



The Democratic Republic of Congo's Investment Plan for the Forest Investment Program



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Ministry of Environment, Nature Conservation & Tourism

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**FOREST CARBON
PARTNERSHIP FACILITY**

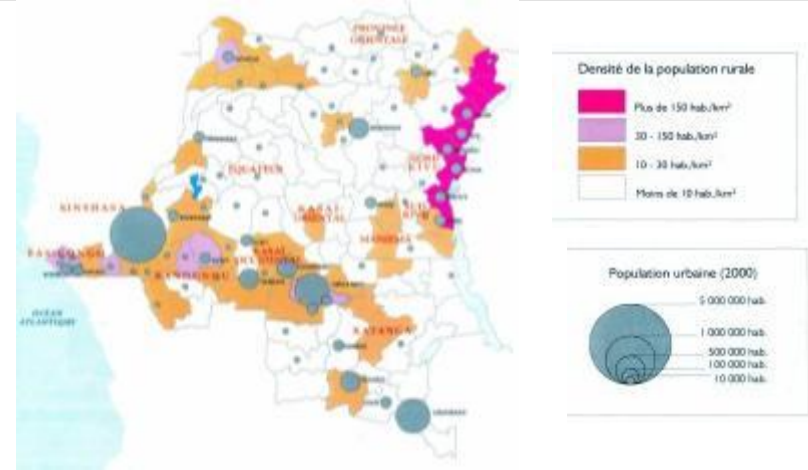
- **Context**
 - DRC & deforestation
 - Regulatory framework
- **The national preparation process for REDD+ in DRC**
- **DRC's Programs for the FIP**
 - Activities
 - Priority areas
 - Definition of the Programs
- **Institutional arrangements and Governance**
- **Consultations, and the Dedicated Mechanism for IPs & LCs**
- **Summary and key messages**

The Democratic Republic of Congo (DRC)

Context



- 234 million ha
- 64 million people (2008), very unevenly distributed



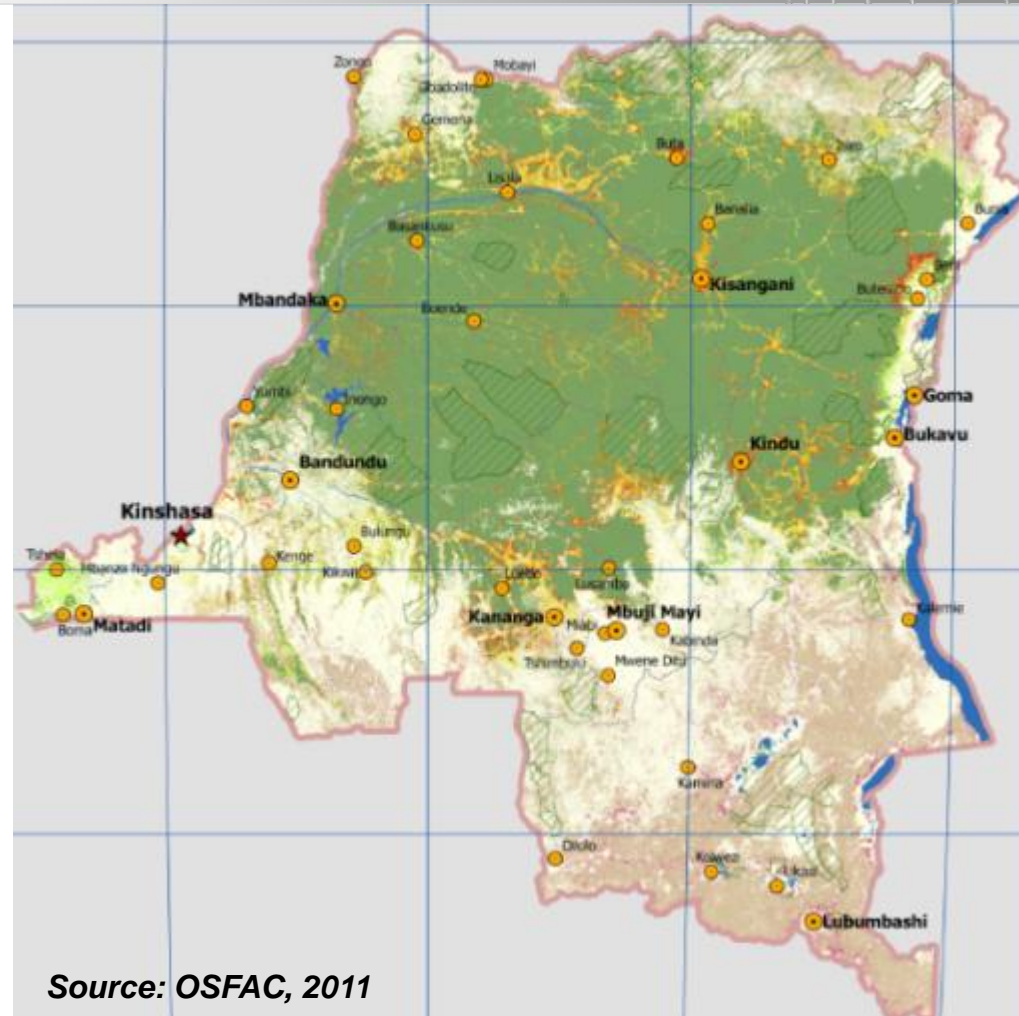
- **155 million ha forests*** (67% of the national territory):
 - \approx 10% of world tropical forests (2nd forested tropical country)
 - \approx 50% of African forests
 - \approx 60% of the Congo Basin forests

