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
Executing Entities:	United Nations Development Programme (UNDP)
Accredited Entity(ies) (AE):	United Nations Development Programme
Date of first submission/ version number:	*10/30/2019 V.1*
Date of current submission/ version number	*12/27/2019 V.2*

GREEN CLIMATE FUND

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

<table>
<tr><th colspan="6">A. Project / Programme Information (max. 1 page)</th></tr>
<tr><td>A.1. Project or programme</td><td>☒ Project
☐ Programme</td><td>A.2. Public or private sector</td><td>☒ Public sector
☐ Private sector</td><td>A.3 RFP</td><td>Not applicable</td></tr>
<tr><td>A.4. Indicate the result areas for the project/programme</td><td colspan="5"><u>Mitigation:</u> Reduced emissions from:
☐ Energy access and power generation: 0%
☐ Low emission transport: 0%
☐ Buildings, cities and industries and appliances: 0%
☒ Forestry and land use: 100%

<u>Adaptation:</u> Increased resilience of:
☐ Most vulnerable people and communities: 0%
☐ Health and well-being, and food and water security: 0%
☐ Infrastructure and built environment: 0%
☐ Ecosystem and ecosystem services: 0%</td></tr>
<tr><td rowspan="4">A.5. Impact potential</td><td colspan="2">A.5.1. Estimated mitigation impact (tCO2eq over project lifespan)</td><td colspan="3">10,000,000 tCO2eq</td></tr>
<tr><td colspan="2">A.5.2. Estimated adaptation impact (number of direct beneficiaries)</td><td colspan="3">direct beneficiaries</td></tr>
<tr><td colspan="2">A.5.3. Estimated adaptation impact (number of indirect beneficiaries)</td><td colspan="3">indirect beneficiaries</td></tr>
<tr><td colspan="2">A.5.4. Estimated adaptation impact (% of total population)</td><td colspan="3">% of the country’s total population</td></tr>
<tr><td colspan="6">A.6. Financing information</td></tr>
<tr><td>A.6.1. Indicative GCF funding requested (max 10M)</td><td colspan="5">Amount: 9,180,000 Currency: USD Financial Instrument: Grants</td></tr>
<tr><td>A.6.2. Indicative co-financing</td><td colspan="5">Amount: 640,000 Currency: USD Financial Instrument: Grants
Institution: GCF</td></tr>
<tr><td>A.6.3. Indicative total project cost (GCF + co-finance)</td><td colspan="5">Amount: 9,820,000 Currency: USD</td></tr>
<tr><td>A.6. Estimated duration of project/ programme:</td><td>disbursement period: 60
repayment period, if applicable:</td><td colspan="2">A.7.2. Estimated project/ Programme lifespan</td><td colspan="2">120</td></tr>
<tr><td>A.8. Is funding from the Project Preparation Facility needed?</td><td>☐ Yes
☒ No</td><td colspan="2">A.9. Is the Environmental and Social Safeguards Category C or I-3?</td><td colspan="2">☒ Yes
☐ No</td></tr>
<tr><td>A.10. Provide rationale for the ESS categorization (100 words)</td><td colspan="5">Based on the ESS and UNDP's Social and Environmental Screening, the ESS categorization is low. The rationale for this is that project activities involve 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 for results</td></tr>
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	based payments, enable MRV of REDD+ actions and identifying 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 groups and cooperatives and the management of existing community forests management committees, and their respective investment plans to enhance the available and accessibility of benefits and services for small scale farmers in Cross River State. Given the risk of the intensification of unsustainable practices, an environmental and social action plan (ESAP) will be prepared to identify the potential environmental and social risks and impacts that the project may encounter during implementation. Strategies to mitigate such risk will also be developed. 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?	☒ Yes ☐ No	**A.12. Confidentiality**	☐ Confidential ☒ Not confidential
A.13. Project/Programme rationale, objectives and approach of programme/project (max 100 words)	Cross River State (CRS) has made significant strides towards REDD+ readiness. The State has developed (1) a CRS REDD+ Strategy; (2) submitted a sub-national forest reference emission level (FREL) to the UNFCCC, (3) 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 payment and catalyze private finance for sustainable land-use practices which will deliver carbon emissions reductions on a jurisdictional-scale (sub-national level). The project will be led by the Cross River State Government through a multi-stakeholder, participatory approach to forest and land use in community forests, forest reserves and farmlands. 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 the forest emissions monitoring and reporting capability, improving safeguards implementation capacity, as well creating a framework for market transactions by adopting appropriate regulations, setting up a registry and operationalizing a nested approach for REDD+. Secondly, GCF financing will serve to create enabling condictions and a mechanisms for low emission rural development through structuring of strong investible institutional entities of forest right-holders who will develop/strengthen investment plans. The project will explore options, create partnerships and attract investors to engage in the design and implementation of a mechanism to finance these low-emission rural development plans. This mechanism set up by the time the project ends will result in improved agricultural and forest practices that would provide a win-win for poverty reduction and climate change mitigation.		

B. Project / Programme details

B.1. Context and Baseline (500 words)

Progress on REDD+: Nigeria and Cross River State (CRS) at the sub-national level, in particular, has made significant strides towards REDD+ readiness. The State has been working REDD+ since 2012 and has developed a CRS REDD+ Strategy, submitted a sub-national FREL to the UNFCCC, and has a sub-national approach to safeguards defined, thanks to the 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).

