF, Fed Ministry of Env and others.
Benefit sharing mechanism	A draft is available at the national level and this will be used to inform the work at the sub-national level.	CRS already had benefit sharing formula for sustainable logging that is applicable for REDD+. Work was commenced to adopt the formula and consolidate relevant provisions from previous benefit sharing practices and traditional practices in communities into a benefit sharing plan/mechanism for REDD+. Funding from the proposed project will support the activities that will be undertaken by the technical committee on benefit sharing and stakeholder forum to evaluate the effectiveness and of the benefit sharing formula and traditional practices that have hitherto been applied in the state and the challenges that have been met; integrate the findings into the draft BSM document; and subsequently to review and validate the draft BSM document, and to develop and disseminate the final BSM. The outcome from these activities can then be used to inform the final national-level BSM.	Requested from GCF

The two lead implementing agencies are the MCCF/Forestry Commission and the National REDD+ Secretariat with technical support from UNDP

Table 2: Ongoing initiatives in CRS

Activity/Initiative	Participants	Result
– Renewable Energy Project – June 2016 – July 2021)	CRS Forestry Commission; MCCF; Civil Society; Communities; Private sector; UNDP; Nigeria Energy Commission.	– Woodlots established in 4 selected locations in CRS (Bateriko, Obanliku, Mbok, and Calabar); – 36,000ha of woodlot targeted in REDD+ pilot sites; – Strengthening of local community institutions; – Production/distribution of fuel-efficient wood stoves; – Need to link project with REDD+ implementation as intended in the design but not happening in implementation.
– Community Based REDD+ (CBR+) projects (2017 & ongoing)	GEF-SGP; UNDP; National/CRS REDD+ Secretariats; Civil society; Communities.	– 6 additional projects approved and received grants for new projects (currently implemented) in 7 communities.
– Civil Society Roundtable (2018 & 2019)	NGO Coalition for Environment (NGOCE) and member civil society organizations	– Refocusing civil society response to development; – Draft agenda for knowledge management.
– Developing Benefit sharing mechanism; SESA; and ESMF for REDD+ in CRS (2018)	World Bank-FCPF; National REDD+ Secretariat; MCCF/CRS REDD+ Secretariat; CRS REDD+ Technical Committee; Communities; Civil Society; Private sector; Environment cluster; Academia.	– CRS REDD+ programme better positioned for FCPF support as benefit sharing mechanism, ESMF and SMF are finalized.

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– Meetings of the Environment Cluster	Core environment related ministries of government in CRS including: Climate Change and Forestry; Environment; Agriculture; Lands; Water Resources; and Forestry Commission. In collaboration with Ministries of: Health, Communication and Cultural Orientation, Finance, Justice.	– Ongoing support for institutional strengthening and climate/forest policy development; – Better leverage on executive support for REDD+ mechanism.	
– Participation in the Governors' Climate and Forest Task Force and Under2 Coalition	This is entirely at the executive level where the Governor of CRS is a member of the GCF-TF. Other state representatives include the Commissioner for MCCF and Permanent Secretary MCCF.	– Regular participation in international learning events to build CRS' technical and policy level capacity to initiate and implement climate change programmes.	
– Demarcation of CR National Park boundaries (2018 & ongoing)	Cross River National Park; Consultants; Cross River State; Forestry Commission; Civil society; Communities; Private sector.	– National park boundary maps validated and community consultations commenced.	
– CEPF Project (2015-2022)	Governments (national, state, local); Civil society; Communities; Private sector; Academia	– Strengthen National Park management through improved tracking and data collection, – strengthening community forest management and improving livelihoods, – regeneration, and sustainable energy utilization, – Community organizing, – Research and policy strengthening.	
– Sustainable Fuelwood Management (2016-2021)	Nigeria Energy Commission; CRS Forestry Commission; Communities; Civil society; Private sector; Research institutions	– Reduce forest loss from fuelwood consumption. – Improve value chain of fuel-efficient production and adoption through a market-based approach in close partnership with the private sector. – Total resource required = \$US20,810,000	
– NEWMAP (World Bank funding)	Federal Ministry of Environment; CRS; Government Communities; Local governments; Civil society Private sector	– Towards greater adoption of sustainable land and water management practices; – Rural livelihoods improvement	
– Wildlife Conservation Society Projects	Communities; Government; Civil society	– Forest monitoring and habitat protection; – Rural livelihoods improvement; – Community organizing; – Policy influence.	
– Cross River State National Park	Federal Ministry of Environment CRS Government Communities in CRS Civil society Private sector	– Park management; – Boundary demarcation; – Seeking increased partnerships with private sector, communities, civil society and other parastatals	
– CRS Ministry of Agriculture value chain	Rural farmers and farmer cooperatives; Federal Ministry of Agriculture;	– Focus on improved productivity and sustainable land management.	

improvement programme in Cocoa, oil palm and rice.	Agricultural research institutions; Market associations; Private sector	
– UNESCO's MAN and World Heritage Site (2018-)	Forest Research Institute of Nigeria; National Park/Fed Min of Env't; CRSFC/CRS Government; CRS Tourism Bureau; CRS Ministry of Climate Change and Forestry; Communities; Civil Society; Research institutes; Academia; WCS.	<ul style="list-style-type: none"> – Ongoing dialogue for transboundary with Cameroun; – Community consultations and consent received from communities in the National Park in CRS; – CRS stakeholder dialogue

Component 2. Enabling activities to transition towards sustainable financing of the REDD+ Strategy in CRS

This State comprises mainly of rural, agrarian and forest dependent communities which are more or less self-sufficient in food production with cassava, rice, cocoa, plantain and palm oil as the main crops. Crop expansion encroaches on forest areas, sometimes core conservation areas. Government development priorities favour small and large scale agricultural enterprises (30-Year Growth and Development Plan, CRS, 2019), however there is need to close the wide gaps that exist in the implementation of these policies and ensure the sustainability of the operations of groups and entities. This also provides the opportunity to gear these practices, climate data and efforts towards zero-deforestation agriculture. Some entities exist with regard to forest management and cooperatives have been formed for cocoa (see Table 2). This component focuses on setting in place the arrangements through which cooperatives can be set up as accountable entities that can be connected to financial streams enabling them to implement their investment plans, which incorporate agriculture and forest management activities through an emission reductions programme. Governance mechanisms will be validated by stakeholders to allow these entities to benefit from the incentives and future financing. Forest conservation, restoration, smart agricultural production, livelihoods benefits and sustainable management in community forests, at scale, form the basis of this intervention. The forest groups will be organised around the forest management committees whilst agricultural focused groups will be organised into cooperatives. Farmers may be a member of both. Activities are linked to the land use planning process.

There is a strategic opportunity to advance towards a coherent enabling environment for community and private enterprises, scale these up to access financing and link them to an emission reduction programme.

Output 2.1: Creating investible entities for the implementation of a robust and inclusive emission reduction programme in forest reserves, community managed forest and on agricultural land.

CRS already has operational sustainable forest management examples with community engagement⁹. The approach builds on proven experience from the Ekuri community forest area where a community management approach has successfully

⁹ The Cross River State Forestry Commission Law 2010 makes provision for community forestry within the framework of sustainable forest management. The law defines a community forest as "forest areas on community land in which the communities have traditionally and on the basis of customary law exercised Exclusive User Rights"; and under section 60 makes provision for community **forest management committees** or similar associations to take responsibility for the management of and rule enforcement in community forests. The law clearly stipulates that communities have the right and responsibility to develop and enforce local by-laws to regulate forest utilization in community forests, and a benefit sharing formula that favors communities in the event of a fine or revenue generated from community forests; and equal sharing of benefits between government and communities in the event of proceeds from forest reserves (70% to the Community and 30% to the State). Earlier in 2000, the State had developed the Single Tree Permit Guidelines as a move towards greater involvement of communities in forest exploitation, control and monitoring through community involvement in signing of owners consent before any tree can be felled or evacuated from community managed forests and forest reserves. Recently, part of the strategies for achieving target performance in forestry and conservation management in the State's 30-year growth and development strategy highlight the need for 'collaboration with key stakeholders from communities' and to 'ensure the operation of the land resource use plan and management ... which ensures the rights of local communities.

been used to meaningfully and effectively deploy proceeds from timber sales to support community development initiatives while incentivizing broader forest management interventions¹⁰. These and other groups (Ekaoi, Afi, Mangrove Cluster) have been able to develop varying types of investment plans that identify where action is needed to support forest rehabilitation activities as well as interventions in agricultural activities that drive reduction in deforestation and forest degradation. Cocoa cooperatives have also been formed¹¹. See Table 2 for more information on current projects or interventions.

A key impediment; the moratorium on logging, is being re-assessed. Currently, the State House of Assembly is proposing a bill to the Executive to revoke it. This means that royalties can flow back to communities and the State from legally logged wood. The moratorium has eroded the FMCs, but the FC is now working towards reviving the FMCs authority (through stakeholder consultations supported by the GCFTF project). MCCF and FC in town hall meetings with communities and timber dealers wish to declare legally, already-sawn wood, tax the wood, and improve forest surveillance. This has also provided the opportunity to propose to change the forest sector strategy from a single asset approach where cut timber is seen as the only real value of forests to a multiple asset approach to create opportunities for alternative income opportunities for communities that depend on forest ecosystems for a living through diversifying revenue streams of non-timber products and other services.

The output will a) improve the management of 110,000ha of forest reserve¹² which is part of the gazetted 270,000 hectares of forest reserve in CRS through empowering the FC's staff in 26 offices throughout 18 local government areas to regain operations in these reserves and capacitated to monitor the area to control illegal logging and therefore avoid deforestation. Within this area, **10,000ha of reserve** land is either degraded or severely degraded. The former will be rehabilitated by b) **enrichment planting** and the latter through c) **regeneration led by the FC** and communities through the FMCs. Incentives created through sustainable revenue generation will also d) drive support to allow for the improved management of 52,000ha of community forest area which are community owned and so tenure is not contested. However this must be preceded by training and capacity building of community foresters (as nominated by community members) as well as FMCs. The extension activities will also need to be coordinated and carried out with management staff of the CRS National Park which covers e) 364,000 hectares to ensure that similar measures and approaches are being taken to avoid deforestation across the landscape.

- **Activity 2.1.1 Identify, structure and strengthen Forest Management Committees and Agricultural Cooperatives**

This activity will use GCF financing to organise participatory workshops led by MCCF, NIRSAL and the MoA supported by experts, through which agricultural focused cooperatives and forestry focused FMCs will be identified and a institutional framework either strengthened or set up in order that membership, roles, monitoring of finances, governance and accountability can be set in place. The groups will base on experiences and lessons learnt from initial work undertaken by the Ekuri, Ekaoi, Afi and Mangrove Clusters who have set up either larger groups bringing together a number of communities or smaller groups. When revenues from timber or NTFPs are generated from community forests and forest reserves, part of these are set aside by communities to be utilized through the FMCs. The upcoming terminal evaluation of the ongoing GCFTF project will used to document evidence-based lessons relating to community group governance arrangements and their dynamics and management from experiences of the Ekuri, Ekaoi, Afi, Mangrove Cluster community initiatives. These groups can also engage with the Forest Trust Fund.

¹⁰ The activity will strengthen the capacity community based forest initiatives that are responsible for management of community forest areas such as the Ekuri model which incorporates traditional ecological practices. Other examples are in Etara, Mbe, and Afi. Benefits stemming from co-management will include selective access rights within CRSNP and AMWR and support for monitoring activities while communities around forest reserves will be engaged in the management of reserves including access to NTFPs and timber where permitted with benefit sharing in line with the CRS Forestry Commission Law (2010). Benefit sharing of revenues from forest reserves are 50% to communities and 50% to the State.

¹¹ Policies on certification for cocoa and oil palm to encourage sustainable agriculture and global competitiveness in terms of productivity, economic value, and meeting environmental standards and work to implement this will continue. Tulip, a cocoa company, is working with over 20,000 certified farmers in Cross River State, the largest at the moment. Tulip reports increasing drive among farmers to seek for certification through sustainable agricultural practices. More cocoa farmers are withdrawing from protected areas as part of certification process while Tulip provides input and market incentives (e.g. timely access and subsidized quality seeds to farmers, contribution to community development/rural infrastructure) to encourage sustainable cocoa production over conventional method.

¹² 110,000ha of forest reserve based on targeting of key reserves of Ukpon FR (31,572ha – forested 19,901ha), Agoi FR (4,438ha – forest 1,699ha), Cross River North FR (14,605ha – forested 5,641ha), Afi FR (40,146ha – forested 30,151ha), Cross River South FR (52,630ha – forested 50,432ha) that link with the landscapes of CRS National Park and Afi Wildlife Reserve (estimates of forest cover based on 2014 assessment)

This activity will also incorporate NIRSAL's experience with the formation of agricultural cooperatives through a multi-stakeholder community engagement processes to organize farmers to receive loans. NIRSAL's approach entails the establishment of cooperatives based on geographical association i.e possession of contiguous productive assets (land) that are aggregated up to specified economically viable sizes by primary producers. This process is undertaken following rigorous GIS-enabled field mapping exercises. Sound governance structures and the creation of Virtual Asset Titles (VAsT) and certification of the groups for formal registration will be undertaken. In this approach, NIRSAL has found the unique passcode that unlocks the interest, commitment and participation of financial institutions, commercial lenders and investors from the private sector to agriculture; and its early integration into Activity 2.1.1 would set agricultural-focused cooperatives under the project up for sustainable financing, guaranteeing sustainability of the target emission reduction results. To date, NIRSAL has secured over USD 450 million commitments by commercial lenders for the financing of agricultural cooperatives.