- **A very favorable climatic, hydrographic & geological context, largely untapped**

Deforestation in DRC



- Concentrated in "hotspots"
- 2000-2010 = 0,23%/y : low, but...
 - Representing the loss of 3,7M ha of forests: size of the Netherlands
(incl. 1Mha primary forest,)
 - DRC among the 10 countries losing most forest cover each year



Source: OSFAC, 2011

- High increase expected in the near future (development of the country, increase in population, etc)

Main causes of deforestation in DRC



- **Direct and indirect causes** (*MECNT, carried out by the Congolese civil society with FAO*), ranked by importance :

Rank	Directes Causes	Rank	Underlying Causes (Indirect)
1	Slash and burn agriculture	1	Population growth
2	Charcoal-making, fuelwood collection and bush fire, and artisanal mining (activities from communities)	2	Poverty
3	Artisanal logging	3	Population fluxes/migration, war and unemployment
4	Industrial logging	4	Weak public administration, poor governance, urbanization, and companies down
5	Expansion of infrastructure and sustainable agriculture	5	Ignorance of the law

- **Some variability among and within Provinces**, but clear predominance of slash and burn agriculture, wood-energy and artisanal logging



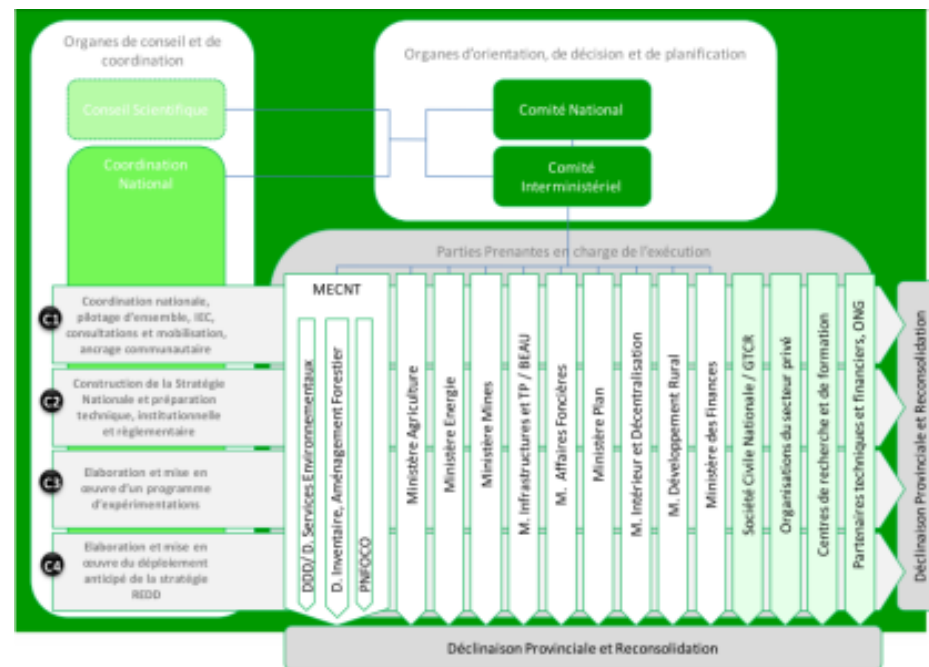
- **Finalization of the 2nd PRSP (2011-2015)** with climate change as a core element
- **Forest Code (2002)**
 - many institutional innovations & reforms (tax system, legal review of the forest titles, etc)
- **Law on Environment adopted (2011)**
- **Issues regarding land tenure** (national/customary law, overlaps in land tenure)
- **No national land use planning policy yet**

The national REDD+ process

Institutional arrangements & national REDD+ strategy

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- **Preparation process launched in 01/2009**, led by the MECNT in partnership with the FCPF and UN-REDD programs
- **Institutional framework for preparation set officially in 11/2009**
 - National REDD+ Committee
 - Inter-ministerial REDD+ Committee
 - National REDD+ Coordination
- **R-PP approved in March 2010**
- **An ongoing participatory process for the design of the national REDD+ strategy (2013-2030):**
 - Studies
 - Consultations, (incl. through 30 Thematic Coordination Groups)
 - Experimentation (pilot-projects)