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. It also expanded REDD+ activities to two States beyond CRS: Nasarawa and Ondo. 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 additional 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. It is also exploring expansion of REDD+ readiness activities to three additional states. The draft National Strategy lays out the policies and measure to address the current rapid rates of deforestation and degradation. Initial priorities include (still in draft form)

- Address forest loss and degradation from unsustainable forest management, bush burning, charcoal exploitation, mineral prospecting, bioprospecting and grazing.
- Protect current and increase the network of forest reserves and conservation areas.
- Reduce ecological damages and carbon loss from agriculture, support certification for zero-deforestation across commodity chains and payment of environmental services.
- Secure tenure and resource rights for effective community management of forests
- Ensure equitable, inclusive and transparent benefit sharing from REDD+.
- Enhance investment in the forestry sector and strengthen forestry governance, policies, institutions and regulations including through land use planning and implementing forest management standards.

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 has also 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 the CRS 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 early implementation with current progress highly dependent on development partner support.

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 2010-15[1]. 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 2014[2], estimated to be close to 50% of the remaining forest 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 89mtCO_2e over this period[3]. 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 completely[4].

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 *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; forest 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.

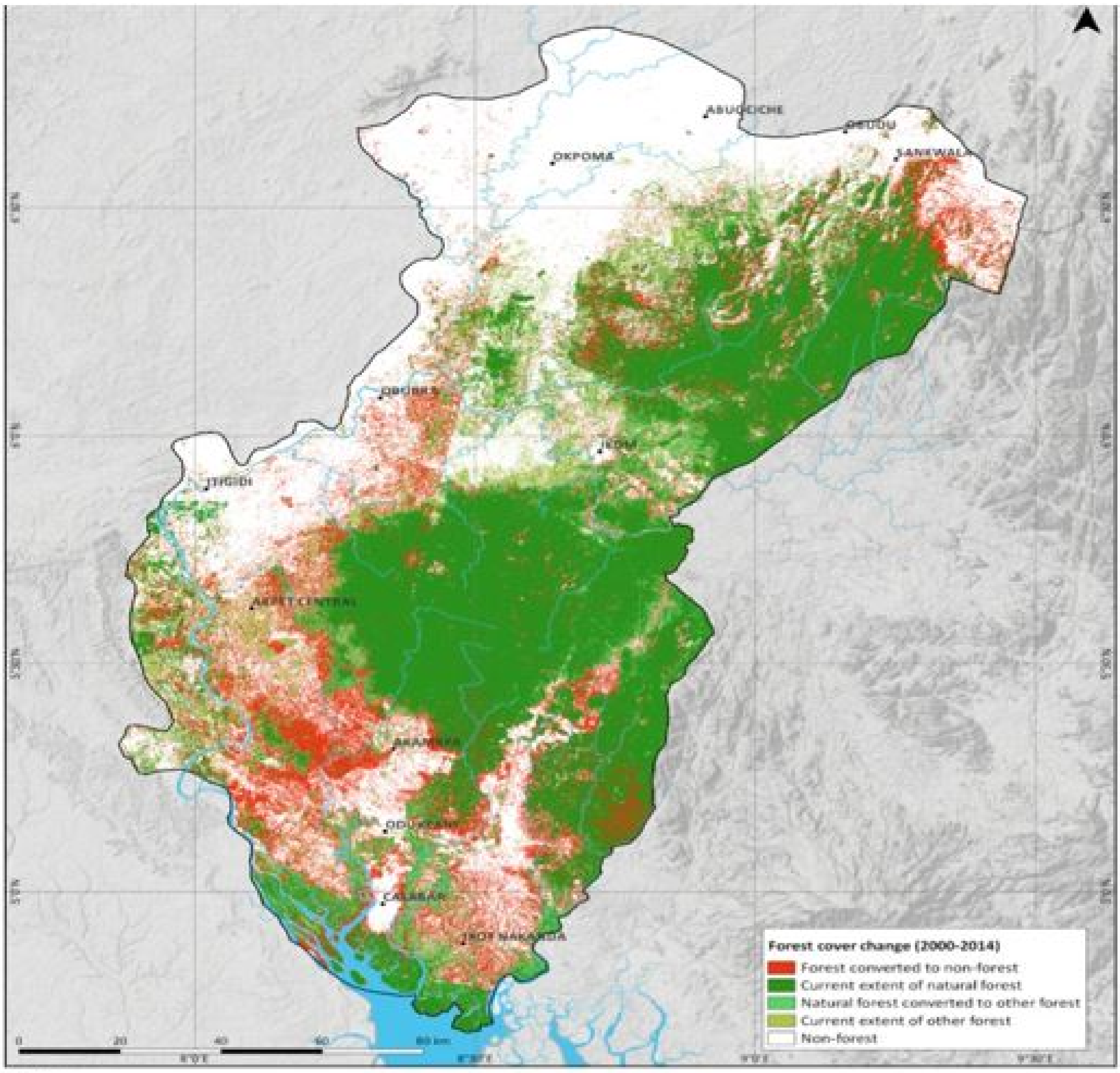
[1]FAo (2015) Global Forest Resource Assessment. Desk Reference. Available at http://www.fao.org/3/a-i4808e.pdf

[2]GoN (2018) Nigeria Forest Reference Emission Level - Modified and submitted to UNFCCC in May 2018

[3] Ibid

[4]Accurate 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%.