In summary the activities will conduct a land use planning exercise for the State in collaboration with the State Planning commission, identify FMCs, and the community forest areas and agricultural groups through a stakeholder engagement process. FMCs and Agricultural groups will be trained on efficient and effective management of community based conservation governance system; productive value chains and on administration and management of community groups and cooperative operations and accountability processes. It will mainstream land use planning consideration into the implementation processes. Lead partners will be the State Ministries of Agriculture, MCCF, Forestry Commission with technical assistance from UNDP, consultants and the project management unit as required. GCF funding will be used to train the groups to effectively and efficiently administer and manage community group dynamics and operations, and to foster accountability in the processes they undertake. The outputs of this process will be used to inform processes that will be undertaken under subsequent activities 2.1.2, 2.1.3 and 2.1.4.

Activity 2.1.2 Enabling conditions for community cooperatives and low-emission rural development investment plans in community forests and forest reserves.

GCF finance will be used to provide the training and capacity building needs for implementation of investment plans which must include elements of land use planning. The content of the investment plans will not start from scratch. A state investment plan will be finalised by June 2020. Objectives, activities and outputs identified through a bottom-up and participatory process will present a menu of options for the structured entities to consider. Each of the community groups will then analyse the identified interventions and customise them to their local circumstances by structuring them out to engender locally appropriate approaches and activities for implementing them. The workshops that will be organised under this sub-activity will be designed and structured to identify and scope the capacity development needs that the community groups will need to meet to be able to implement their investment plans in ways that would deliver carbon emission reductions with co-benefits for sustainable development.

The capacity building activities will also be designed to include training that will aim to strengthen the ability of government staff in the various state organs to implement policies on benefit sharing and to develop incentives for community forest management, based on approaches that will promote sustainable logging and non-timber forest products (NTFPs) as provided in the State's law (CRS Forest Law 2010). The staff training programme will also aim to enhance the capacity of government staff to implement and promote guidelines for sustainable harvesting applied by community traditional institutions and to enforce by-laws such as those governing controlled access to the community forests and harvesting of non-timber forest products such as bushmango (*Irvingia Gabonensis*), afang (*Gnetum africanum*), moi-moi leaf (*Thaumatococcus danielli*), cane rope (*Saccharum officinarum*), bitter kola (*Garcinia kola*), cattle stick (*Carpolobia lutea*), and *Randia (R. pleiomeris)* from community areas. This training will be vital in enabling staff in CRS government to support communities in achieving the increased incomes that they have already projected to earn per year from harvesting NTFPs.

The communities possess a dependable level of indigenous knowledge on harnessing value from the NTFPs and their projections indicate potentially significant and sustainable levels of income that will allow them to attain self-sufficiency without having to engage in logging or to expand their land area of their farms. The community groups will be provided with skills-based training that will empower them to develop, manage and sustain alternative livelihoods from production of NTFPs based on home-based business and local microenterprise models that will present potential for scaling up to medium- and large-scale enterprises. To enhance and ensure sustainability of the outputs and outcomes of this activity, GCF financing will be used to support the FC to work collaboratively with the State Ministry Climate Change and Forests and the Federal Ministry of Environment to foster market linkages between the community groups and the private sector based on offtake agreements with buyers of NTFPs. Revenues that the state will accrue from the promoted NTFP-based commercial activities can go into the Forest Trust Fund.

In summary GCF grant funding will be used to train and build the capacity of the agricultural and forest groups to develop and implement investment plans through a participatory process and the informed consideration of incentives and policies on benefit sharing in the forest sector. It will train CRS government extension staff on the operationalization and monitoring of benefit sharing policies and technical guidelines on forestry, the harvesting of non timber forest products and, the enforcement of by-laws and access to community forests and forest services. The lead institutions will be the MCCF, the Forestry Commission, NIRSAL with UNDP providing technical assistance as required.

- *Activity 2.1.3 Enabling conditions for community cooperatives and investment plans in agricultural lands.*

Sustainable agriculture requires tools to both increase productivity within agricultural areas and reduce the need for clearing land for agriculture, for example through improved techniques and the integration of indigenous tree cover into the agricultural landscape (agroforestry). Critical to expanding the uptake of sustainable approaches are first the information and data to inform and support sustainable production systems including land use planning, and second, to strengthen the enabling environment to encourage small- and large-scale agricultural enterprises to invest in sustainable agriculture over the long term. A key institution is the State Ministry of Agriculture (MoA) and extension services with a focus on Cocoa farmers.

This activity will support training of the MoA extension workers who will then in turn reach out to build the capacity of cocoa farmers to adopt sustainable practices into the value chain for cocoa and other crops. These will include the establishment of nurseries, to integrate key NTFP's (see 2.1.2) into farming systems and to develop and implement measures for improving the productivity of subsistence crops (which are also sold in local markets) such as cassava, by providing farmers with the know-how to adopt processing, drying and storage methods that will reduce losses in the quantity and quality of the produce. Reducing the losses will increase the amount of food and income that the farmers will obtain without having to expand the sizes of their farms. By adopting Agro-processing, for example, farmers would use simple equipment to dry cassava so that it can be stored, processed and sold. This would prevent many hectares of cassava crop from rotting and being wasted.

The project will further provide support to the Ministry of Agriculture's extension service to assist the smallholder farmer groups in the target forest communities to organize into cooperatives through which they will be trained on how to improve yield and technical efficiency. The modality will use a training of trainers. Some extension officers are able to carry out this training for all the officers, but this will be bolstered by technical assistance from UNDP, consultants and the project management unit. Through the cooperative arrangements, the farmers will have better access to extension services and be able to bargain for better prices for their produce, thereby enabling them to achieve improved outputs and revenues whilst protecting the natural resource base. For example, the 14 Ekiao forest communities estimate that through cooperative arrangements, they could increase their income four-fold from the same farms without having to till new land.

In order to foster the sustainability of the work in Activity 2.1.3, the project will seek to integrally catalyse upstream partnerships for the promotion of sustainable smallholder and subsistence crop production systems and of the enabling environment they need to thrive in the State. In this regard, GCF financing will be used to support the Federal Ministries of Environment and Agriculture to organize engagements through which they will develop and sustain a linkage between their counterpart ministries in CRS and the International Institute of Tropical Agriculture (IITA), its partner research institutions, and universities in the State. Under the auspices of a UNDP/GEF-led project, the Federal Ministry of Agriculture is currently benefitting from working partnership with IITA through which technical support for the development of sustainable and resilient food production systems based on key subsistence crops is being provided to communities in the 7 states that the project covers. UNDP would use the opportunity that this working partnership presents to improve subsistence crop production systems in CRS.

The engagement of research institutions will both allow for the deployment of tested approaches, methods and tools in project activities, and facilitate the scientific documentation of well-grounded lessons and guidance that will inform the expansion of REDD+ activities to other states during the scaling up stage.

The creation of an investment-ready jurisdiction would not be complete without (a) highlighting the economic implication of the adoption of inputs, technologies, methods and production systems recommended by research institutes, extension service providers and other stakeholders; (b) identification and linkage of established groups to appropriate markets; and (c) development of integrated and viable business models for adoption by value chain actors with supporting financial models and cash flow projections that can be presented for commercial financing.

In achieving this, UNDP will draw on NIRSAL's technical competences in agribusiness modelling and local knowledge of the dynamics of both agricultural and financing systems in Nigeria.

In summary the GCF grant will support the development of deforestation free value chains and investment plans for each agricultural cooperative and train extension workers on effective outreach approaches for value chain improvement. It will conduct outreach engagements to build the capacity of cocoa farmers to adopt sustainable practices into the value chain for cocoa and other crops and establish nurseries for supporting integration of key NTFPs into farming systems. Farmers will be trained to adopt methods for increasing crop productivity and reducing crop loss and ensuring avoided deforestation and forest degradation whilst improving yields in smallholder farming systems. Lead partners will include the State Ministry of Agriculture through a responsible party agreement with UNDP

- Activity 2.1.4. Scaling-up the low-deforestation cocoa and agricultural production in CRS.

At the state level, support will be provided to the Ministry of Agriculture and key stakeholders working with smallholders' groups that are set up (cooperatives or out growers) to increase understanding of and awareness of agricultural certification and deforestation free supply chains for cocoa with a view to enabling access to credit lines for organic and deforestation free options. GCF finance will support value chain analysis for produce from the farm gate to large scale buyers/exporters in CRS.

The idea is to develop capacity to increase productivity and improve the quality of production to meet licensing standards, reduce the value chain involving middlemen, and link farmers directly to marketers. This would be done without expanding the frontiers of their farms. GCF finance will be for the provision of extension services and organizing farmers to adopt best practices (such as revitalising unproductive stands) and a cooperative and business approach to farming. The project will encourage behaviour change in farmers through awareness raising equitably among women, men and male and female youth within communities on value of certification standards and their requirements as well as increasing information on certified buyers through a set of trainings. Support will be provided by GCF to increase awareness of capacity to address social and environmental issues. Exporter companies will provide support through access to improved cocoa varieties (access modalities and co-financing to be confirmed) as well as support in provision of equipment, technical support and supply chain tracking systems. The activity will work closely with the Calabar Chamber of Commerce and Industry to organise private sector round tables involving actors such as cocoa aggregators and buyers to seek ways to expand and consolidate on approaches towards sustainable agriculture in CRS.

Output 2.1 will be implemented by the Ministry of Agriculture, the Forestry Commission, NIRSAL and UNDP

2.2: Partnerships forged to enable a robust and inclusive emission reduction programme in forest reserves, community managed forest and on agriculture land.

Once the enabling environment for an investment-ready jurisdiction has been created, GCF financing would be used to forge public-private partnerships for attracting capital flow towards the implementation of a robust and inclusive emission reduction programme in forest reserves, community managed forest and on agricultural land. This activity will involve strategic collaboration between the Forestry Commission, Ministry of Agriculture and Ministry of Climate Change in CRS, Cross River State, the Federal Ministry of Environment, UNDP and NIRSAL.

- *Activity 2.2.1 Identify and implement mechanism(s) for facilitating sustainable finance for cooperatives and forest management groups*

Low emission credit lines for rural development

The Nigeria Incentive-Based Risk Management System for Agricultural Lending (NIRSAL) as a partner in this programme will carry out its niche role of facilitating finance and investment to validated beneficiaries already set up in agriculture and forestry groups and enabled with optimized business models and market access per Activities 2.1.1 to 2.1.3 above. NIRSAL's role under this activity will include the provision of innovative insurance and risk management frameworks, development of bespoke financing frameworks for low emission credit, co-development of low emission lending products with financial institutions, preparation and linking up of beneficiary groups with an identified financial institution¹³ and issuing and deploying its credit risk guarantees and interest drawback scheme to

¹³ The appropriate financial institution will be determined in the funding proposal. There are several options and these will be explored. For example the Bank of Industry, or local financial institutions in Cross River State or

enable the flow of capital and the extension of credit to cooperative and community forestry groups. The project will include a pilot scheme to trial this approach.

Credit would be extended to cooperatives or groups to undertake activities as per their investment plans that would result in carbon emission reductions. These would be monitored, measured, reported and verified. GCF financing will be used to ready the cooperatives/structured entities and enable the investment planning process for engagement with intermediaries and financing entities to enable agricultural and forest management lending.

GCF finance will be used to develop policy guidance for Nigerian Sustainability Banking Principles, microfinance lending relating to deforestation free agricultural supply chains, considering conservation areas and no-go zones, international agricultural certification standards and climate smart agriculture applying global best practice on incentivising and guiding sustainable investments and the capacity needed for their management.

Any option will consider how to engage with more marginalised groups within the community including women and youth who may face specific challenges with relation to their engagement with financial institutions. The Project will facilitate multi-stakeholder dialogue on appropriate guidelines and standards to be adopted taking into account gender considerations are integrated into financial incentives to ensure women and men are equitably involved in and will benefit from them. Updated guidelines and practices developed within the project will be scaled up to NIRSAL's national portfolio and can be applied to the NSBPs.

Financial Instrument 2: Domestic and international Carbon Markets for REDD+

Local emission reduction programmes will be allowed to generate carbon credits (offsets), thereby providing investible community entities with a tangible asset, which will be a motivation for them to participate and invest more in protecting forests and engaging in deforestation-free agriculture. The carbon credits will be pre-sold to investors to attract finance. Investors could then choose to retire the credits to offset corporate greenhouse gas emissions nationally in Nigeria, or sell them to other Nigerian polluters on a potential emerging carbon market. International trade of such carbon credits could also become feasible under Article 6 of the Paris agreement over the lifetime of the project as UNFCCC negotiations advance. A mechanism will be put in place to link carbon trading activities with the state's Forest Trust Fund, ensuring that proceeds from the carbon credits that will be realized from the protection of state-owned or controlled forest areas and any levies carbon trade activities are channeled to the Trust Fund from which they will be distributed as per benefit sharing arrangements that the operation of the Fund will be designed to follow, as per Activity 1.2.3.

In summary, this activity will focus on policy guidance for microfinance lending relating to deforestation free agricultural supply chains and forest management groups and undertake multi-stakeholder dialogue on appropriate guidelines and standards for ensuring integration of gender equity considerations into financial incentives. It will foster market linkages between the community groups and the private sector based for example on offtake agreements with buyers of NTFPs and agricultural products. It will prepare cooperatives and forest management committees to develop low emission credit lines for rural development.

A final area will be to develop a framework for the state to participate in carbon markets for REDD+; and develop a mechanism for linking carbon trading activities with the state's Forest Trust Fund.

Please explain how this project or programme can support countries in finalizing the UNFCCC requirements for REDD+ RBPs including completion of the REDD+ Warsaw Framework, and in implementing REDD+ demonstration activities that would enable the country to be eligible for results-based payments from the GCF and other financial mechanisms under a complementary and coherent manner. Are the proposed interventions under each component well documented for their costs and benefits?

This project completes the UNFCCC requirements for REDD+ RBPs in Cross River State. It positions CRS as an investment-ready jurisdiction. The interventions document the costs that will need to be borne and the benefits which result in partnerships to attract private capital flow to implement a robust and inclusive emission reduction programme in forest reserves, community managed forest and on agriculture land.

Describe in which ways the demonstration activities are scalable and replicable and contribute to the expected outcomes of the project/programme.