The national REDD+ process

Main elements of the implementation framework



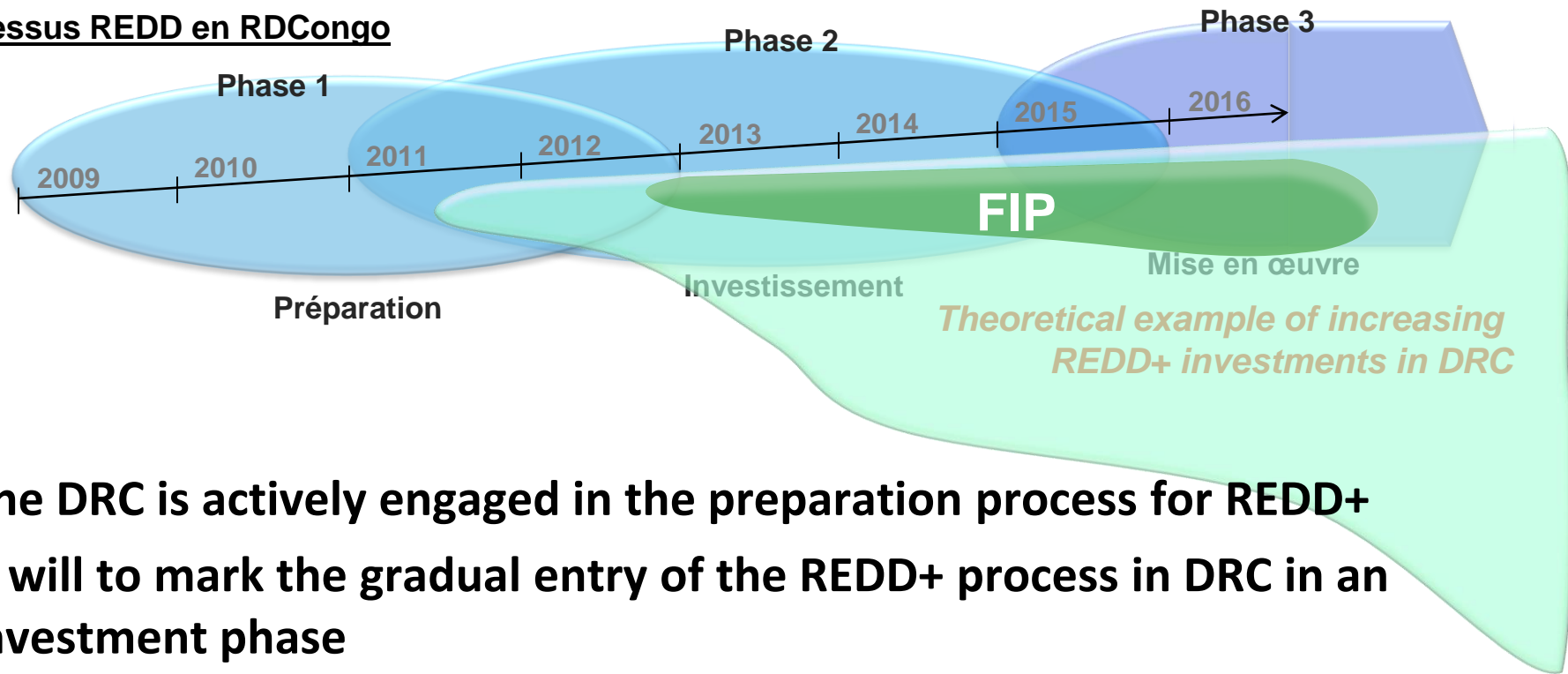
- **Definition of standards** (incl. development with the Civil Society of social & environmental standards specific to the DRC)
- **Homologation procedure** for REDD+ projects
- **National REDD+ registry**
- **National REDD+ financial mechanism**
- **Benefit-sharing mechanism**
- **Carbon, and risks & co-benefits MRV**
- **Reference level**
- **Analysis and reform of the legal framework**

The FIP is fully part of & benefiting from a broader process!

The gradual entry of DRC REDD+ process in an investment phase



Feuille de route globale du processus REDD en RDCongo



- The DRC is actively engaged in the preparation process for REDD+
- A will to mark the gradual entry of the REDD+ process in DRC in an investment phase
 - Engaging the 1st sectoral transformation programs and supporting initiatives relevant to REDD+ and sustainable development
 - Learning and experimenting on a large scale to engage the national deployment
- Focusing the FIP investments on engaging the investment phase rather than on the preparation (keep the momentum!)



- **Distinction "enabling" & "sectoral" activities**
- **Necessary balance** between enabling/sectoral activities, and between experimentation activities/activities ensuring measurable results
- **Transformational effect sought by the FIP:** combination of "enabling" & "sectoral" activities in a given geographical area

Integrated geographical approach:

- 1) **Selection of sectoral/enabling activities**
- 2) **Identification of priority areas for the FIP**
- 3) **Definition of the programs**



- **Selection of a coherent subset of activities**
- **Focus on activities** for which the DRC:
 - Has previous experience
 - More consensual pending finalization of the national REDD+ strategy
 - Addressing multiple drivers of deforestation (synergies)

	Local level
Biomass-energy	<ul style="list-style-type: none">- Agroforestry (incl. afforestation/reforestation, assisted natural regeneration)- Dissemination of energy-efficient stoves; Improved charcoal-making; Energy alternatives
Community Forestry	<ul style="list-style-type: none">- Information & sensitization of local authorities, local communities & indigenous peoples- Support to organization of communities (incl. SME creation)- Community development plans- Forest management plans- Training of trainers