Figure 1: Forest loss in CRS



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.

These direct drivers have increased to unsustainable levels due to a number of underlying drivers 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 cash crops* with forests being cleared to make way for their expansion. Global demand for cocoa is high, while there is a very 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.
- *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 uptake of sustainable approaches by local communities and financial commitment to undertake reforms. CRS has made significant progress in addressing some of these gaps through early action on REDD+, through awareness raising and activities undertaken through the GCFTF project, all of which lays the ground for this current project. Communities expand agricultural activities in new areas as a means to lay claim to land areas. Such agricultural extensification is also related to the use of poor agricultural techniques that result in loss of soil fertility and low levels of agricultural productivity. Among the barriers that hamper addressing these issues is the low levels of agricultural extension as well as lack of financing for example through credit lines extended to farmers for the sustainable production of 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) to implement the Cross Rivers State Forest 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 Forest Trust Fund.

Within CRS for example, 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 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.

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. The GoN has mobilised finance through a combination of federal budget and sovereign bond issuances to both support agriculture and increase action on climate - through developing a sovereign Green Bond[1], the first in Africa. While these have the potential to increase levels of finance available, the Government is still learning how best to apply these and only projects at the federal level have thus far been included. Engagement between State and Federal bodies can draw the attention of the potential of REDD+ activities to be included in future bonds. Although federal forest related projects have been included in the scope of Green Bonds, further work is required to include clear criteria for actions to reduce deforestation and forest degradation and climate change mitigation at the sub-national level, as well as safeguards criteria provided by the Bond standard.

[1] The GoN has mobilised finance to support the FMEnv to establish a CC office and to support some initial projects. Noting the need to scale up efforts the GoN issued a N10.69bn (US $29m) green bond in November 2017 to fund three projects - relating to increased access to energy through renewable systems and a reforestation programme. The fully subscribed bond's tenor is five years, and investors will receive a 13.48 per cent annual coupon. The GoN has also stated its intention (at the Lagos Social Media Week in March 2018) to release further larger tranches of bonds to deliver further finance.

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.. 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 and discussed. There are also relevant federal level efforts; The Nigeria Incentive-Based Risk Management System for Agricultural Lending NIRSAL was set up, 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. The programme, however, has a limited focus on deforestation due partially to limited understanding of how to address the challenges.

Nigeria's Sustainable Banking Principles (NSBP) were developed provide guiding framework for banks to use when assessing credit applications[1]. The federal Anchors Growers Programme provide short loan periods (1-5 years) that make them unsuitable for the long term capital required in climate projects and the shorter repayment terms of their own debt; tree crops present challenges in farmers transitioning to 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 to develop funding applications and limited knowledge within banks of small-holder processes and the requirements and potential benefits of sustainable production processes. On the other hand, commercial banks such as Access or State Bank in Cross River State, have established relationships with members of the real economy including small scale farmers and households.

[1] Nigeria's Sustainable Banking Principles (NSBP) were developed 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 investments.

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

The proposed project will support the GoN to address these challenges through the development of an effective approach to financing, monitoring and implementing state level approaches to achieving REDD+ results. It will build on the work undertaken to develop groups and structures of governance, identify investment options and reduce emissions across relevant sectors through improved land use and agricultural practices, access to 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.

GCF support will be used to support the enabling requirements for REDD+ implementation and RPBs within CRS and will scope out the options that exist to create partnerships and identify entities that can finance low-emission rural development. These options include a forest fund managed by an independent entity, finance from the national and international private banking sector and/or a state level green bond issuance

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 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. Detailed forest and safeguard monitoring approaches will be tested with the entities that are set up to implement activities. 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 and a nested approach fully operational at the sub-national level to measure and report carbon emissions reductions and removals.

· *Activity 1.1.1 Operationalize the NFMS at the State level allowing for local data collection*. This will involve three sub-activities that support a level of granularity below that covered by FCPF funding:

- Equip the MRV Unit (GPS, data collection tablets, and computers - see Table 1),
- Carry out a forest inventory building on the remote sensing assessment 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 and multiple benefits of the State Forestry Commission 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 approach[1] which supports the submission of an updated FRL/FREL to meet specific technical requirements established by GCF to access RBPs*. A national FREL was developed and submitted to the UNFCCC in 2019, following the sub-national FRL submission in 2018. At present, deforestation is the main emission activity addressed in Nigeria's present 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 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 the forest inventory be undertaken in 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 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.

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 road map for the national SIS*. This will include two main sub-activities; The safeguards working group will be revived to assess various activities carried out in CRS and record safeguards related data and how environmental and social risks are being managed or reduced into a database. Gaps will be assessed to include safeguard criteria that are missing. Capacity will be built to report on social and environmental risks and multiple benefits and the sub-national safeguard working group formalized. This will inform national level safeguards working group to build on the SESA and ESMF for the development of the national SIS.