Component 2 of the project will build on the ongoing activities to consolidate the capacity of public and private entities to implement policies and measures to decrease deforestation and forest degradation and enhance community management of forests. On agricultural lands, it will help prepare a transition from grant support to loan support to stakeholders. The model is scalable as more entities join to access financing for agricultural intensification through credit to smallholders in the long term and support deforestation free supply-chains. By the time the project ends, community groups will be able to access financing to implement their investment plans.

In the future, it is expected that companies will remain an important source of funding for sustainable intensification which will help make small-scale farmers with a focus on women and youth, more bankable, a necessary condition for loan-based finance. The potential for replicability is high, as it can be expanded within the state and extended to other states that are interested in working on similar models through REDD+. There are currently 17 states in the country that are known to have expressed strong interest in developing REDD+ approaches to low-carbon development.

Cross River State is at a crossroads; there is real potential for leapfrogging by building on lessons learnt from other countries and from its own community-based projects on REDD+. The complexity and uncertainty associated with such investments and financial solutions, require strong support from donors and multilaterals to make the agriculture and forestry related activities appealing to communities, farmers, cooperatives and financial institutions. It requires important technical work and dialogue with key partners, as well as piloting, over a couple of years before being able to be implemented at scale and to access necessary finance for implementation at scale. This initiative is a vital facilitator of this process.

Scaling Up community-based initiatives

The activity will strengthen the capacity of community-based forest initiatives that are responsible for management of community forest areas such as the Ekuri model which incorporates traditional ecological practices. Other examples are in Etara, Mbe, and Afi. The activity will build on the outcomes of these Community Based REDD+ projects and will scale them up to a wider number of communities.

GCF finance will support institutional arrangements within community groups including management training, for management of revenue from activities, development of guidelines for community management and harvesting of NTFPs¹⁴ from community areas. Additional support to establishment of small-scale enterprises for NTFPs will also be provided through the CRS MCCF and through the proposed approach to implement investment plans

Describe in what way the Accredited Entity(ies) is well placed to undertake the planned activities and what the implementation arrangements with the executing entity(ies) and implementing partners will be.

With regards to component 1, at a sub-national level UNDP is well placed to undertake the planned activities given its previous involvement through the UNDP Country Office (CO) in the UN-REDD+ Programme in Nigeria, implemented collaboratively by UNDP, FAO and UN Environment. Currently UNDP CO is implementing agency for grant from the Governor's Climate and Forests Task Force, with the Ministry of Climate Change and Forests (MCCF) and the Forestry Commission in Cross River State. Therefore, an implementation modality is in place and will be further described in the funding proposal after confirmations with regards to which partners will act as executing entities and implementing partners. Achievements of support provided by UNDP through UN-REDD include the participatory and bottom-up elaboration of the CRS REDD+ Strategy (See Table 1 for link and the mobilization of the civil society organizations with respect to the fight against deforestation.

UNDP in Nigeria through the Country Office is also building technical and institutional capacities for the implementation of GHG inventories and the NDC. Nigeria's NDC identifies the potential for the land use and forest sector to contribute some 15% of identified national emission reductions or 74 mtCO_{2e} per annum by 2030¹⁵. The majority of this, it proposes, will be achieved through sustainable agriculture, which includes agroforestry as well as reductions in charcoal use and overall reductions in deforestation and forest degradation. This is in line with the Agriculture Promotion Policy (2016-2020) as well as Nigeria's National Strategy on REDD+. The latter outlines the overall country approach to REDD+ and sets an overall vision:

¹⁴ In Cross River State, more than 700 different NTFPs have been identified, with harvesting of over half of these (around 430 species) recorded within the State. For instance, in the 1990s there were reported to be over 50 million mature large stems and 30 million small stems of rattan canes growing in the State, and over 2.5 million stands of bush mango (Dunn et al. 1994, in Mfon et al. 2014). Some of the most valuable forest products found in the State's forests include gnetum, kola, bush meat and riverine shellfish.

¹⁵Government of Nigeria (2015) Intended Nationally Determined Contributions – now Nationally Determined Contributions

"By 2030, achieve sustainable management of Nigeria's forests and ecosystems as well as reduced emissions from deforestation and forest degradation by 20% while promoting sustainable livelihoods and a climate resilient national economy towards attainment of sustainable development goals (SDGs)."

At the global level, UNDP believes to be the best placed AE to support this process. The advantage that UNDP possesses is that it has the internal know-how to support the BUR process, the REDD+ FREL, technical annex, SOI and SIS processes and the REDD+ Results-Based payment proposal development process in a coordinated matter as demonstrated by the development of the first two RBP proposal for the GCF: Brazil results-based payment for the Amazon Biome in 2014-2015, approved at B.22; and Ecuador results-based payments for the 2014, up for approval at B.23.

With regards to Component 2, at the national level, UNDP has been working with CRS during the implementation of the UN-REDD Programme and currently with financing from the Governors' Task Force Climate and Forests, through the UNDP Nigeria Country Office, with the Ministry of Climate Change and Forests (MCCF) and the FC in Cross River State.

At the global level, UNDP is currently developing a unique partnership with the Dutch Development Bank (FMO) to support the implementation of specific credit lines for deforestation-free cattle and soy production in Paraguay. The development of this "first of its kind proposal" is yielding extensive experience which could enable replication in Cross River State in Nigeria.

Please provide a brief overview of the key financial and operational risks and any mitigation measures identified.

Key Financial and Operational Risks

Farmers may not respond to loan offers or banks may not follow guidance developed.

- *Mitigation measure:* With regards to farmers, extension work will ensure that farmers are involved and participate in discussions on improvements and approaches that are to be recommended. Not all farmers will want to be involved. NIRSAL will offer its Interest Draw Back Scheme which provides interest rebates to borrowers that remain in good standing over a review period up to the tune of 40% of interest charges depending on segments of operation. This increases the attraction for loans covered by NIRSAL credit risk guarantees. NIRSAL will be part of the process to develop guidelines and will develop internal mechanism to ensure guidance is followed.

Limited coordination of the institutions involved in the implementation of the policies and measures

- *Mitigation measure:* Current work is focusing on establishing and supporting key coordination mechanisms at state level to link relevant stakeholders and ensure coordination. The GCFTF project has set in motion activities to strengthen coordination mechanisms between the FC, MCCF and Ministry of Agriculture, for example by discussing and clarifying institutional mandates, roles and responsibilities.

B.3. Expected project results aligned with the GCF investment criteria (500 words)¹⁶

Please describe and provide an estimate of the expected impacts aligned with the GCF investment criteria: impact potential, paradigm shift, sustainable development, needs of recipients, country ownership, and efficiency and effectiveness.

Climate Mitigation Impact

Nigeria submitted its revised FREL to the UNFCCC in May 2018. The assessment which focused on CRS indicated that the state lost an average of 9,176ha of forest per year during the 2000-2014 reference period resulting in average annual emissions of 8,922,467 tCO₂e/yr.

When activities are implemented based on the demonstration activities in this proposal, there is potential to deliver emission reductions estimated at 7.1mtCO₂e over its 6-year implementation period or 31 mtCO₂e over the full project lifetime. This is based on a 20% reduction of emissions from the major forest types listed in the FREL and the rehabilitation/ reforestation of 10,000ha of forest area. Emissions reduction are identified as being achieved incrementally with no reductions in Y1 of the project with subsequent years achieving 5%, 10%, 15% and 20% for Y5 and 6. Similarly forest rehabilitation / reforestation will occur incrementally with 500ha achieved in Y2 and 3, 1,000ha in Y4, 1,500ha in Y5 and 6.

As per the UNFCCC Warsaw Framework for REDD+, the final amount of emission reductions that CRS will achieve by implementing the CRS REDD+ Strategy at scale, during the lifetime of the GCF project (2020-2025), will only be determined

¹⁶ For more information please refer to Annex XIV of document [GCF/B.07/11](#)

once the Biennial Update Report (BUR) with the REDD+ technical annex is submitted to the UNFCCC. These results will be compared with the final technically assessed FREL. This information will be published on the REDD+ Information Hub on the REDD+ Web Platform, in accordance with UNFCCC decision 9/CP.19.

The BUR and technical annex as noted above, will be submitted by Nigeria prior to the approval of the project by the second quarter of 2020. This will be monitored as the funding proposal is developed. The final results achieved by the project would therefore not be validated by UNFCCC until the time to submit the 3rd or 4th BUR with technical annex in 2024 or 2026. Ideally with the timeframe of the project ending in 2024, a key activity could be to ensure the REDD+ technical annex is submitted in 2024; a road map will be developed for this purpose

Paradigm Shift

The project will create a shift from the country's business-as-usual approach to forest management as a zero-sum game in which forest protection has to happen at the expense of economic activities and hence livelihoods of the communities living in and around forests, to focusing on an approach that places importance on unlocking and enabling the success, productivity, and profitability of the agricultural and forestry systems occurring in and around forest areas and integrating this into forest management frameworks as a way of contributing a solution to achieve sustainable forest management and emissions reductions objectives, and the associated ecological and socio-economic development benefits.

The project will propagate a shift towards the adoption in Nigeria of the kind of institutional development that will enable the unlocking of the diverse financial resource base through multi-stakeholder processes that will allow active and meaningful participation of the private sector in collaborating with public sector actors to support community-led action for sustainable forest management based on smallholder systems. This is an untraditional approach to the management of forest landscapes in Nigeria. By placing a core focus on creating enabling conditions for both public- and private-sector institutions across the state and national levels to develop and strengthen their capacities for mobilizing and managing the resources required for implementing effective sustainable forest management systems and practices; and by demonstrating how multiple financing sources including state and federal funding, development partner and private sector finance can be brought together to deliver REDD+ results and economic growth, the project will provide a template for a change in the way that Nigeria's forests are managed as well as how changes are credibly monitored and effectively reported. The project's strength and innovative approach lies in engendering institutional development, and steering and evolving public finance available in the land use sector, toward systemic changes that support the SDGs and reduce carbon emissions from the forest and land use sector in CRS.

Current work demonstrates that there is a willingness to strengthen engagement of communities in forest management and an expansion of self-financing community-based approaches to forest management and local development initiatives that can provide lessons for other States across Nigeria as they begin their activities on REDD+. The project will provide the necessary proof of concept for the private sector to engage in long term investments in the forestry, cocoa and NTFP value chains.

The potential future use of proceeds could be for investment in rural infrastructure development particularly accessibility for easy transportation of goods and improvement of their market value; as well as markets with facilities for storage and space for exchange of products. Accessibility (feeder roads) alone, estimated at N140,000,000 (about USD 400,000) for example for 14 communities is capable of triggering incentives for people to stay on the land and farm sustainably through integrated farming including livestock, market gardening, yam production etc. As credit becomes available more farmers can be included in the improvements in production technology and market access and use of higher yielding varieties.

Sustainable Development and Multiple Benefits Potential

The project will contribute to the achievement of several of the Sustainable Development Goals (SDGs) through the multiple benefits it will deliver. It will contribute towards:

Social and Economic Benefits

- **SDG 1: Poverty reduction:** the project will work directly with forest dependent communities and smallholders in strengthening their access to diversify their livelihoods and strengthen and develop sustainable income sources through access to credit and increased agricultural, forest management and business development skills. This support will target men, women and male and female youth equally within communities and will also specifically target many of the most vulnerable communities within CRS and Nigeria. Commodity certification will allow a well-defined and integrated value chain development from production through processing, packaging, transportation, and marketing. The integration will consider improved value chain for food crops like cassava and market gardening where women play critical roles and are more likely to benefit, considering also that they are major primary producers and forest users. Building on the agricultural

sector's investments in bush mango value chain which, combined with cocoa can provide additional economic incentive as well as increase the forest carbon stock through the sustainable cultivation of tree crops and non-timber forest products while producing economic incentives for both men and women

- **SDG 8: Decent Work and Economic Growth:** through working on domestic legislation and international standards to produce agricultural commodities and forest products the jobs created, and income generated will be based on sustainable income streams as well as high standards of employee and worker welfare. Actions will also recognise the role that different groups play within communities and households ensuring that equal opportunities are provided to women, male and female youth and other groups within communities.
- **SDG 12: Responsible Consumption and Production:** the project will strengthen value chains for the development and production of sustainably certified agricultural and forest products with engagement with larger scale producers and buyers of both raw and processed commodities such as cocoa. In working with sustainable supply chains for companies and targeting global commitments on sustainable purchasing, the project will promote sustainable consumption and production.

Environmental benefits

- **SDG 13: Climate Action:** the project will enable direct action on climate mitigation within CRS and as well support the maintenance of environmental services and more sustainable agricultural practices that will both help CRS adapt to CC and to become more resilient to climate induced shocks.
- **SDG 15: Life on Land:** the project will serve to protect, restore and promote sustainable use of terrestrial ecosystems through the sustainable management of forests. Community forests will result in fire protection, retention of forest functions, allowing management of erosion prone areas, protecting watersheds and regulating water supply, contributing to biodiversity conservation, maintenance of air quality, regulation of the microclimate, soil formation and nutrient cycling, and recreational and religious services among others.

Finally The grant provided to small-scale producers through engagement, training, improved access to quality plant materials and continuous technical assistance will minimize costs and risks assumed by the farmer in the transition to sustainable practices.

Market and credit readiness activities will be completed by the third or fourth year so when the project ends, there is already an approach in place to operationalise the objectives of Component 2. This offers a major potential for the realisation of environmental benefits through reduced deforestation and forest degradation as well as sustainable forest management in the long term, as well as social and livelihood benefits through sustainable agricultural production and access to forest resources and products.