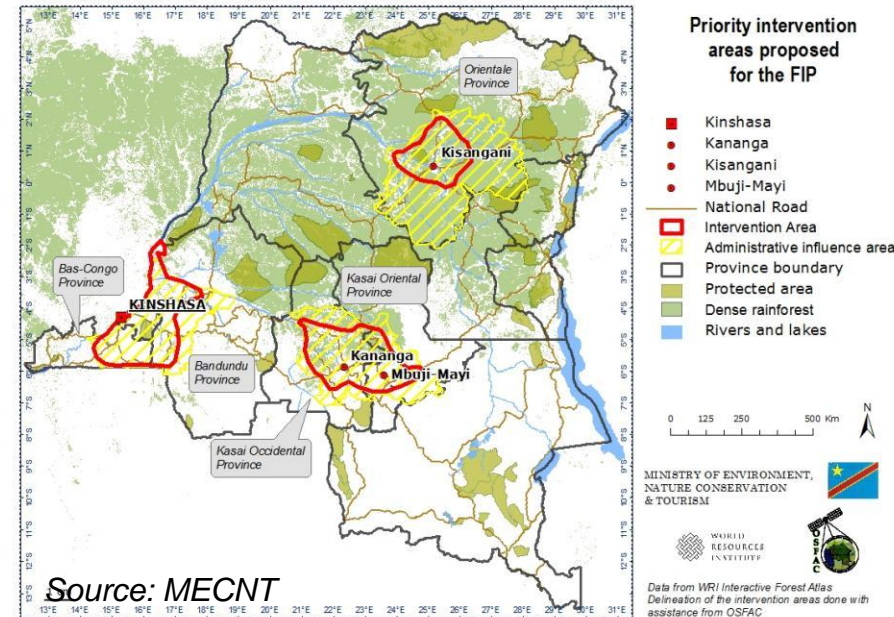
- **Identification of the main obstacles** to investment and the implementation of REDD + / sectoral activities
- **2 levels of action :**
 - **National** : taking the first steps towards deep and long-term reforms
 - **Local** : preparation and direct support to field projects

	National level	Local level
Modernizing land tenure & securing land rights	<ul style="list-style-type: none">- Diagnostic of land tenure issues in the Country- Definition of the methodology for a future land tenure reform- Capacity building	<ul style="list-style-type: none">- Clarification of local rights and access to land titling
Land Use Planning	<ul style="list-style-type: none">- Support to National Land Use Plan development- Capacity building	<ul style="list-style-type: none">- Micro-zoning
Support to project development	<ul style="list-style-type: none">- Capacity building of service companies, administration & civil society	<ul style="list-style-type: none">- Support to project development

Identification of priority intervention areas for the FIP



- **Focus on a few priority areas ("hotspots")**
- **Three priority areas selected, diverse enough & representative of a majority of DRC's territory**
- **Approach used: "Large urban centers supply areas"**