· *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 submit the summary of information on how the Cancun/GCF and other standards are addressed and respected in implementation of REDD+ activities. The roadmap towards the submission of the SoI 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 legal system already sets out the formula for sustainable logging and the sharing of the benefits in CRSFC law. 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 activity will also include validation by the various stakeholders and endorsement by the various institutions that will be part of implementing benefit sharing arrangements. Currently under the GCFTF funded work, efforts are being undertaken to lift a logging moratorium; this will be a critical outcome that will then allow communities to benefit from timber products. The project will consider how to finalize the BSM and draw the lessons from this process to enable scaling up to the national level.

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 - CRS REDD+ Strategy	Finalized	UN-REDD
National Forest Monitoring System	Initial discussions have commenced.	Completion of the NFMS	FCPF
Sub national monitoring and MRV/FREL	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. Land use and land cover maps produced for 2000 (2004) and 2014. Drivers of deforestation study completed. 2014 Inventory data, above ground biomass National Forest definition agreed upon, equipment and submission of subnational FREL.	- 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, will be published in 2020		FCPF

Sub-National FRL – Cross River State and MRV	Complete and submitted to the UNFCC 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	No platform at the national level yet. SIS design work will follow SESA and ESMF completion in 2020 Safeguards at the sub-national level – work has included - Analysis of Policies and Measures - Criteria and indicators for safeguards monitoring - Study on multiple benefits - Study benefit sharing	- 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. - Road map 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+. There is also a benefit sharing plan developed for REDD+, adopting relevant provisions from previous benefit sharing practices and traditional practices in communities. Funding from the proposed project will be needed to validate the BSM with the technical committee and stakeholder forum. The outcome from this can then be used to inform the final national level BSM.	Requested from GCF

[1] 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.

Table 1: 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.
– 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.

Activity/Initiative	Participants	Result
– 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 improvement programme in Cocoa, oil palm and rice.	Rural farmers and farmer cooperatives; Federal Ministry of Agriculture; Agricultural research institutions; Market associations; Private sector	– Focus on improved productivity and sustainable land management.
– UNESCO's MAN and World Heritage Site (2018-)	Forest Research Institute of Nigeria; National Park/Fed Min of Envt; CRSFC/CRS Government; CRS Tourism Bureau; CRS Ministry of Climate Change and Forestry; Communities; Civil Society; Research institutes; Academia; WCS.	– 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, cocoa, plantain and palm oil as the main crops. 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. Knowledge with regards to sustainable practices, climate data and efforts towards zero-deforestation agriculture is also required. Some entities exist with regard to forest management and cooperatives have been formed for cocoa (see Table 2). This component focuses on the setting in place the arrangements whereby accountable entities can be connected to financial streams that will 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, livelihoods benefits and sustainable management in community forests form the basis of this intervention.

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 these 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 agriculture land.

CRS already has operational sustainable forest management examples with community engagement[1]. The approach builds on proven experience with the Ekuri community forest area where community management combined with income from timber sales was able to support community development initiatives and incentivize broader forest management[2]. These and other groups (Ekaoi, Afi, Mangrove Cluster) have varying types of investment plans that identify where action is needed to support forest rehabilitation activities as well as agricultural activities , Cocoa cooperatives have also been formed[3]. See Table 2 for more information on current projects or interventions.

A key impediment; the moratorium on logging, is being re-assessed. It is based on a single asset approach where cut timber is seen as the only real value of forests. To reverse this trend, Cross River State is exploring a multiple asset approach to forestry 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, a position that the State is already seeking in ongoing discussions on forest sector reform.

The output will improve the management of 110,000ha of forest reserve[4] which is part of the gazetted 270,000 hectares of forest reserve in CRS. Within this area10,000ha of reserve land will be rehabilitated through regeneration and enrichment planting. Extension services by Forestry Commission staff will also provide support to allow for the improved management of 52,000ha of community forest area which are also part of the forest reserves and so tenure is not contested. Capacity and partnerships will also be built to strengthen the management of the CRS National Park which covers 364,000 hectares.

· Activity 2.1.1 *Facilitate the* structuring and setting/strengthening up of 20 groups, cooperatives or entities.

This would include setting up the governance and accountability structures and establishing roles and responsibilities (based on current experiences and lessons learnt). Groups would then be ready to receive training to implement investment plans for low-emission rural development which can deliver sustainable development benefits and carbon emission reductions. GCF financing will structure how these investments plans will be implemented and by whom.

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 provide the training and capacity building needs for implementation of investment plans. The content of the investment plans will not start from scratch. A state investment plan will be finalised by April 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. Capacity building will also be undertaken for government staff in the various state organs to implement policies on benefit sharing, ensuring incentives for community forest management - sustainable logging and non-timber forest products (NTFPs) - are available as provided in law (CRS Forest Law 2010). Guidelines for sustainable harvesting applied by community traditional institutions, application of by-laws for example for controlled access within the community forests and harvesting of non-timber forest products from community areas 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) will be part of capacity building efforts. Communities have already been able to develop projections for revenues per year for harvest of these NTFPs. These investment plans will be linked to 2.2 to explore options for financing.

· 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. 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.