Needs of Recipients

The project will recognize differentiated roles and contributions of different socio-economic groups, particularly those who are more marginalized, such as women and youth. Currently a gender action plan is being developed under the auspices of the GCFTF project. This will detail gender issues as they relate to the project; and will enable the assessment of the scale and scope of women's and men's roles within the cocoa and oil palm value chains; and propose gender-sensitive development impact opportunities, including within supply chains. Gender considerations will also be mainstreamed throughout the project and will involve integrating gender within the proof of concept activities based on the principles and standards for UNDP's gender equality marker system against which allocations and expenditures for gender equality and women's and girls' empowerment will be tracked and reported. This will also draw on the work carried out with FCPF financing, which will involve identification of needs and gender training among relevant government institutions and amongst civil society to develop gender-responsive planning activities at the national level. The project performance monitoring will include ensuring equitable inclusion of women and female youth in trainings; and strengthening women's and female youth's entitlements, functions, roles, responsibilities and benefits including within commodity supply chains. Through this integration of a gender perspective into the project, men's and women's and youths' knowledge, skills, access to markets, and rights will be equitably recognized and taken into account, thus promoting gender equality and women's empowerment.

Direct beneficiaries are estimated at over 392,000¹⁷ people who will comprise members agricultural cooperatives and forest management committees, groups, staff of conservation and development initiatives, staff of the CRS national park, national REDD+ officers. Additional direct beneficiaries will include government institutions at the State level – Forestry Commission (at least 360 forest officers in 18 areas), Ministry of Climate and Forests and national institutions such as NIRSAL. The estimated total direct beneficiaries are 400,000.

¹⁷ This is calculated as follows; which include 200 people in each sub-group x 14 sub-groups x 20 groups. 56,000 x 7 family members in each family

Country Ownership

The Government of Nigeria (GoN) has recognised the importance of Climate Change, its potential impacts on the country and the role the GoN can play in addressing it through CC mitigation measures. The National Policy on Climate Change (2012) provides the strategic goal of fostering low-carbon, high economic growth for Nigeria, an approach that is also central to the Economic Recovery and Growth Plan (2017 – 2022). Both recognise the important role that agriculture and forestry can play in helping the country to adapt to and mitigate CC, stressing the importance of climate smart agriculture (CSA). This approach and level of commitment is further reinforced within the country's Nationally Determined Contribution (NDC) which proposes an unconditional emissions reduction of 20% below business as usual (BAU) and conditional emissions reduction of 45 per cent below BAU with international support, in the form of finance, investment, technology and capacity building.

The NDC identifies the potential for the land use and forest sector to contribute some 15% of identified national emission reductions or 74 mtCO₂e per annum by 2030¹⁸. The majority of this, it proposes, will be achieved through CSA, which includes agroforestry as well as reductions in charcoal use and overall reductions in deforestation and forest degradation. This is in line with the Agriculture Promotion Policy (2016-2020) as well as Nigeria's National Framework Strategy on REDD+. The latter outlines the overall country approach to REDD+ in Nigeria and sets an overall vision to:

“By 2030, achieve sustainable management of Nigeria's forests and ecosystems as well as reduced emissions from deforestation and forest degradation by 20% while promoting sustainable livelihoods and a climate resilient national economy towards attainment of sustainable development goals (SDGs).”

The NDC is currently being revised and discussions are being held to ensure that nature based solutions are included in a more detailed manner, setting out milestones, activities and targets. The targets set out in this proposal will be integrated into the NDC.

These national frameworks work in partnership with each other and are translated for implementation at the State level across Nigeria. Cross River State in particular has made significant strides towards addressing land use change at the policy level. This includes agricultural reform programmes especially for cocoa, and forestry initiatives for reforestation and enrichment planting, such as CRS's 5 million tree programme. The state is also the site of Nigeria's most advanced REDD+ work with a REDD+ Strategy Developed and a subnational Forest Reference Level (FRL) submitted to the UNFCCC at the beginning of 2018.

The NDA have been actively involved in planning and implementing the readiness phase of the Nigeria REDD+ Programme in close collaboration with other UN agencies within the context of the UN-REDD programme, the Forest Carbon Partnership Facility (FCPF) – and stakeholders at the national and project levels. Through this long, participatory and iterative process Nigeria has progressed towards REDD+ readiness and it is on the basis of outputs from this processes that the current CN has been developed. At the National (Federal) level, the consultation process was supported by technical input from a national Technical Committee drawn from relevant government institutions including the Federal Ministries of Agriculture, Environment, Finance, National Space Research and Development Agency (NASRDA), National Planning Commission, civil society, the media and others, with a similar structure replicated at the sub-national/project level in Cross River State. The consultation process also involved high level dialogue with government officials, and a robust stakeholder consultation through stakeholder fora that brought together representatives of 70 forest dependent communities in REDD+ pilot sites in CRS, government agencies, civil society, academia, media and the private sector. Consultation was further strengthened by feedback and lessons from civil society and communities from community-based projects funded under the Community Based REDD+ (CBR+) Programme. The ideas in this concept note are drawn from the outcome of these various consultations, supported by analytic studies, and corroborated by the Technical Committee. As the concept note progresses into a SAP funding proposal, the NDA and AE will intensify the dialogue with stakeholders and institutions, and particularly strengthen private sector participation in the process.

Efficiency and Effectiveness

The GCFTF funded activities have placed the activities described in this proposal on the starting block. The project will build on existing initiatives and success stories within Nigeria and CRS such as the Ekuri community forestry initiative and pilot programmes on small-holder cocoa and oil palm development. These initiatives (refer to Table 2) have exhibited efficacy through the reality of the high degree of success that the communities have achieved in using community-based arrangements and processes to realize environmental protection outcomes that have seen community-led activities result in the area of tropical rainforest and indigenous mangrove forest under sustainable management actually expanded; and

¹⁸ Government of Nigeria (2015) Intended Nationally Determined Contributions – now Nationally Determined Contributions

consequently the rates of deforestation and forest degradation in the respective localities reduced; and livelihoods, household incomes and institutional capacities improved and diversified.

Thus, because the it will use GCF financing to build on the successful approaches, methods and tools used and the enabling conditions created by the demonstration activities and REDD+ readiness processes that the CRS has been implementing since 2012, the project is expected to deliver a high level of efficacy in catalysing action that will lead to the creation of an enabling environment for REDD+ activities; actual implementation of interventions that will yield emissions reductions with co-benefits for sustainable socio-economic development in CRS and beyond; and the generation and recording of evidence-based lessons that will be used to model effective expansion and scaling up processes. The project will use the highest globally recognized standards and best practices, and competent and specialized expertise to improve on the said approaches, methods and tools, and for aspects that have not been tested through the demonstration and readiness activities in undertaken in CRS.

To ensure efficiency, the project will be structured to use and build on the in-house capacity within UNDP and within the state and federal government and private sector agencies that are involved in implementing the ongoing demonstration activities in CRS. A staffing and capacity development plan covering the full scope of work in both Component 1 and 2 of the project will be embedded within the GCF proposal. This will identify the strategies and measures for ensuring optimal use and further development of the internal capacity contained within the project's institutional framework, and measures for ensuring that the sufficiency capacity within the framework to support the operational and technical aspects of the project throughout its lifespan.

Lessons learned from the ongoing demonstration activities in CRS will be used to engender a learning approach and strategy to develop on operational linkages and to structure clear reporting lines between participating agencies and UNDP. The need to catalyze the active participation of the private sector will also stimulate the use of this approach in developing measures for responding to the sector's pronounced sensitivity to efficiency. The same approach will be then be replicated in the process of expanding REDD+ activities to the three additional states of Nasarawa, Ondo and Plateau and in onward scaling up of the activities to the national level.

The project will be structured to base on UNDP's financial tracking and reporting systems and procedures. These will proffer a robust results-based management framework within which the project's outcomes, outputs, indicator, and monitoring and evaluation systems will be designed and managed in order to yield optimum project delivery rates and to ensure the delivery of a commensurate level and quality of project outputs and outcomes for activity costs and within the proposed timeline, and in achieving the desired Economic/Financial Rate of Return as will be determined when activity level costs have been estimated.

C. Indicative financing / Cost information (max. 2 pages)

C.1. Financing by components

Please provide an estimate of the total cost per component and disaggregate by source of financing.

Component	Output	Indicative cost (USD)	GCF financing		Co-financing			
			Amount (USD)	Financial Instrument	Type	Amount (USD)	Financial Instrument	Name of Institutions
Component 1 – Compliance with UNFCCC requirements for REDD+ RBP	Output 1.1: Output 1.1 Monitoring system and a nested approach fully operational at the sub-national level to measure and report carbon emissions reductions and removals	2,100,000	2,000,000	Grants	Public Source	100,000	Grants	Forest Carbon Partnership Facility
	Output 1.2: Safeguards and Safeguards Information System (SIS) are operational at the sub-national level.	1,300,000	1,200,000	Grants	Public Source	100,000	Grants	Forest Carbon Partnership Facility
Component 2. Enabling	Output 2.1: Creating investible entities for the implementation	2,820,000	2,680,000	Grants	Public Source	140,000	Grants	GCFTF and

activities to transition towards sustainable financing of the REDD+ Strategy in CRS	of a robust and inclusive emission reduction programme in forest reserves, community managed forest and on agriculture land.							In-kind contributions by NIRSAL (amounts to be determined)
	Output 2.2: Forging partnerships to invest in the implementation of a robust and inclusive emission reduction programme in forest reserves, community managed forest and on agriculture land	3,600,000	3,300,000	Grants	Public Source	300,000	Grants	Cross River State Government and In-kind contributions by NIRSAL (amounts to be determined)
Indicative total cost (USD)		9,820,000	9,180,000	640,000*				

Grants through the Forest Carbon Partnership Facility for REDD+ readiness in Nigeria are expected to co-finance activity 1.1; 1.2 and parts of 2.2. This is subject to confirmation at the funding proposal stage and an estimate is reflected above

**The Governors' Climate and Forest Taskforce (GCFTF) Project – which is currently being implemented in CRS can provide upto USD 140,000 as some of the funding is expected to be earmarked for Activity 2.1 as this project runs to mid-2020 as indicated above. This will be subject to determination and confirmation at the funding proposal stage. CRS will also apply for additional financing under Window B of the Governors' Climate and Forest Task Force which is designed to support innovative and transformative approaches at the sub-national level. The window will open in January 2020 and projects must be a minimum of USD 500,000.*

C.2. Justification of GCF Funding Request (300 words)

Grant financing is requested from the GCF to support the implementation of a jurisdictional level approach to REDD+ in Nigeria based around CRS. The project will support the development of key systems and public goods that will allow for CRS to be used to demonstrate how sub-national action on REDD+ can be undertaken in Nigeria as well as building capacity to scale-up similar action across the country. The central investment from GCF of >9 million will catalyse co-financing from both state and federal government and the private sector towards delivering REDD+ results, through action in both the forestry and agricultural sectors, and ensure the type of coordination that would be highly unlikely without the central support from GCF. Through this support the project can prepare investments to deliver a 20% reduction in levels of deforestation within CRS by year 5 of the project as well as the rehabilitation / replanting of 10,000ha of forest, resulting in total emission reductions of over 6.5mtCO₂e.

The *grant request from GCF is appropriate for several reasons*. The grant will be used to finance *public goods* that are required to reduce emissions from deforestation and forest degradation. GCF finance will focus on areas including setting in place an approach that will be tested to attract innovative financing mechanisms for REDD+, the monitoring systems to effectively report on forest management practices, emissions and application of safeguards, and strengthening of the enabling environment for private sector and gender sensitive community investment in CSA. Changes in approach to land management that are developed by the project represent low cost options that will generate positive financial and economic benefits to society as a whole and will be sustainable over time. The project will not invest in activities that would crowd out the private sector, or which financially are attractive to be financed by private actors.

Activities under Component 2 are primarily directed as supporting the establishment of an enabling environment, including management systems and capacity of government and communities. GCF finance only involves capacity building activities and preparatory activities for market and credit readiness..

GCF grant financing will be purely used to increase understanding and application of sustainable agriculture practices by key stakeholders, and to access credit, engage and connect with sustainable producers and buyers within the cocoa and (oil palm) supply chains. By investing public resources in creating the capacity to undertake CSA including the related certifications, a self-financing mechanism will be built (involving lending institutions). Preliminary analysis shows that cocoa and oil palm have sufficient financial incentives to enable farmers to adopt CSA approaches as proposed (FIRR of 38% and 16% respectively). The results of the preliminary financial and economic analysis for all revenue generating activities is shown in Annex xx.

Another important justification why the CRS needs grant financing is the high debt to gross revenue ratio of CRS. The state currently has a ratio of 940%¹⁹ well in excess of the guidance 50% set by the Federal Debt Management Office. As such it is not eligible to take on any direct loans.

C.3. Exit Strategy and Sustainability (300 words)

Please reflect on when the country will comply with the UNFCCC requirements and when a concept note and funding proposal will be submitted to the GCF for REDD+ payments for results. Also reflect on the scalability potential of the demonstration activities in this endeavour

The project has been designed with a focus on consolidating REDD+ readiness and facilitating implementation towards results-based actions that can be fully measured, reported and verified. In its design, the project builds on the current work of past development partners, private sector and government initiatives to ensure that it is well grounded within the context of Nigeria and CRS. In targeting the implementation of key elements of CRS's REDD+ Strategy, it directly works towards a key objective of the State government and one that the government has committed to continue beyond the duration of the project.