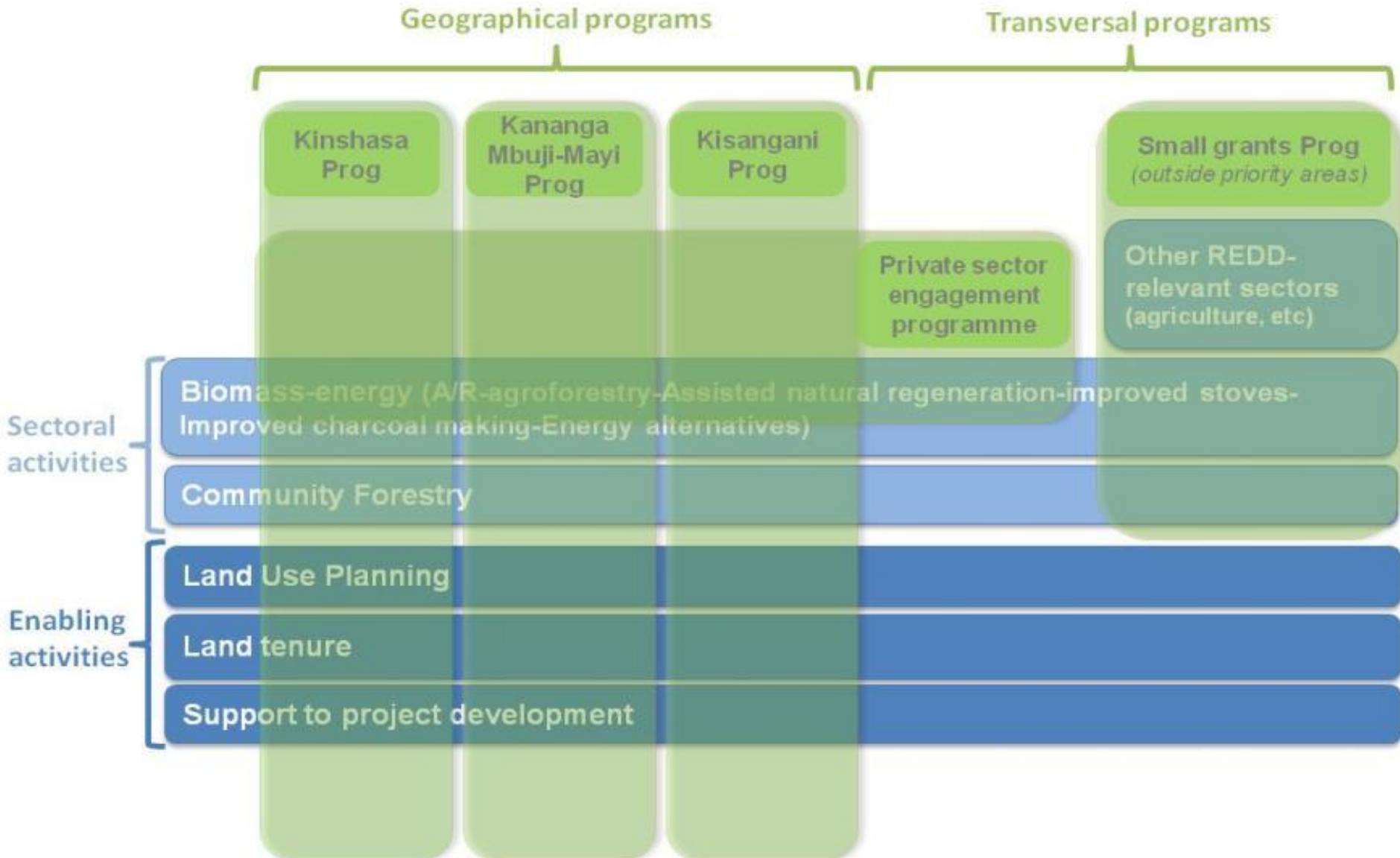


Characteristics		Most relevant activities
Main urban centers	High concentration of population (consumers)	- Energy-efficient stoves - Energy alternatives
Savannah areas	Low density of population & land development, Potential for activities et job creation outside forests	- Agroforestry - Improved charcoal-making techniques
Forest areas	Low density of population (producers)	Community Forestry

FIP programs in the DRC



- 3 geographic programs & 2 cross-cutting programs:

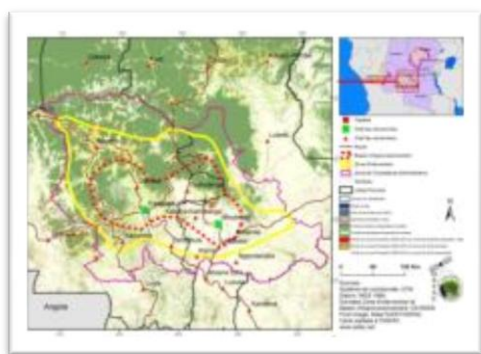
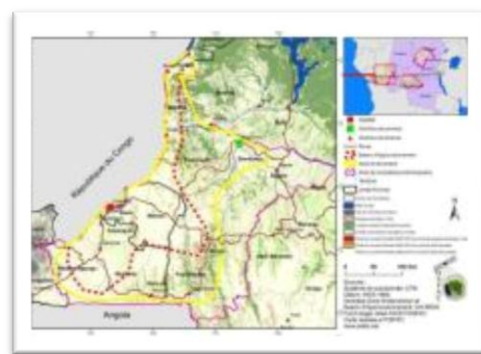


The three geographic programs

• Three priority zones of intervention focused on the Supply Areas of:

- 1. Kinshasa S.A.
- 2. Kananga & Mbuji-Mayi SA
- 3. Kisangani S.A.

	Area (Mha)	Non-Forest land	Forest land (all types)	Deforestation rate 2000-2010
Kinshasa SA	7	74%	26%	0,70%
Kasai SA	6,7	44%	56%	0,67%
Kisangani SA	4	11%	89%	0,47%



Source: OSFAC

- Targeting local communities and Indigenous Peoples
- Flexibility in the set of proposed activities to diverse contexts

Programs	FIP Budget Grant (MUSD)	Share in the FIP budget	Expected cofinancing Budget (MUSD)	Total Investment	Emission Reductions (MtCO2e)	Cost tCO2e FIP (USD)	Cost tCO2e Total (USD)
Kinshasa	14,0	23%	5,1	19,1	2,2	6,3	8,6
Kananga/Mbuji-Mayi	12,1	20%	5,7	17,8	3,9	3,1	4,6
Kisangani	10,2	17%	7,0	17,2	3,2	3,2	5,4

The program for engaging the private sector in REDD+

- **Importance but difficulty to involve the private sector in REDD+ in DRC:**
 - **Business climate:** support required in terms of funding (grants, concessional loans), land tenure issues, etc.
 - **Lack of structure able to implement complex and long-term financial arrangements for the private sector**
- **Also in the 3 priority areas identified, and same set of activities**
- **But specific program required**, as very different needs, actors and channels
- **Proposal to establish a "Development Finance Corporation", project & business plans templates/profiles**

Programs	FIP Budget Grant (MUSD)	Share in the FIP budget	Expected cofinancing Budget (MUSD)	Total Investment	Emission Reductions (MtCO ₂ e)	Cost tCO ₂ e FIP (USD)	Cost tCO ₂ e Total (USD)
Private Sector Engagement	18,4	31%	18,2	36,6	8,8	2,1	4,2

The small grants program



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- **Desire to maximize learning opportunities in all fields relevant to the REDD+**
- **Concerns of geographical equity**
- **Support of initiatives:**
 - **Outside the three priority areas**
 - **Innovative**
 - **With strong social and environmental benefits**
- **Proposed budget: USD 5,3million**