The activiity will support engagement with cocoa farmers to disseminate the best practices to improve capacity to engage in sustainable supply chains and promote integrating key NTFP's (see 2.1.2) into farming systems through the establishment of nurseries. It will also address gaps in the productivity of subsistence crops (which are also sold in local markets) such as cassava, through more efficient processing, drying and storage methods.

Agro-processing, for example involves 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. Working with the groups created in 2.1. the Ministry of Agriculture and the project team foster cooperative action to enable better prices for produce and extension services for improved outputs and revenues whilst protecting the natural resource base. For example, the 14 Ekaio forest communities estimate that they could increase their income four-fold from the same farms without having to till new land.

· Activity 2.1.4. Scaling-up the low-deforestation cocoa 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.

2.2: Forging Partnership to invest in the implementation of 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 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. This could take many forms, the project will examine the options and actively engage in forging a public-private partnership.

- *Activity 2.2.1 Identify mechanism(s) and financial entity(ies) to manage and mobilise finance*

Three main mechanisms have been pre-identified and will be explored in the development of the full proposal: (1) Low-emission credit lines for rural development, (2) Green Bonds, and (3) Carbon Markets. These approaches are not mutually exclusive, rather, to the contrary they can be made mutually reinforcing if properly combined and sequenced.

The requirements would be a legal framework and an independent body set up to monitor compliance with the established requirements. The project will develop a cutting-edge open source monitoring system designed and developed specifically for this which will be operated by UNDP for the first years of the projects and later transferred to national banks following the first independent evaluation of the project. This technology transfer will fulfil a very important need of the recipients.

[1] 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 beninvestment plans in community forests and forest reserves. GCF finance will provide the training and capacity building needs for implementation of investment plans. The content of the investment plans will not start from scratch. A state investment plan will be finalised by April 2020. Objectives, activities and outputs identified through a bottom-up and efit 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.

[2] 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).

[3] 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.

[4] 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)

Financial Instrument 1: Low emission credit lines for rural development

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. The funding proposal will identify the process, activities and deliverables. How payments would accrue from these verified emission reductions will also be explored.

The funding proposal will provide more details on the options that will be undertaken. The Nigeria Incentive-Based Risk Management System for Agricultural Lending (NIRSAL) and the Anchor Growers Programme (AGP) are one option These institutions have the role of managing risks - both social and environmental - as they enable investment opportunities to be realized. This project will explore whether AGP can/should go through commercial banks (Access Bank or State Bank) operating in Cross River State to enhance the enabling environment and lower the risk in lending to small scale farmers through cooperatives and micro enterprises.

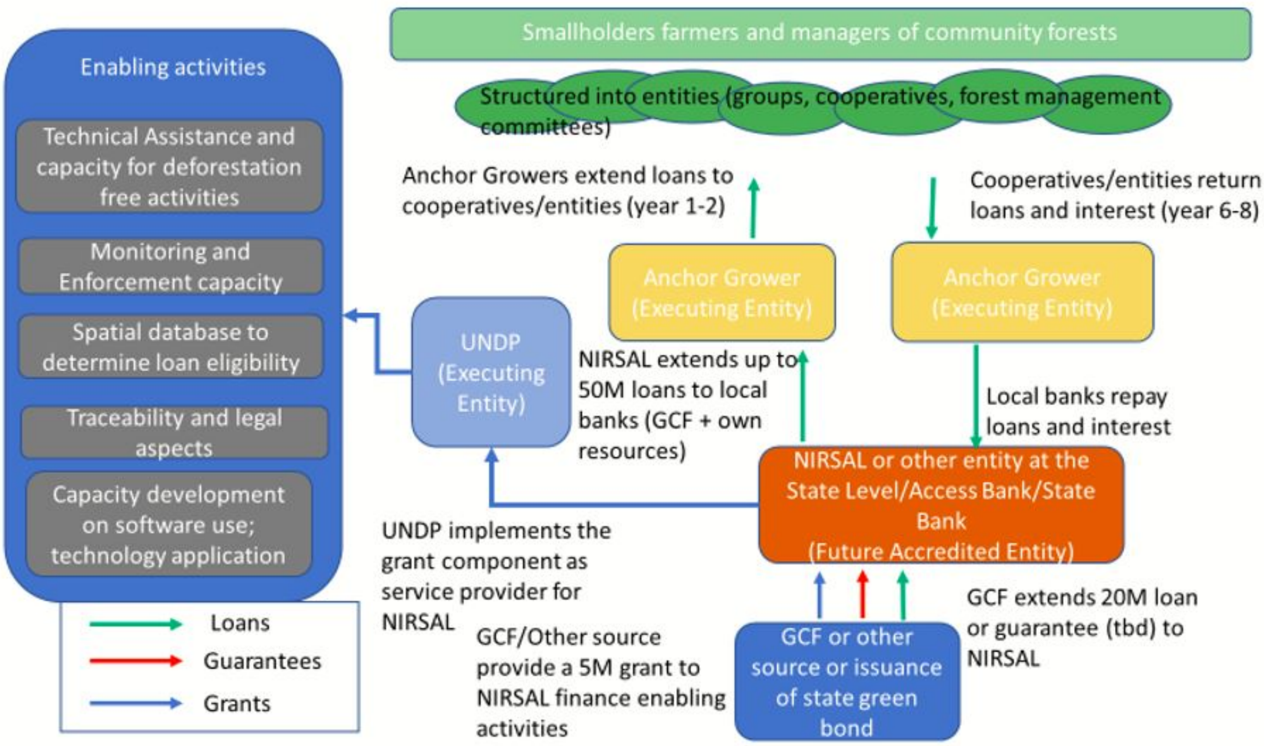
Another option in to explore is the Government Enterprise and Empowerment Programme (GEEP) - financed by Nescafe and The Bill and Melinda Gates Foundation, an initiative of the federal government. It is implemented through the Bank of Industry, offering loans to SMEs, MSEs and individual traders and farmers (again for short term, up to 9 months). The programme identifies borrowers, captures detailed biometric data, fully enumerates them, lends them money for investment and tracks and monitor their performance, The federal government may bear some of the risks in the long term and continue work in after the project period, working with the farmers. enroling others and extending to other states. The programme's data management systems and processes embed a M&E function maintaining data on beneficiaries, activities and progress as well as impacts of lending on livelihoods and welfare - and discussions will be held to see if the mechanism could be extended to REDD+ activities and monitor activities in relation to deforestation/forest degradation.