Its core elements focus on establishing the enabling environment including policies, management and operational systems and capacity to promote, preserve and prolong action by communities and the private sector that is both financially and economically sustainable. Specifically, the project will:

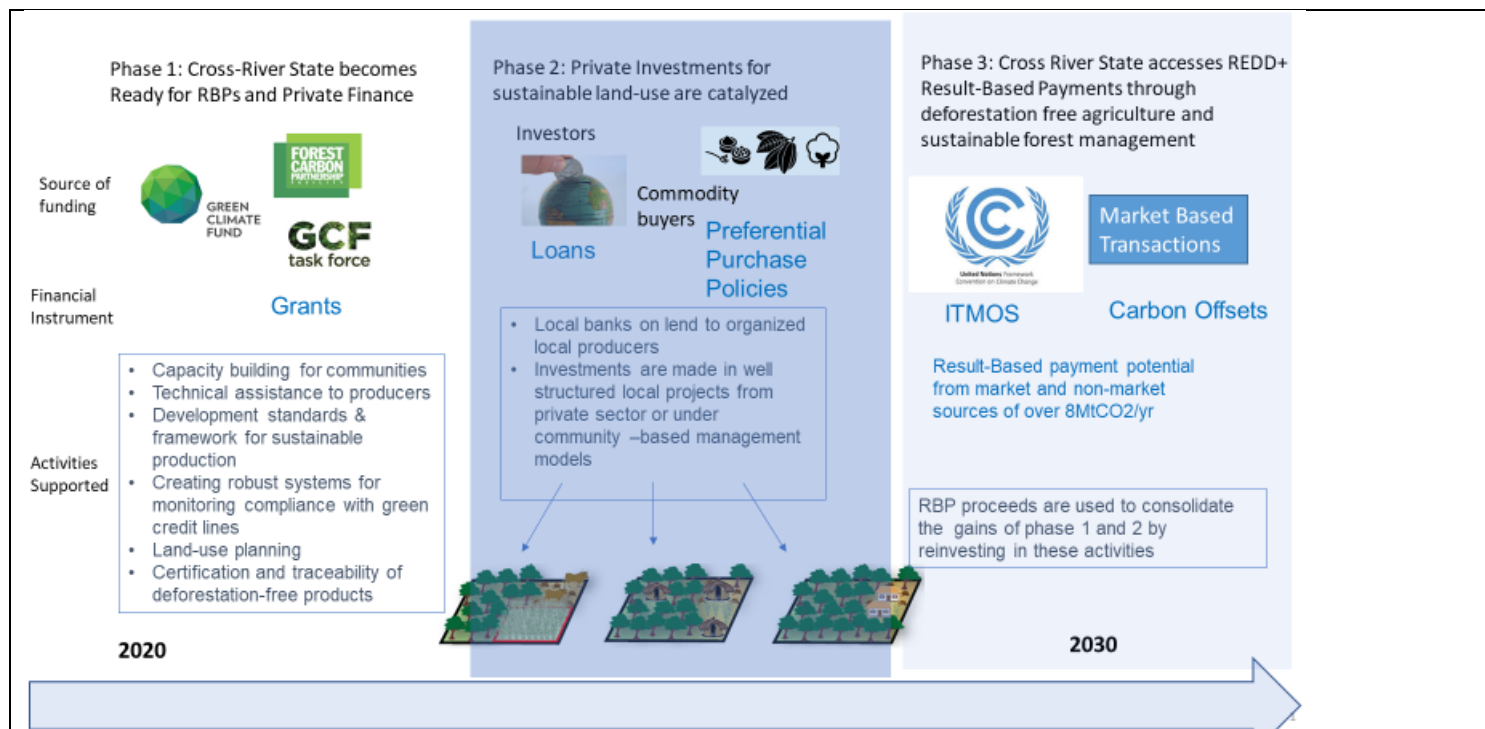
- Under Component 1 – set up the registry and complete the capacities and activities for quantifying the emissions and removals associated with agriculture and forestry and operationalizing the State forest monitoring and benefit sharing system. It will provide information on the application of safeguards and update the safeguard information system; and
- Under Component 2 – establish the proven basis to attract and engage private-sector investment including development of blended financing and impact investing. NIRSAL will set up the scheme to enable the for cooperatives and forest groups to access credit through the provision of guarantees that supports sustainable investment and reduces impact on forest areas. As beneficiaries are identified and classified, the value-chain will be fixed to enable capacity building of the stakeholders, the flow of additional but sustainable finance and investments and equipment to create appropriate risk management on-lending frameworks for the smallholder agricultural and community forest groups.

The project has the opportunity to pilot very innovative and long-term solutions in the CRS to scale up both forest and agriculture related activities including for cocoa and other commodities whilst achieving climate and sustainability goals. For instance, these include producing sustainable timber and fuelwood, direct purchasing and certification for cocoa and potential markets for bush mango and afang and other NTFPs. The model described in 2.2 allows aggregation at scale, setting up enabling conditions by the fourth year of the project. Options for financing of investment plans can be finalised by the fifth year of the project and by the end of the project the enabling conditions for investments to be drawn into into low emission rural development will be in place and investors (including GCF) will have been engaged in to implement a mechanism to finance low-emission rural development plans. A second area will be to scale up the REDD+ approach to other states and in supporting REDD+ RBPs at the national level. The financial model in Component 2 can influence and inspire other states to follow the model. A third area, through monitoring, traceability and capacity building will be the achievement of emission reductions and contribution to Nigeria's NDC with possibilities to utilize the opportunities afforded by Article 6 of the Paris Agreement.

The exit strategy of this project is therefore to create the enabling conditions (phase 1) in order to catalyse private investments through green credit lines and preferential purchase policies (phase 2), and ultimately achieve the emission reductions needed to access REDD+ result-based payment (phase 3) which may be developed with GCFTF Window B financing. Figure 2 below shows how the enabling activities funded through grants in this proposal will enable a progressive transition towards other financial instruments over the lifetime of the project. The proposal will provide key inputs and resources to mobilise financial partners to deploy the above-mentioned instruments namely: loans, green bonds, preferential purchase policies, REDD+ result-based payments, ITMOs and voluntary carbon offsets.

Figure 2: A Phased Transition Towards Sustainability in Cross River State

¹⁹Nigeria Financial Responsibility Commission – data from March 2018 – of the 36 states in Nigeria only 7 currently meet the 50% target.



More broadly by demonstrating the efficacy of engaging in REDD+ readiness and early implementation to deliver both emissions reductions and sustainable growth the project will act as a solid incentive and proof of concept for further scale up of action on REDD+ in the short term. Funds are being requested to cover phase one to enable phases two and three.

C.4 Stakeholders engagement in the project or programme (300 words)

Please describe how engagement among the NDA, AE, EE and/or other relevant stakeholders in the country has taken place so far and what further engagement will be undertaken as the concept is developed into a funding proposal.

The development of the Cross River State REDD+ Strategy required robust, multi-sectoral and integrated analysis.

UNDP consulted the CRS state government, FC, ministries at the state level (agriculture, energy, women's affairs) churches, several communities managing community forests, Cross River State National Park, private sector groups for timber, cocoa and palm oil, NGOs, academia, and members of the technical working group for REDD+ who identified baseline projects and recorded opinions on how to implement the activities; conducted a stock-taking exercise and analysed activities to be implemented under the GCF proposal; and identified local structures and key stakeholders who can facilitate implementation of the project.

GCF component workshops started with presentation of the project in plenary sessions, followed by participants and work groups discussing content and modalities in select committees. For the group work, participants were divided into five groups, one composed of women and another composed of young people to ensure their effective representation. Each group was tasked analyse formulation of the proposed activities; define a local implementation processes; identify key local stakeholders for implementation; analysis the risks of exclusion specific to women and young people, analysis of environmental and social risks associated with different activities and success factors.

D. Annexes

- ☒ ESS screening check list (Annex 1)
- ☒ Map indicating the location of the Cross River State
- ☒ Evaluation Report (UN-REDD Programme – Nigeria) and Progress Report (GCFTF)

Annex 1: Environmental and Social Screening Checklist²⁰

Part A: Risk Factors

Please indicate your answers to the questions below and provide an explanation on the response selected. In cases when the TBD response has been selected please explain briefly why you are not able to determine now and when in the project cycle the question will be addressed.

If the criteria are not applicable to the project you may write N/A in the justification box.

Risk Factors	YES	NO
Will the activities involve associated facilities and require further due diligence of such associated facilities?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<i>Please provide a justification of your answer: N/A</i>		
Will the activities involve trans-boundary impacts including those that would require further due diligence and notification to affected states?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<i>The activities will be conducted in Cross River State. Completion of the REDD+ readiness components will not have any transboundary impacts, however if in the future larger scale activities are undertaken by Cross River State National Park, park management issues and approaches should be considered with the contiguous Korup and Takamanda National Parks in Cameroon. When this does occur in the future, a landscape approach to enable management of the forest area and buffer zones which are shared by both countries will be recommended.</i>		
Will the activities adversely affect working conditions and health and safety of workers or potentially employ vulnerable categories of workers including women and children?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Please provide a justification of your answer: Component 2 will look at the making recommendations for good practices in sustainable harvesting of timber and non-timber forest products, as well as assessing projects that could be considered for the Green Bond issuance. It will advance efforts to organize farmers to be able to attain certification and economies of scale in farms that grow palm oil and cocoa, hence it will seek to improve working conditions and safety of workers based on the documentation of good practices and gaps to achieve certification, which does include the assurance that workers and especially women and children are not adversely affected.</i>		
Will the activities potentially generate hazardous waste and pollutants including pesticides and contaminate lands that would require further studies on management, minimization and control and compliance to the country and applicable international environmental quality standards?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<i>Please provide a justification of your answer: Improved agriculture practices for cocoa and palm oil will not involve increased use of pesticides and herbicides. These are already used in the palm oil production and are regulated by the Ministry of Agriculture which is monitored through the farmer field schools. Communities for example, have requested for support, for example, for efficient processing of cassava (dryers for cassava) to increase agriculture output, regeneration with indigenous species and best practices to engage in shade cocoa. The Ministry of Agriculture needs resources to share these best practices effectively. Environmental and health standards are included in the extension work through the Ministry of Agriculture which calls for a minimal application of pesticides and through the Farmers' Field School in CRS which employs a non-formal approach to pass across new knowledge of improved and good agricultural practice to farmers. For example, FFS farmers had been trained to "optimize" the use of agrochemicals and to rely more on appropriate cultural practices like pruning of chupons and optimal shading level to control blackpod and mirids, the two major pests limiting the yield of cocoa.</i>		
Will the activities involve the construction, maintenance, and rehabilitation of critical infrastructure (like dams, water impoundments, coastal and river bank infrastructure) that would require further technical assessment and safety studies?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<i>Please provide a justification of your answer: N/A</i>		
Will the proposed activities potentially involve resettlement and dispossession, land acquisition, and economic displacement of persons and communities?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<i>Please provide a justification of your answer:</i> <i>None of the proposed activities involve resettlement or dispossession or economic displacement of persons and communities. Rather the objectives is to increase the economic options for communities and small scale farmers in Cross River State. Individual title to farms and the demarcation of community lands and management of forests are not under dispute. Work has also been ongoing to support community-based groups and forest management committees to organize themselves and discuss how to manage resources and share benefits. These groups are collaborating and forming larger initiatives– for example the Ekaio Conservation Initiative to share information,</i>		

²⁰ In answering this checklist, you may refer to Annex 1: Guidance on Part A ESS Screening of the "[Guidelines for the environmental and social screening of activities proposed under the SAP](#)"

<p>experience and articulate issues of common interest. They serve as appropriate channels to have issues discussed with the CRS government. The Ekaio Conservation Initiative is funded through Devcon and 14 communities have organized themselves to form a general assembly, board of trustees, management committee and technical committee with regards to the management of the community lands and are registered as a community-based organization. They requested for support to consolidate the land use plan, verify the surveillance group's report and community forest monitoring.</p> <p>The Cross River State Forestry Commission Law 2010 makes provision for community forestry within the framework of sustainable forest management. The law defines a community forest as "forest areas on community land in which the communities have traditionally and on the basis of customary law exercised Exclusive User Rights"; and under section 60 makes provision for community forest management committees or similar associations to take responsibility for the management of and rule enforcement in community forests. The law clearly stipulates that communities have the right and responsibility to develop and enforce local by-laws to regulate forest utilization in community forests, and a benefit sharing formula that favors communities in the event of a fine or revenue generated from community forests; and equal sharing of benefits between government and communities in the event of proceeds from forest reserves. Earlier in 2000, the State had developed the Single Tree Permit Guidelines as a move towards greater involvement of communities in forest exploitation, control and monitoring through community involvement in signing of owners consent before any tree can be felled or evacuated from community managed forests and forest reserves. Recently, part of the strategies for achieving target performance in forestry and conservation management in the State's 30-year growth and development strategy highlight the need for 'collaboration with key stakeholders from communities' and to 'ensure the operation of the land resource use plan and management ... which ensures the rights of local communities.</p>		
Will the activities be located in or in the vicinity of protected areas and areas of ecological significance including critical habitats, key biodiversity areas and internationally recognized conservation sites?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>The activities in the agriculture and forestry value chains will be held in community lands and forests contiguous to Cross River National Park. However, no activities will take place in the National Park.</p> <p>The objective of the activities are to set up the enabling conditions for farmers to have access to credit, extension facilities and other inputs so as to increase productivity on farms and benefit from community forests. The ongoing Commercial Agriculture Program currently checks whether there is encroachment into National Park and forest reserves.</p>		
Will the activities affect indigenous peoples that would require further due diligence, free, prior and informed consent (FPIC) and documentation of development plans?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<p>There are no indigenous peoples in the State, however forest dependent communities that may have grievances, bring these up to the Chiefs in their area who bring it forward to the REDD+ Steering Committee and the MCCF. As part of the REDD+ readiness work, any community member can make complaints and express grievances to the State REDD+ Technical Steering Committee chair. Nigeria is developing a dispute mechanism based on earlier work done here.</p>		
Will the activities be located in areas that are considered to have archaeological (prehistoric), paleontological, historical, cultural, artistic, and religious values or contains features considered as critical cultural heritage?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<p>Yes, the activities will be located in areas considered to have cultural value. Activities with communities will be based on existing community management plans which have already identified cultural heritage sites, and project funds will support the systems required to be put in place to activate the community plans. Communities have already considered which areas they attach spiritual and cultural values with as well as economic and ecological values. The project will improve their protection and they will remain accessible to communities within community managed forests.</p>		

Part B: Specific environmental and social risks and impacts

Assessment and Management of Environmental and Social Risks and Impacts	YES	NO	TBD
Has the E&S risk category of the project been provided in the concept note?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Has the rationale for the categorization of the project been provided in the relevant sections of the concept note?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Are there any additional environmental, health and safety requirements under the national laws and regulations and relevant international treaties and agreements?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<p>Cross River State has to comply to a number of requirements which relate to agriculture productions, community based forest management, forest reserve management, as well as a range of ancillary laws. For a full PLR assessment see Section 2.5 of the CRS REDD+ Strategy.</p>			
Are the identification of risks and impacts based on recent or up-to-date information?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Yes, UNDP has a project with in Cross River State funded through the Governors' Climate and Forest Taskforce and this checklist has</p>			

SAP Concept Note: Making Nigeria's CRS Investment Ready for REDD+

been responded to with information gathered with the help of the project personnel currently implementing this project. (Also included is a quarterly report from the project). See Annex 3.