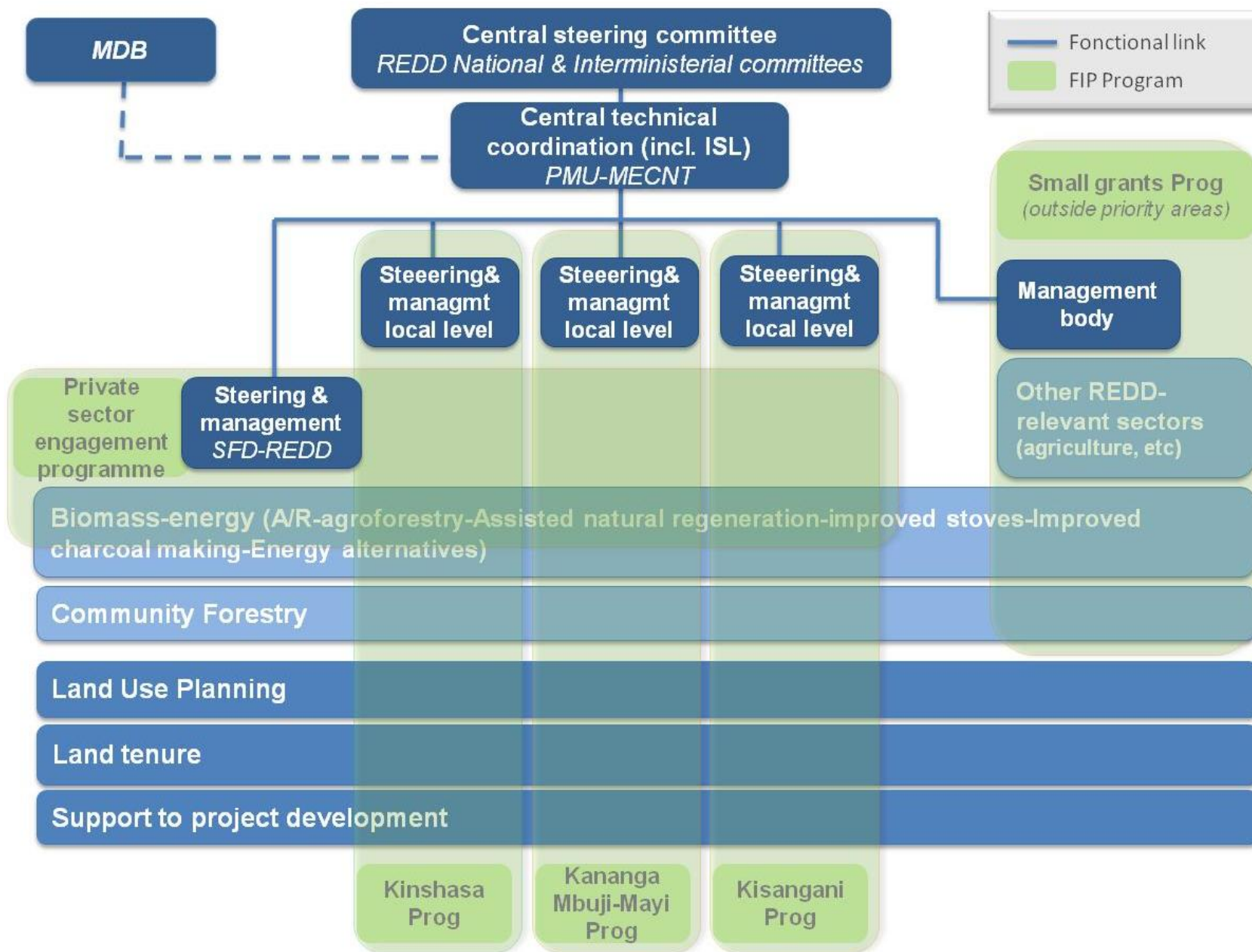
Activities addressing multiple drivers of deforestation and generating multiples co-benefits

	Rank	1	2	3	4	5			
	Activities	S&B Agri.	Wood-energy	Bush fire	Artis. mining	Artis. logging	Indus. logging	infrast ruct. Exp.	Stable agri
Biomasse -energy	Agroforestry	X	X	X		X			X
	Improved stoves		X			X			
	Improved charcoal-making		X			X			
	Energy alternatives		X			X			
Communi ty forestry	Support to community involvement in community forestry	X	X	X		X	X		
(Small grants prog.)		X	X	X	X	X	X	X	X

Co-benefits

Environmental		Social		Economic	
Code	Description	Code	Description	Code	Description
E1	Decrease in pressure on natural forests	S1	Decrease in conflicts over tenure	B1	Job creation
E2	Biodiversity & NTFP protection	S2	Improvement of health	B2	Economic development
E3	Enabling conditions for forest regeneration	S3	Efficient spatial planning	B3	Increase in revenues
E4	Conservation of genetic fluxes	S4	Food security improvement	B4	Decrease of energy costs
E5	Soil Conservation	S5	Community organization	B5	Better access to market
E6	Hydrological / watershed services	S6	Better access to services		
E7	Reduction in air pollution	S7	Benefits in terms of gender		
E8	Reduction in domestic pollution				