GCF finance will be used to develop guidance building on the NBSP, 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.

The linkages between the activities are described in the diagram below. GCF financing will provide the enabling conditions. The enabling activities are built though the project period, the structure of entities take place in the first two years, the options for partnership begin early and are finalised by year 5 or 6 of the project period with the first loans being extended for deforestation free activities towards the end of year 6 of the project.

Figure 2 - Financing structure for low emission rural development credit lines



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

Local emission reduction programmes could be allowed to generate carbon credits (offsets) providing investible community entities with a tangible asset. This could 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.

Financial Instrument 3: Green Bonds

A third option is theuse of Green Bonds to finance investment plans for low-emission rural development. These green forest bond would channel funding to investible entities for the implementation of their low-carbon rural development plans. Investors of the forest bond could be offered a choice between a cash or carbon-credit coupon. IFC issued the first forest bond in October 2016, raising $152 million[1].

In this context the funding proposal will also provide information and support consultation with private entities that could manage climate change funds at the sub-national level as well. The GoN has mobilised finance through a combination of federal budget and sovereign bond issuances to both support agriculture and increase action on climate change - through developing a sovereign Green Bond, the first in Africa. Eligible activities in Cross River State can be considered for a second issuance. The investment plans described above can be integrated into state offering. If this option was chosen,

GCF financing will prepare the ground work for CRS activities to be considered by the green bond issuance. This will include building the capacity of the Forestry Commission to engage in the green bonds dialogue with the various actors such as the secretariat in the Federal Ministry of the Environment set up to manage and monitor the green bonds, but will not financially operationalize the schemes. It will employ a step-wise process and focus on the activities that will result in reduced emissions whilst achieving sustainable impacts. It will take stock of the research collected to date supporting each investment option; take on desk research as well as local fact finding interviews in order to fill data gaps such as timeframes and clarity on financial data and implications. Findings can be integrated into a spreadsheet to help determine indicative project classification in order to then seek and achieve final buy-in to the Green Bond[2].

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 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 agricultural intensification through credit to smallholders in the long term and support deforestation free supply-chains. 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 extended to other states wanting to work on similar models through REDD+.

Cross River State is at a crossroads; there is real potential for leap frogging 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 implementon 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 NTFPs[3] 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 though 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 Task Force Climate and Forests, 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 2030[4]. 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:

"*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 AE best placed to support this process. The value added of UNDP 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 Ghana Country Office, with the Ministry of Climate Change and Forests (MCCF) and the Forestry Commission 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 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 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 Forestry Commission, MCCF and Ministry of Agriculture, for example by discussing and clarifying institutional mandates, roles and responsibilities.

[1] https://www.ifc.org/wps/wcm/connect/bb81f7e5-ea3e-4a78-b1c6-3b9c810f62fe/FINAL+Forests+Bond+Investor+Presentation+10-5_pdf.pdf?MOD=AJPERES&CVID=lxOnv97

[2] An handbook entitled ‘’Developing SDG Investor Maps Handbook for Country Offices'' developed for UNDP's internal use provides a detailed approach.

[3] 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.

[4]Government of Nigeria (2015) Intended Nationally Determined Contributions - now Nationally Determined Contributions

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

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 tCO_2e/yr.

When activities are implemented based on the demonstration activities in this proposal, there is potential to deliver emission reductions estimated at 7.1$mtCO_2e$ over its 6-year implementation period or 31 $mtCO_2e$ 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 5,000ha 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 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 paradigm shift in the way that Nigeria's forest landscapes are managed and financed. By demonstrating how multiple financing sources including state and federal funding (partially mobilised through Green Bonds), development partner and private sector finance can be bought 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 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 sector in CRS.

Current work demonstrates willingness to strengthened engagement of communities in forest management and an expansion of self-financing community-based approaches to forest management and local development initiatives that can be 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 into the forestry, cocoa and NTFP value chains.

The potential future use of proceeds could be used to invest 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 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.