Labour and Working Conditions	YES	NO	TBD
Will the activities potentially have impacts on the working conditions, particularly the terms of employment, worker's organization, non-discrimination, equal opportunity, child labour, and forced labour of direct, contracted and third-party workers?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>The activities will identify best practice with regard to working conditions for the oil palm and cocoa value chains and for community based management. Project funds will build the capacity of workers' organizations to engage in activities that will enable certification through needs assessment, training and capacity building.</i>			
Will the activities pose occupational health and safety risks to workers including supply chain workers?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Please provide a justification of your answer: As above</i>			
Resource Efficiency and Pollution Prevention	YES	NO	TBD
Will the activities generate (1) emissions to air; (2) discharges to water; (3) activity-related greenhouse gas (GHG) emissions, (4) noise and vibration; and (5) wastes?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>This concept lays out the framework to achieve objectives in resource efficiency and greenhouse gas emissions reductions through REDD+; it will therefore seek to protect and conserve natural resources. It puts in place the monitoring and safeguards system to achieve the long-term goal of the CRS Strategy for a more effective and inclusive management of forest reserves, National Parks, Wildlife Sanctuaries and community conservancies in Cross River State. The activities will not generate noise, vibration or waste.</i>			
Will the activities utilize significant amount of natural resources including water and energy?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Agriculture production will require water but there are no significant changes in water use patterns envisaged, in fact, there would a more efficient use of resources once the activities towards sustainable agriculture are considered.</i>			
Will there be a need to develop detailed measures to reduce pollution and promote sustainable use of resources?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>As the project activities will not generate pollution, it is not envisaged that the detailed measures will be required.</i>			
Community Health, Safety, and Security	YES	NO	TBD
Will the activities potentially generate risks and impacts to the health and safety of the affected communities?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>The project activities which include training, capacity building, policy enforcement and technical support will not generate risks to the health and safety of the affected communities. Non timber forest products in community forests, would serve to ameliorate community health, for instance through indigenous vegetables high in nutrition.</i>			
Will there be a need for an emergency preparedness and response plan that also outlines how the affected communities will be assisted in times of emergency?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Please provide a justification of your answer: N/A</i>			
Will there be risks posed by the security arrangements and potential conflicts at the project site to the workers and affected community?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Please provide a justification of your answer: N/A</i>			
Land Acquisition and Involuntary Resettlement	YES	NO	TBD
Will the activities likely involve land acquisition and/or physical or economic displacement?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>The project will not involve land acquisition or physical/economic displacement. The project will also involve relevant Ministries, Departments and Agencies and community forest managers, and small scale farmers who are operating in physical boundaries that are not disputed. Community lands, forest reserves, and National Parks already exist under different management regimes recognized by communities, CRS State Government and the Federal Government. The activities will involve strengthening customary by-laws and local community institutions and increasing public awareness on citizen's rights regarding land and natural resources. Current grievance mechanisms include the Council of Chiefs and Elders which are well utilized. The activities will build the capacity, train and resource various institutions under the different regimes to improve forest monitoring and reporting such that progress in CRS is captured at the national level and reported to UNFCCC.</i>			
<i>This project entails further enhancement of the safeguards information system at the sub-national level, enabling risk mitigation framework to be populated with data and information. The institutional aspects will be set up with project funds, including the safeguards working group and data collection roles and responsibilities.</i>			

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Biodiversity Conservation and Sustainable Management of Living Natural Resources	YES	NO	TBD
Will the activities potentially introduce invasive alien species of flora and fauna affecting the biodiversity of the area?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Please provide a justification of your answer: Activities will focus on the agriculture value chains for cocoa and palm oil which are already present in the State. Other products such as Gnetum (afang) and other indigenous crops that are integrated into agricultural systems are also already present. No new species will be introduced.</i>			
Will the activities have potential impacts on or be dependent on ecosystem services including production of living natural resources (e.g. agriculture, livestock, fisheries, forestry)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Please provide a justification of your answer: Yes, the activities will have an impact on the cocoa and palm oil value chains, and agricultural production on community lands. The proposed project will support financing, monitoring and implementing State level approaches to achieving REDD+ results – which means improving ecosystem services such as carbon sequestration. It will build on the work undertaken to reduce greenhouse gas emissions across relevant sectors through improved land use, agricultural and forest business development to improve value chains of principal commodities and enable community forest management. It seeks to improve the livelihoods of rural communities whose lives are intricately linked to the productivity of their natural resource base, especially forests. The activities to support best practice, credit, extension services and benefit sharing in the agriculture and forestry value chains will be held in community lands, farmlands and forest reserves contiguous to Cross River National Park. Activities will build the capacity of the various institutions under the different regimes to improve forest monitoring and reporting such that progress in CRS is captured at the national level and reported to UNFCCC. The project will also involve relevant Ministries, Departments and Agencies who are well versed with REDD+ and are developing concrete activities towards implementing the CRS Strategy – including an investment plan.</i>			
Indigenous Peoples	YES	NO	TBD
Will the activities potentially have any indirect impacts on indigenous peoples, ethnic minorities, or vulnerable and marginalized groups?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>No indirect impacts are envisaged. Rather positive impacts are to be implemented with forest dependent communities so that they are able to directly benefit from forest management.</i>			
Cultural Heritage	Yes	NO	TBD
Will the activities restrict access to the cultural heritage sites and properties?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>The activities will be located in areas considered to have cultural value but these will not restrict access to these sites or impinge on these valued. Rather it will give further impetus to protect these sites and properties through respect of community forest plans. Communities are prone to protect sites they attach spiritual and cultural values with as well as economic and ecological values. Those totemic symbols are common and are considered in land use planning by the communities themselves. The project will improve their protection and they will remain accessible to communities within community managed forests.</i>			
Will there be a need to prepare a chance-find procedure in case of the discovery of cultural heritage assets?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Please provide a justification of your answer: No, there will not be needed to prepare a chance-find procedure in case of the discovery of cultural heritage as no construction activities are planned.</i>			
Stakeholder engagement and grievance	Yes	NO	TBD
Will the activities include a continuing stakeholder engagement process and a grievance redress mechanism and integrated into the management/implementation plans?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Yes, a central part of the project is the continuing stakeholder engagement process and a fundamental part of the implementation plan. There are already established platforms and for effective engagement, the primary being a representative and multistakeholder technical steering committee that is able to galvanize, facilitate and convene community, private sector and government stakeholders. Other groups are forest management committees, the community-based groups, farmer field schools. Targeted workshops with the stakeholders will ensure that women will also participate and contribute to the decision-making process in developing and implementing the state forest inventory, safeguards summary, and activities in Component 2. A gender action plan is being developed as part of the GCFTF activities and this will be applied in the relevant activities in the implementation of the project.</i>			
<i>Efforts are currently being made to strengthen collaboration between relevant ministries, departments and agencies (MDAs) (e.g. Agriculture, Environment, Climate Change) to avoid conflicts, and harmonize policies. As well as act on opportunities to improve land management and land use planning within the existing framework. Current grievance mechanisms include the Council of Chiefs and Elders which are well utilized. For example, they are used to enforce sanctions on violations of community law and handle land disputes.</i>			
See the attached draft Stakeholder Engagement Plan in Appendix Two.			

Appendix One

These set of criteria based on the Cancun Safeguards, were developed in a participatory manner by the safeguards technical committee based in Cross River State in 2017 as part of the readiness activities.

a) [REDD+] actions complement or are consistent with the objectives of national forest programmes and relevant international conventions and agreements	<p>a1. The proposed measures and activities should support the National Forest Act (2006), National Policy on Environment (1999), National Policy on Climate Change (2012), National Biodiversity strategy and Action plan (NBSAP), CRS Forest Law (2010), and other relevant national and state PLRs.</p> <p>a2. The proposed REDD+ measures and activities should support the United Nations Sustainable Development Goals 6, 7, 11, 12, 13, and 14, African Charter on Human and Peoples Rights and other relevant international conventions that Nigeria is signatory to.</p>
b) Transparent and effective national forest governance structures, taking into account national legislation and sovereignty	<p>b1. The proposed REDD+ measures and activities should clarify and strengthen relevant land tenure arrangements</p> <p>b2. The proposed REDD+ measures and activities should ensure equitable distribution of incentives and benefits from carbon and ecosystem services that are commensurate with the responsibilities for measures and activities implementation</p> <p>b3. The proposed REDD+ measures and activities should promote gender equality in its design and implementation</p> <p>b4. The proposed REDD+ measures and activities should contribute to enhance capacity to meet existing institutional mandates</p>
c) Respect for the knowledge and rights of indigenous peoples and members of local communities, by taking into account relevant international obligations, national circumstances and laws, and noting that the United Nations General Assembly has adopted the United Nations Declaration on the Rights of Indigenous Peoples	<p>c1. The proposed REDD+ measures and activities should, in addition to existing administrative and judicial recourses to justice, include, where necessary, procedures to resolve disputes among stakeholders (e.g. grievance redress mechanisms) as part of design,</p> <p>c2. The REDD+ measures and activities should define the roles, legitimacy and responsibilities of stakeholders to reduce corruption and enhance transparency and accountability</p> <p>c3. The proposed REDD+ measures and activities should identify, recognize and respond to local (particularly forest-dependent) communities' cultural knowledge, norms, statutory and customary rights, which are consistent with the relevant policies and laws</p> <p>c4. The proposed REDD+ measures and activities should avoid all forms of discriminations, such as gender inequality, social stratification, vulnerability, language etc.</p> <p>c5. The proposed REDD+ measures and activities should support and promote free, prior and informed consent (FPIC).</p>
d) The full and effective participation of relevant stakeholders, in particular indigenous peoples and local communities [in REDD+ actions]	<p>d1. The proposed REDD+ measures and activities should ensure comprehensive identification, mapping and participation of all stakeholders that affect, or are affected by, the REDD+ measures and activities</p> <p>d2. The REDD+ measures and activities should incorporate regular stakeholder reviews of progress and challenges to improve implementation</p>
e) [REDD+] actions are consistent with the conservation of natural forests and biological diversity, ensuring that REDD+ actions are not used for the conversion of natural forests, but are instead used to incentivize the protection and conservation of natural forests and their ecosystem services, and to enhance other social and environmental benefits.	<p>e1. The proposed REDD+ measures and activities should fully adhere to National Strategic Environmental Assessment and Environmental Impact Assessment requirements, as well as those of other international investors, where relevant</p> <p>e2. The proposed REDD+ measures and activities should avoid adverse impacts on natural forests and enhance biodiversity and other ecosystem services, both within and outside forests</p> <p>e3. The proposed REDD+ measures and activities should avoid adverse social impacts and promote and enhance economic and social well-being, with special attention to the most vulnerable and marginalized groups</p> <p>e4. The proposed REDD+ measures and activities should not convert natural forest to other land uses, including conversion from natural to planted forest</p>
f) Actions to address the risks of reversals.	<p>f1. The proposed REDD+ measures and activities should enhance the assessment of socio-economic, financial, legal and political factors in the analysis of drivers of deforestation</p> <p>f2. The proposed REDD+ measures and activities should encourage the provision of livelihood options to all relevant stakeholders to reduce pressure on forest and ensure long-term financial and ecological sustainability</p> <p>f3. The proposed REDD+ measures and activities should encourage the provision of social and economic development options such as access infrastructure, amenities and other socio-economic services.</p>
g) Actions to reduce displacement of emissions	<p>g1. The proposed REDD+ measures and activities should, in its design, address the underlying drivers of deforestation and forest degradation</p> <p>g2. The proposed REDD+ measures and activities should be considered for implementation across all the ecological zones in CRS</p>

Appendix Two Stakeholder Engagement Plan

MAKING CRS INVESTMENT READY FOR REDD+
Draft Stakeholder Engagement Plan

1.0 Introduction

Nigeria formally requested membership of the UN-REDD Programme in 2009 and received a full national programme support in 2012 to implement REDD+ readiness with focus in Cross River State, which has over 50% of the country's remaining forests. With support from the United Nations Development Programme (UNDP) in close collaboration with the Food and Agriculture Organisation (FAO) and Environment Programme (UNEP), Nigeria completed the REDD+ readiness phase in December 2016, having met the Warsaw Framework elements. Nigeria has put in place a National Framework Strategy and a Cross River State Strategy, informed by efforts on Forest Reference Emission Level/Forest Reference Level, development of a Forest Monitoring System and defining Country Approach towards Safeguards. The expected long-term impact of the CRS REDD+ Strategy is to transition the state towards a low-emission rural development pathway. At the heels of REDD+ readiness UNDP is continuing to provide support to lead the country through the transition from readiness to the investment phase including exploring funding opportunities and consolidating on the gains made from the readiness phase.

A major ongoing activity is support from UNDP to enable Nigeria develop grant proposal to the Green Climate Fund (GCF) to implement REDD+ activities based on Nigeria's REDD+ Strategy and with focus in Cross River State. As this proposal development process begins, managing stakeholders from the onset and all through the process is critical to the success of REDD+ project that will eventually be developed. By engaging the right institutions and people in the right way the expectation is that REDD+ activities that will be supported by GCF are more relevant and acceptable and have more chance to succeed. UNDP has therefore provided support to develop this stakeholder engagement plan particularly to identify stakeholders and guide how they are engaged in the GCF proposal development process; and to build the support that will help REDD+ projects to succeed.

2.0 Summary of the proposed GCF Project

The proposed project will be designed to support the implementation of CRS REDD+ Strategy and within the context of Nigeria's Framework REDD+ Strategy and other relevant measures of government through the SAP REDD+ Window. The project will be expected to identify mitigation actions to address drivers of deforestation and forest degradation peculiar to CRS; and link with national level processes and structures so that learning can be applied in policies and measures that can influence REDD+ implementation in Cross River State and replication in Nigeria.