Proposed institutional arrangements





- **As part of the FIP :**
 - **Community forestry**
 - **Land tenure & land Use Planning** (both at national & local level)
- **As part of the national REDD+ process:**
 - **Governance bodies for REDD+, approval process & national registry**
 - **Studies** (financial structure, benefit sharing, SESA, etc)
 - **Transparent carbon and risks & co-benefits MRV system**
 - **Social and environmental standards specific to the DRC**
 - **Link with the EU-led *Forest Law Enforcement on Governance & Trade* (FLEGT) initiative**
- **Other national initiatives:**
 - **Business climate:** OHADA, Steering Committee for the Business and Investment Climate
 - **Public finance:** public procurement, Extractive Industries Transparency Initiative (EITI), etc

Design of the Investment Plan

A multiple stakeholders process



- **Extensive consultations involving all stakeholders** (civil society, public administration, private sector, INGOs) **on the top of all previous consultations on REDD+**
- **In Kinshasa and 6 Provinces** (led by civil society, corresponding to the 3 priority areas): 60 facilitators trained & > 600 people consulted)
- **Multi-actors** (National & Inter-ministerial REDD+ Committees, 11 Technical Coordination Groups, workshops, etc) **as well as specific consultations** (administration, banks, investors, etc)

Summary of the consultations in the Provinces & recommendations from the civil society

- **Great interest for and many expectations from the FIP in the Provinces**
- **Major concerns expressed:**
 - **Securing land tenure and harmonizing government/customary authority, & taking into account micro-zoning**
 - **Confiscation by elites and political interference in the selection of projects**
 - **Inequitable access to opportunities (if insufficient communication)**
 - **Possibility to consider non-cash co-financing**
 - **Insufficient capacity of provincial administration**
 - **Difficulty in accessing funding for structures with low capacity**
 - **Lengthy procedures**
 - **Transparent management of funds**
 - **Respect for safeguards and Free Prior Informed Consent**
 - **Development of communication and consultation plans**
 - **Fast-track in the implementation of studies**
 - **Fast-tracking the signature of the legal text on community forestry**

Links with the dedicated grant mechanism for Indigenous Peoples and Local Communities

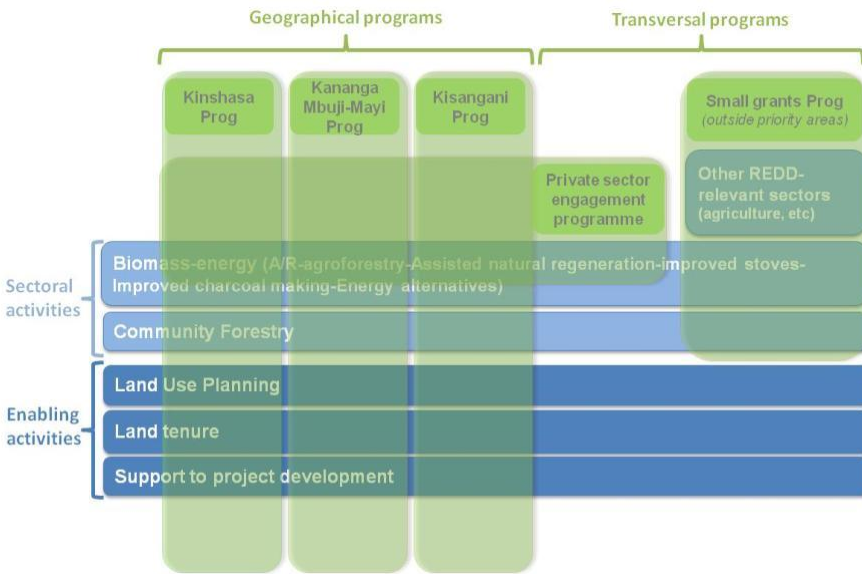


- **Participation in the consultations of one of the leaders from the IPs in DRC**

- **Activities proposed in synergy with the FIP:**
 - **Identification of forest land claimed by the IPs without conflict, to secure their property rights**
 - **Translation of the legal texts and awareness raising in local languages**
 - **IEC of local communities & IPs on REDD+**
 - **Active participation of the IPs and local Communities to the proposed activities for the FIP (community forestry, production of improved stoves, etc.)**

Extremely strong synergies between activities proposed in the FIP Investment Plan and those proposed by the IPs & LCs

Summary & key messages



- FIP fully part of the broader National REDD+ process
- Focusing on the investment phase (keep the momentum)
- Achieving the FIP’s objectives
- Total amount asked by DRC: 60M\$, all as a Grant

	Programs	FIP Budget Grant (MUSD)	Share in the FIP budget	Expected cofinancing Budget (MUSD)	Total Investment	Emission Reductions (MtCO2e)	Cost tCO2e FIP (USD)	Cost tCO2e Total (USD)
<i>Local Communities & Indigenous Peoples (LCIP)</i>	Kinshasa	14,0	23%	5,1	19,1	2,2	6,3	8,6
	Kananga/Mbuji-Mayi	12,1	20%	5,7	17,8	3,9	3,1	4,6
	Kisangani	10,2	17%	7,0	17,2	3,2	3,2	5,4
<i>Private Sector</i>	Private sector engagement	18,4	31%	18,2	36,6	8,8	2,1	4,2
<i>LCIP & private sector</i>	Small Grants	5,3	9%	1,7	6,9	-	-	-
	Total	60,0	100%	37,6	97,6	18,1	Mean 3,3	Mean 5,4



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Thank you!