Credit lines, green bonds and/or market approaches will start to be trialled at the beginning of the Project and one or more adopted so that 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. 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.

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 $mtCO_2e$ per annum by 2030[1]. 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.

[1] Government of Nigeria (2015) Intended Nationally Determined Contributions - now Nationally Determined Contributions

Efficiency and Effectiveness

Through targeting proof of concept of on-the-ground demonstration activities within CRS, the project will build on the state and national level REDD+ processes and allow follow up proposals to be developed with the private sector. 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 oil palm development. This is to ensure GCF finance is a catalyst for further development and that results can be achieved within the proposed project time frame. Key elements of this include: scaling up action on climate change and crowding in additional financing sources

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
1 - Compliance with UNFCCC requirements for REDD+ RBP	1.1 National Forest Monitoring System (NFMS) is fully operational at the sub-national level to strengthened decision making on forest resource use at the State and federal levels	2,100,000	2,000,000	Grant	Public	100,000	Grant	Forest Carbon Partnership Facility
1 - Compliance with UNFCCC requirements for REDD+ RBP	1.2 Safeguards and Safeguards Information System (SIS) is operational at the jurisdictional level	1,300,000	1,200,000	Grant	Public	100,000	Grant	Forest Carbon Partnership Facility
2 - Enabling activities to transition towards sustainable financing of the REDD+ Strategy in CRS	2.1 A robust and inclusive emission reduction programme is structured with reserves and community managed forest	2,820,000	2,680,000	Grant	Public	140,000	Grant	GCF TF
2 - Enabling activities to transition towards sustainable	2.2 Creating enabling conditions for the	3,600,000	3,300,000	Grant	Public	300,000	Grant	Cross River State Government

financing of the REDD+ Strategy in CRS	expansion of sustainable agricultural production systems							
Indicative total cost (USD)		9,820,000	9,180,000		640,000			

For private sector proposal, provide an overview (diagram) of the proposed financing structure.

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 well as the rehabilitation / replanting of 10,000ha of forest, resulting in total emission reductions of over 6.5mtCO_2e.

The *grant request from GCF is appropriate for several reasons.* The grant will be used to finance *public goods* that are required to reduce tCO_2e emissions from deforestation and forest degradation. GCF finance will focus on areas including setting in place an approach that will 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. Where there are profit-making activities or use of large forest reserves instruments such as Green Bonds, GCF finance only targets the enabling environment to attract and manage that finance.

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%[1] 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

[1]Nigeria Financial Responsibility Commission - data from March 2018 - of the 36 states in Nigeria only 7 currently meet the 50% target.

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

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.

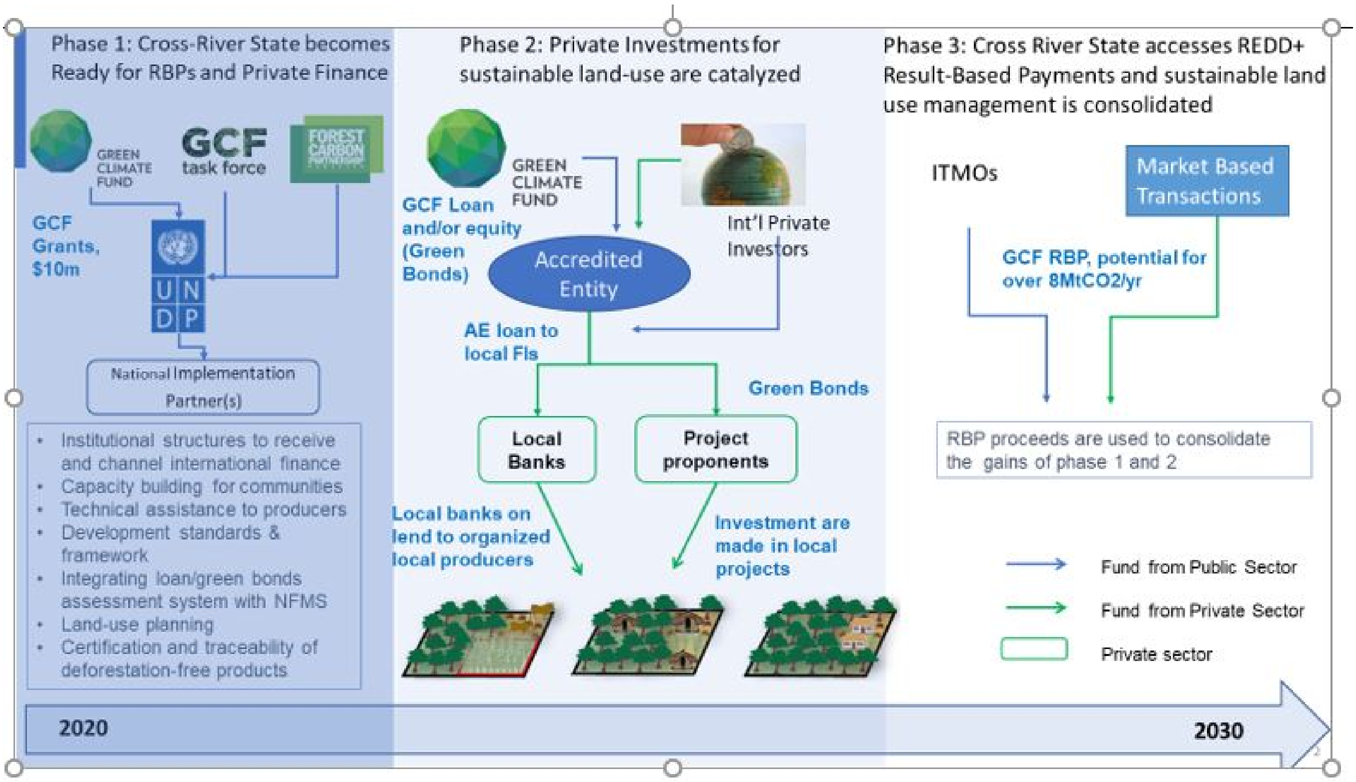
Its core elements focus on establishing the enabling environment including policies, management and operational systems and capacity to promote action by communities and the private sector that is both financially and economically sustainable. Specifically, the project will:

- 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. It could be the first opportunity to integrate community led sustainable forest management projects into the issuance of a green bond in Nigeria. Work through NIRSAL (or other suitable entity) for agricultural credit that supports sustainable investment and reduces impact on forest areas at relatively low costs should have begun.

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 condictions 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 bonds, 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. The diagram 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 3: A Phased Transition Towards Sustainability in Cross River State



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)

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

UNDP consulted the CRS state government, Forestry Commission, 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 and palm oil, NGOs, academia, and members of the technical working group for REDD+ who identified base line projects and recorded opinions on how to implement the activities; conducted a stock taking 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 representativeness. 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 project/programme (as applicable)

☒ Evaluation Report of previous project (as applicable)

Annex 1: Environmental and Social Screening Checklist

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 is not applicable to the project you may write N/A in the justification box.

Exclusion criteria	YES	NO
Will the activities involve associated facilities and require further due diligence of such associated facilities?	☐	☒
N/A		
Will the activities involve trans-boundary impacts including those that would require further due diligence and notification to affected states?	☐	☒
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.		
Will the activities adversely affect working conditions and health and safety of workers or potentially employ vulnerable categories of workers including women and children?	☒	☐
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 or 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.		
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?	☐	☒
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.		

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?	☐	☒
N/A		
Will the activities potentially involve resettlement and dispossession, land acquisition, and economic displacement of persons and communities?	☐	☒
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, 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. 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.		
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?	☒	☐
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. 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.		
Will the activities affect indigenous peoples that would require further due diligence, free, prior and informed consent (FPIC) and	☐	☒

documentation of development plans?		
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 - (https://www.forestcarbonpartnership.org/system/files/documents/Final%20final%20DRM%20Report.pdf)		
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?	☒	☐
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.		

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?	☒	☐	
Has the rationale for the categorization of the project been provided in the relevant sections of the concept note?	☒	☐	
Are there any additional environmental, health and safety requirements under the national laws and regulations and relevant international treaties and agreements?	☐	☐	☒
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.			
Are the identification of risks and impacts based on recent or up-to-date information?	☒	☐	☐
Yes, UNDP has a project with in Cross River State funded through the Governors' Climate and Forest Taskforce and this checklist has 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?	☐	☒	☐
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' organisations to engage in activities that will enable certification through needs assessment, training and capacity building.			
Will the activities pose occupational health and safety risks to workers including supply chain workers?	☐	☒	☐
Same as above			
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?	☐	☒	☐
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.			
Will the activities utilize significant amount of natural resources including water and energy?	☐	☒	☐
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.			
Will there be a need to develop detailed measures to reduce pollution and promote sustainable use of resources?	☐	☒	☐
As the project activities will not generate pollution, it is not envisaged that the detailed measures will be required.			
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?	☐	☒	☐
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.			
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?	☐	☒	☐
N/A			
Will there be risks posed by the security arrangements and potential conflicts at the project site to the workers and affected community?	☐	☒	☐
N/A			
Land Acquisition and Involuntary Resettlement	**YES**	**NO**	**TBD**
Will the activities likely involve land acquisition and/or physical or economic displacement?	☐	☒	☐
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			

recognised 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. 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.			
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?	☐	☒	☐
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.			
Will the activities have potential impacts on or be dependent on ecosystem services including production of living natural resources (eg.agriculture, animal husbandry, fisheries, forestry)?	☒	☐	☐
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.			
Indigenous Peoples	**YES**	**NO**	**TBD**
Will the activities potentially have any indirect impacts on indigenous peoples, ethnic minorities, or vulnerable and marginalized groups?	☐	☒	☐
No indirect negative 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.			
Cultural Heritage	**YES**	**NO**	**TBD**
Will the activities restrict access to the cultural heritage sites and properties?	☐	☒	☐
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.			
Will there be a need to prepare a chance-find procedure in case of the discovery of cultural heritage assets?	☐	☒	☐
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.			
Stakeholder engagement and grievance redress	**Yes**	**NO**	**TBD**
Will the activities include a continuing stakeholder engagement procress and a grievance redress mechanism and integrated into the management/implementation plans?	☒	☐	☐
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. 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. See the attached draft Stakeholder Engagement Plan in Appendix Two.			

Part C: Sign Off

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

Wahida Patwa Shah