The project will be structured in two components relevant to the CRS REDD+ Strategy.

- 2.1 Component 1 will focus on completion and operationalisation of REDD+ readiness components in CRS
- 2.2 Component 2 will emphasise developing a zero-deforestation commodity supply chain in partnership with the private sector. The project will improve the commodity chain for principal agro-products most responsible for driving deforestation, particularly cocoa and oil palm with a focus on strengthening both productivity and sustainability standards to help improve livelihoods and reduce the industries' impacts on forest areas. In working with small-holders as a base unit for improvements, the project's approach will be directly pro-poor and in working with communities around the forest edge will also directly engage those that had previously been involved in deforestation and degradation activities. Component 2 will also focus on enabling community forest management and sustainable forest management in the forest reserves.

3.0 Stakeholder analysis and engagement plan to support GCF proposal development process

The following stakeholders can have influence on the proposed project development process.

- 3.1 Federal Government
 - 3.1.1 The Federal Ministry of Environment is the National Designated Authority to manage the GCF proposal development process and the eventual project that will emerge. The Ministry of Environment has the primary function of ensuring conservation and management of Nigeria's environmental resources in a sustainable manner. The Ministry is the lead agency for Nigeria's climate change policy and implementation, including REDD+. Within the Ministry of Environment is the department of Climate Change (formerly Special Climate Change Unit), which is the designated National Authority for Climate Programme in Nigeria. The department of Climate Change should therefore be responsible for providing legal, financial and institutional platforms for mainstreaming REDD+ into overall National Climate Change Policy. Again, within the Ministry of Environment the Federal Department of Forestry is saddled with the responsibility for planning, policy and regulations for the conservation, protection and

sustainable management of Nigeria's forest resources. The department of Forestry provides policy guidelines for sustainable forest management in Nigeria and coordinates REDD+ actions in the country, thus providing for the REDD+ Secretariat. The GCF proposal development process will therefore work closely with the National REDD+ Coordinator who will advise on appropriate linkages with other relevant units and departments within the Federal Ministry of Environment as well as coordination of the National REDD+ Technical Committee to input into the process.

- 3.1.2 At the Federal level also is the National Planning Commission (NPC), which is responsible for overall National Development Policies in Nigeria and will ensure REDD+ is integrated into National development programmes, including budget processes. As a member of the National REDD+ Technical Committee and with support from the National REDD+ Secretariat, the NPC will ensure the GCF proposal aligns with Federal Government's policies and programmes.
 - 3.1.3 Furthermore, the Federal Ministry of Agriculture and Rural Development determines agriculture and rural development policy formulation and projects implementation. As agriculture is a major driver of deforestation and occurring majorly in rural areas in Nigeria, this Ministry assumes the responsibility to integrate REDD+ into National Agriculture and Rural Development policies and programmes. The GCF proposal development process will work very closely with the Federal Ministry of Agriculture especially at the policy and strategic levels to ensure proper alignment with Federal Government's priorities in agriculture in general, and particularly in the areas of interest in the GCF proposal.
 - 3.1.4 Nigeria Air Space Research and Development Agency (NASRDA) provides maps and data on Nigeria's Natural Resources and land use and monitor change therein. NASRDA will provide land use change maps and data especially for purposes of carbon and biodiversity mapping and overall MRV activities in REDD+ implementation and provide specific inputs to land use planning actions in the GCF proposal.
 - 3.1.5 Federal Ministry of Women Affairs will also play useful role in implementing REDD+ activities as the focal agency of government responsible for mainstreaming gender equality and women affairs into national and international development initiatives. This Ministry will be useful in ensuring active participation of women in REDD+ programme and promotion of equitable distribution of REDD+ benefits to women who have particular linkages with the forest. Their input into the GCF proposal will strengthen the consideration for equitable participation of women and other vulnerable groups in the proposed project.
 - 3.1.6 Worthy of note also are the Federal Ministry of Energy, which is responsible for policies and regulations on energy, including renewable energy; the Federal Ministry of Finance responsible for financial policies and regulations, including international financial mechanisms that could also impact on carbon finance and REDD+ financial mechanism; and the National Park Service under the Federal Ministry of Environment that is responsible for the protection, management and biodiversity conservation and can support joint implementation of REDD+ project activities, including land use planning, biodiversity co-benefits and other ecosystem services. Their input in the GCF proposal development process will be coordinated by the National REDD+ Secretariat on the platform of the National REDD+ Technical Committee.
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- 3.2 Cross River State
 - 3.2.1 The Ministry of Climate Change and Forestry is responsible for overall policy formulation, implementation and coordination of Climate Change initiatives in the State. As such, the institutional arrangement for REDD+ implementation in CRS recognises this Ministry as the lead institution of government for REDD+ coordination and reporting. Therefore, the GCF proposal development process will require close collaboration with staff of this Ministry, particularly the Commissioner, Permanent Secretary and the Director of Planning, Research and Statistics. Their role will ensure political commitment on the part of government, and coordination of relevant and appropriate technical input in the GCF proposal to be developed. The Ministry will also facilitate high level dialogue with senior government officials including the Executive and Legislature to inform and gain input in the proposal development process.
 - 3.2.2 Ministry of Agriculture formulates and implements projects, policies and regulations on agricultural investments and productivity. Together with the Agricultural Development Programme, which it supervises, this Ministry forms the anchor point for partnerships and extension services to establish standards and boost productivity in the agricultural sector. Representative of this Ministry plays

prominent role in the CRS REDD+ Technical Committee and will contribute to ensuring the GCF proposal is technically sound, implementable, and aligns with relevant development priorities in CRS.

3.2.3 Forestry Commission is the institution responsible to sustainably manage the forest estates of Cross River State, apart from National Parks. The Commission considers carbon concession as a viable option; and the staff have been trained in various aspects of REDD+ to effectively contribute to improved forest governance to reduce carbon emission. The Commission actively participates in the CRS REDD+ Technical Committee and will provide relevant input in the GCF proposal particularly in identifying and setting bench marks, agro forestry and supporting institutional linkages and policy reforms.

3.2.4 Others, including the Ministries of: **1)** Environment that sets and supervises environmental standards, **2)** Lands responsible for regulating and mapping land use, **3)** Finance for financial policies, allocation and management, **4)** Justice for advising, interpreting, enforcing and regulating legal processes and institutions; **5)** Local Government Affairs for regulating and supporting Local Governments to enable more effective and accountable grassroots governance; and **6)** Trade and Industry responsible for policies and regulations on private sector investments and participation in building the State economy. Also, the **7)** State Planning Commission for the coordination of institutional and policy framework for identifying, harmonising, and implementing the State's development priorities; **8)** Tourism Bureau responsible for protection and value addition to environmentally and culturally attractive sites; and **9)** CRS House of Assembly Committees on Agriculture (also overseeing forestry) and Environment (also overseeing climate change issues) will both be directly consulted and brought together on the stakeholder forum platform and/or the technical committee to provide relevant technical and policy input in the proposal development process.

3.3 Private Sector

- a. Calabar Chamber of Commerce is the private sector regulatory agency that supervises private investments and works with government to facilitate conducive business environment for investors. They are expected to keep records on the performance of investors, and will play useful role in developing the GCF proposal by supporting networking with the private sector and also providing relevant information and technical advice on the selected value chains to increase profitability while ensuring environmental sustainability.
- b. National level private sector actors will be identified in close collaboration with the Nigeria Chamber of Commerce. Investors like PZ Cussons (producers of soap and confectionaries), Lafarge (one of world's leading producers of building materials also operating in CRS) for instance have the potential to influence the market place and policy environment, and can be instrumental in supporting and sustaining investments in evolving a green economy.
- c. Investors/Commercial Farms and agro-allied industries like Wilmar (oil palm plantation) and Dansa (fruit juice processing) operating in CRS will be directly consulted and also be part of larger stakeholder consultations so the GCF proposal development process adequately addresses the fundamental issues affecting agricultural productivity and environmental sustainability.
- d. Trade Associations and/or cooperatives, such as:
 - i. Licensed Buyers Association (LBAs) serve as middle men and exercise monopoly over the cocoa trade (buying and selling) in Cross River State. This group is based at Ikom in the Central Senatorial District, and the centre of cocoa marketing in CRS. Usually they exercise more influence over the price of cocoa based on the international market dynamics, and the quality produced by the farmers. This group understands the cocoa production dynamics in CRS and will input their experience in the GCF proposal development process.
 - ii. Palm oil marketer associations consist of market women and men who trade in palm oil – buying from farm gates and rural markets and selling mostly in urban areas, particularly Calabar the CRS capital, and then Ikom, Ogoja and Yala. These group is different from the producers and processors and seem relatively more influential in the palm oil value chain as the major conduit for buying and selling and price determinants. Their experiences of the market place will be relevant to inform relevant sections of the GCF proposal.

3.4 **Forest Dependent Communities** rely on and manage large forest areas in Cross River State. They are rights holders, and their livelihoods and overall wellbeing depend on the forest. The GCF proposal development process will recognise and respect the roles of the various natural

groups (community leaders, women, youth) and resource user groups (farmers, hunters, gatherers, timber dealers etc.) to ensure their effective participation. Particularly, the process will consider the following groups in the communities.

- 3.4.1 Traditional rules who are custodians of the local customs and practice and take decisions to influence land use in their locality.
 - 3.4.2 The women's group for their role in community organising particularly among the women, contribution to community development through direct labour and levies, and food and economic productivity through farm labour, food processing and sales.
 - 3.4.3 The youth, both male and female for their role as the primary labour force in the community, community policing to enforce regulations including those on land use, and as major drivers of forest loss as they open up more forests to own their own lands to secure their own future.
 - 3.4.4 Timber dealers who fell trees for economic gain causing degradation and will be impacted by regulations on land use.
 - 3.4.5 Hunters and gatherers of non-timber forest products whose interest in games and other forest products particularly edible vegetables and fruits enable them to access and gain useful knowledge about the forest and are able to provide useful information on forest change and conservation hot spots.
 - 3.4.6 Cocoa and oil palm producers including owners of farms and farmers who manage these farms on lease or contract. These are usually small holder farmers whose continuous farm expansion contribute to forest loss but with comparatively lesser productivity due to poor farming technics and inputs, and inadequate access to markets.
- 3.5 Academic and research institutes like University of Calabar and Forest Research Institute of Nigeria contribute to conducting studies and research in natural resources and sustainable forest development in Nigeria; and will contribute to social, economic and technical knowledge relevant for REDD+ implementation including the development of the GCF proposal. Their involvement and contribution in the REDD+ readiness phase informed the high quality of data, literature and other products that have made Nigeria REDD+ ready.
 - 3.6 Civil Society plays prominent role in contributing to grassroots mobilisation and policy advocacy towards national development; and in leveraging international support for national development programmes. With particular reference to climate change issues, the civil society has been instrumental in advocacy, policy reforms and projects implementation, studies, awareness creation and capacity building to mobilise actions from the grassroots to the national policy level. The civil society forms part of both the national and CRS REDD+ Technical Committees (e.g. Nigeria Conservation Foundation, Women's Empowerment Programme, and NGO Coalition for Environment). The role of civil society as advocates and development partners, and their active participation in the REDD+ Stakeholder Forum, which was instrumental to achieving REDD+ readiness in Nigeria and CRS, will equally be utilised in the GCF proposal development process. The civil society is involved in delivering technical assistance to stakeholders in the REDD+ process, supporting policy reforms and piloting sustainable production and supply chain initiatives. Some 20 civil society organisations are implementing community based projects at various levels of completion in CRS on the platform of the Community Based REDD+ programme. Together, the CBR+ projects are addressing land use, cocoa agroforestry, community forestry, livelihoods development, sustainable fuelwood utilisation and policy advocacy. Engaging the civil society will ensure that the GCF proposal development process benefits from the experiences and lessons from these CBR+ and other relevant projects, past and/or present.

- 3.7 The Media informs the general public and can influence public opinion and action regarding national issues. Their potential role in REDD+ implementation cannot be undermined. The electronic and print media, and online platforms have played useful roles in REDD+ reporting in the readiness phase. National and State TV stations like AIT and NTA, CRBC, web-based platforms like EnviroNews, and the print media captured and reported REDD+ progress in the readiness phase. They will continue to be engaged to support REDD+ broadcasting and the impacts being created, including developing the GCF proposal.
- 3.8 UNDP is the Accredited Entity for this GCF funding process in Nigeria. Both the UNDP Nigeria Country Office and the Regional Office in Kenya will help to provide overall technical guidance and coordinate peer review within UNDP at every stage of the proposal development. As much as possible UNDP will be able to advice on opportunities to link the proposal with new and/or existing funding or programmes that can provide counterpart funding and technical support for the GCF project.

4.0 Platforms for Stakeholder Engagement

- 4.1 National REDD+ Technical Committee is made of representatives of government institutions (e.g. Ministries of Agriculture, Finance, Justice, Lands, etc.) at the Federal level, civil society, private sector, academia and media. This Committee will provide technical advice, relevant information, support in reviewing the proposal, and ensure it links with relevant national development priorities. The Committee is coordinated by the Federal Department of Forestry that provides the Secretariat for and overall coordination of the Nigeria REDD+ Programme. The National REDD+ Secretariat will therefore facilitate the contribution of the National Technical Committee in the GCF proposal development process in close collaboration with the CRS REDD+ team.
- 4.2 CRS REDD+ Technical Committee replicates the national level structure in Cross River State. Coordinated by the CRS Ministry of Climate Change and Forestry, the Committee is responsible for ensuring REDD+ processes and actions are technically and politically relevant. This Committee will work very closely with the REDD+ Unit in CRS at every stage of the proposal development process to align it with the Strategy, changing needs, and government's development priorities.
- 4.3 CRS REDD+ Forum serves as platform for dialogue and negotiation among stakeholders. The Forum is about 120 members strong including representatives from communities, government, civil society, private sector, media and academia. The REDD+ Unit and Technical Committee worked closely with this Forum during the REDD+ readiness phase to plan, implement and validate the results from studies and ultimately the Strategy. This robust and inclusive stakeholder platform will continue to help to facilitate update and exchanges among stakeholders in the GCF proposal development and validate the concept note and proposal before final submission to GCF.

The array of stakeholders identified and the engagement approach suggested will ensure the effective participation of stakeholders in the GCF proposal development process and the long term sustainability and effectiveness of REDD+ activities that are proposed. The process will involve several iterations in addition to the robust consultations. A similar approach of iteration and broad consultations in the REDD+ readiness phase proved this to engender effective participation and develop outcomes that reflect the reality among stakeholders. Therefore, this plan will serve as guide to consultants and facilitators of the REDD+ process in Cross River and Nigeria to facilitate stakeholder participation as the GCF proposal is being developed. Where and when necessary in the proposal development process, this stakeholder engagement plan will be updated.

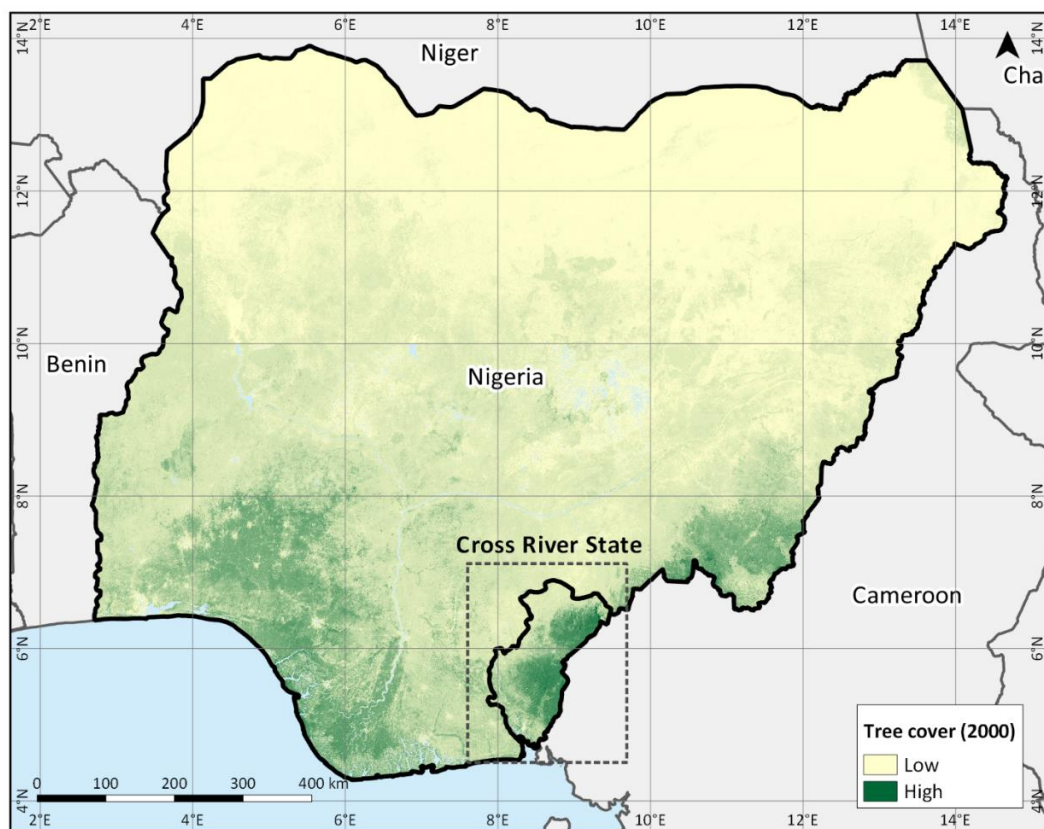
Part C: Sign Off

Sign-off: Specify the name and designation of the person responsible for the environmental and social screening (ESS) and any other approvals as may be required in the accredited entity's own management system.

Wahida Patwa Shah (for ESS)

Annex 2: Map of the Location of Cross River State

Map 1: Territorial map of Nigeria showing location of Cross River State and tree cover nationally in 2000



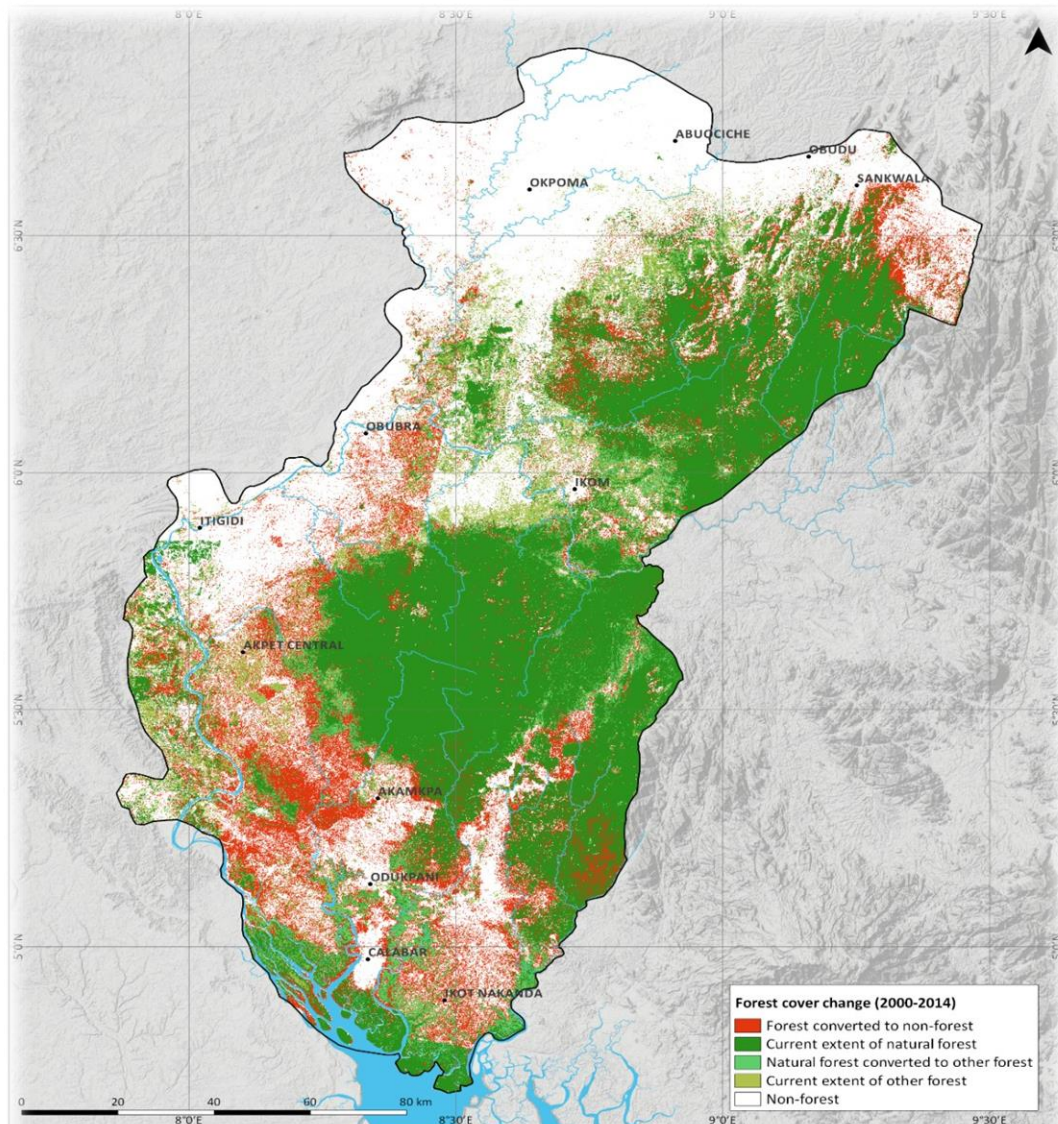
Data sources:

Tree cover: Hansen, M. C., P. V. Potapov, R. Moore, M. Hancher, S. A. Turubanova, A. Tyukavina, D. Thau, S. V. Stehman, S. J. Goetz, T. R. Loveland, A. Kommareddy, A. Egorov, L. Chini, C. O. Justice, and J. R. G. Townshend. 2013. "High-Resolution Global Maps of 21st-Century Forest Cover Change." *Science* 342 (15 November): 850–53. Data available online from: <http://earthenginepartners.appspot.com/science-2013-global-forest>.

Source – CRS REDD+ Strategy 2018



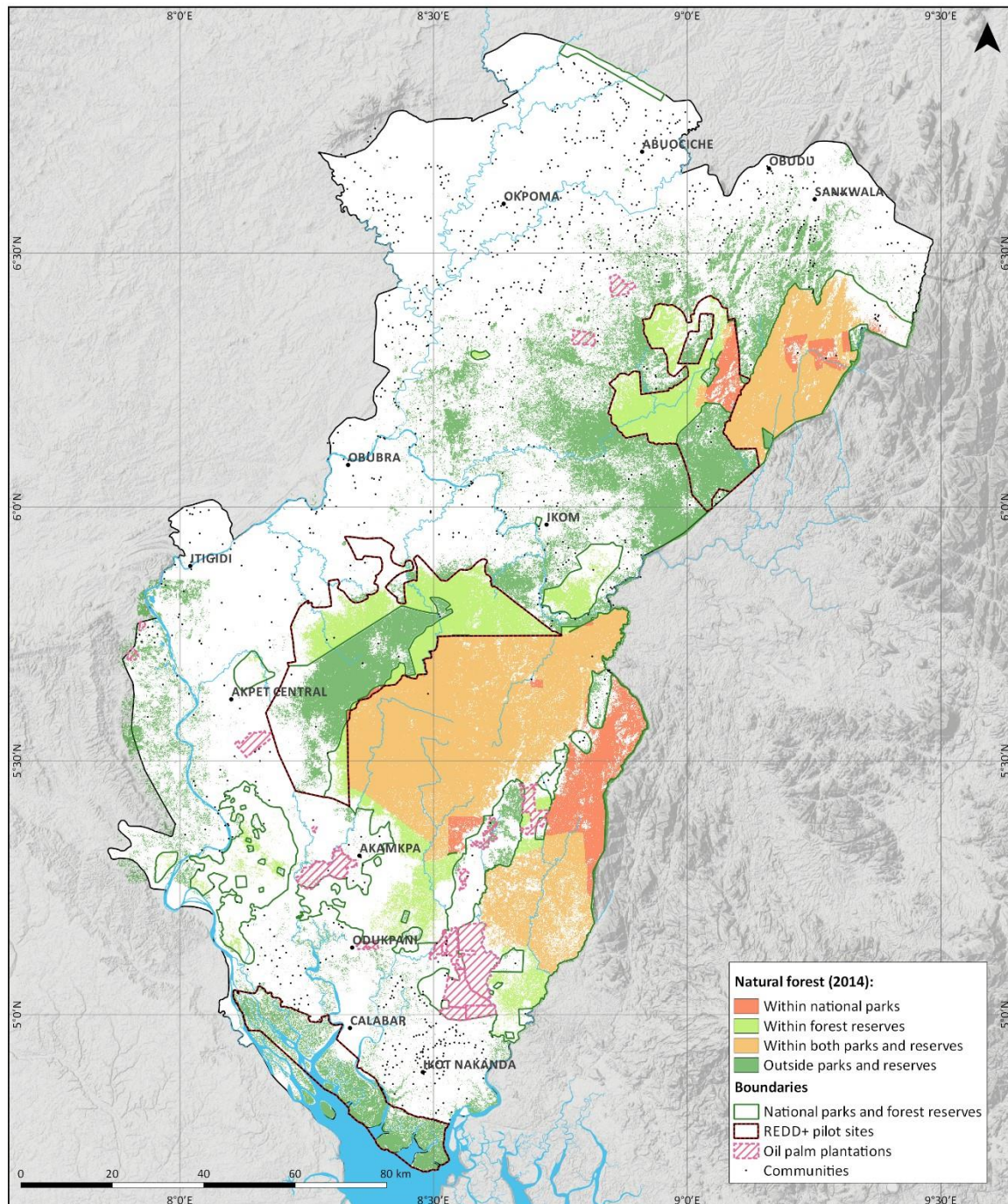
Map 2: Cross River State – indicating Forest cover change between 2000 and 2014



Data sources:

Natural forest mask: NASRDA and FAO on behalf of the UN-REDD Programme (2015) Study on the Drivers of Deforestation and Forest Degradation in Cross River State. Based on the 13 land cover classes derived from satellite imagery: Natural forest is a combination of the 'Montane forest', 'Tropical High Forest', 'Open forest' and 'Mangrove' classes; Other forest is a combination of the 'oil palm', 'rubber' and 'Gmelina' classes; the non-forest class is a combination of the farmland, grazing field, swamp, settlement and derived savannah land cover classes in the 13-class dataset.

Map 3: Cross River State – indicating forests in various management areas and REDD+ pilot sites



Data sources:

Natural forest mask: NASRDA and FAO on behalf of the UN-REDD Programme (2015) Study on the Drivers of Deforestation and Forest Degradation in Cross River State. Natural forest is a combination of the 'Montane forest', 'Tropical High Forest', 'Open forest' and 'Mangrove' classes in the 13 class dataset derived from satellite imagery.

Cross River State, national park, forest reserve, plantation and REDD+ pilot site boundaries: Cross River State Forestry Commission and Flasse Consulting (2002) Cross River State Community Forestry Project: Rapid Appraisal of Forest Resources from Remotely Sensed Data. Submitted to ERM – Environmental Resources Management and DFID – Department for International Development

Annex 3: Pre-Financial and Economic Feasibility Study

As attachment

Annex 4: Evaluation and Progress Reports

Attachments:

1. UN-REDD National Programme Evaluation Report – Nigeria. (June 2019)
2. Governors' Climate and Forest Taskforce Interim Report. (October 2019)