		National level	Local level
Enabling Activities	Modernizing land tenure & securing land rights	<ul style="list-style-type: none"> - Evaluation of land tenure issues in the Country - Definition of the methodology for a future land tenure reform - Capacity building 	<ul style="list-style-type: none"> -Rural tenure plans - Participatory enumeration - land offices
	Land Use Planning	<ul style="list-style-type: none"> - Support to National Land Use Plan development - Capacity building 	<ul style="list-style-type: none"> - Micro-zoning
	Support to project development	<ul style="list-style-type: none"> - Capacity building of service companies, administration & civil society 	<ul style="list-style-type: none"> - Support to project development
Sectoral Activities		Local level	
	Biomass-energy	<ul style="list-style-type: none"> - Agroforestry (incl. afforestation/reforestation, assisted natural regeneration) - Dissemination of energy-efficient stoves; Improved charcoal-making; Energy alternatives 	
	Community Forestry	<ul style="list-style-type: none"> -Information & sensitization of local authorities, local communities & indigenous peoples - Support to organization of communities (incl. SME creation) - Community development plans - Forest management plans - Training of trainers 	

Main questions received on the Investment Plan & answers from the DRC



Questions	Answers from the DRC
<p>Is the IP limited to the sole biomass-energy sub-sector?</p>	<p>Strong emphasis on the "wood-energy" driver of DD, but proposed activities also targeting agriculture (agro-forestry in savanna areas) & timber production (community forestry) Small grant program open to all activities relevant to REDD+ Complementarity on S&B agriculture with the CARPE prog</p>
<p>Are proposed activities only located outside forests? Do they provide for the security of forest dwellers' rights?</p>	<p>Many activities outside the forest (urban centers, areas of savanna) but also inside the forest (community forestry) Total forest area in the proposed intervention areas: 9.1 million ha out of 17.7Mha (Primary Forest: 6.3 Mha; Secondary Forest: 2 Mha; Woody Savanna: 1,4 Mha), with: (i) Kinshasa: 1.8 million ha – 26% (PF: 650 000ha; SF: 600 000ha, WS: 550 000ha), (ii) Kananga/Mbuji-Mayi: 3.8 million ha – 56% (PF: 2,5 million ha; SF: 970 000ha, WS: 380 000ha), (iii) Kisangani: 3.5 million ha – 89% (PF: 3,1 million ha; SF: 425 000ha) Activities include land tenure, land use planning, community forestry</p>
<p>Why not selecting other areas of high deforestation for intervention?</p>	<p>Need to select 2 or 3 priority areas (1st joint mission): selection by 3 government and 3 civil society representatives using a multi-criteria matrix based on the 6 FIP investment criteria. North Kivu (highest rates of deforestation) ranked 2nd, but removed due to recurring security issues and an extremely complex situation regarding land tenure. Selected areas are different enough from one another and representing the majority of the territory of the DRC in order to maximize learning & replicability</p>

Main questions received on the Investment Plan & answers from the DRC



Questions	Answers from the DRC
<p>Why isn't the Private Sector (PS) more heavily targeted in the investment plan?</p>	<p>IP targeting both IP&LC as well as the PS (small- to large-scale). Difficulty in involving the PS (business climate, difficult access to credit and no access to long-term credit, lack of credit structure able to manage long-term credits, land tenure issues, etc.) taken into account through a specific program. Mixed PS/IP&LC models also considered.</p> <p>Capacity to also mobilize national PS, incl. PS from the (previously strong) industrial & agro-economic sectors, with business skills and familiarity with the national and local context.</p> <p>Development of potential projects profiles and associated business plan to facilitate project development (PS, IP&LC)</p>
<p>Wasn't the development of the IP too fast, with important elements from the national REDD+ process are lacking?</p>	<p>FIP part of a broader preparation process for REDD+, which includes many essential aspects on which the FIP shall capitalize: studies (causes & drivers of deforestation, national REDD+ fund, governance structure, etc.), benefit sharing scheme, baselines, MRV , financial structure, harmonization of legislation, etc, moving in parallel with the preparation for FIP. All these elements will be ready in a timely manner for the FIP</p>
<p>Isn't DRC lacking capacity?</p>	<p>Risk identified and incorporated into the risk matrix</p> <p>Substantial budget aiming at capacity building</p> <p>Definition of a training plan for each program during the program design phase</p> <p>Capacity building: key point in the national preparation process for REDD+</p>

Main questions received on the Investment Plan & answers from the DRC



Questions	Answers from the DRC
<p>Do the proposed implementation arrangements lack key practical details?</p>	<p>Investment Plan = definition of a coherent strategic vision based on the thorough analysis of the situation (opportunities and constraints). Comprehensive effort required to clarify and operationalize the vision during the program design phase (implementation structure, projects profiles & related business plans templates, identification of co-financing and technical partners, etc.) tailored to each priority area</p>
<p>Will the Investment Plan have few biodiversity co-benefits?</p>	<p>Target areas: hotspots of deforestation, less interesting in terms of biodiversity, but proposed activities aiming at limiting the expansion of the supply areas of the cities, thus contributing to the protection of more remote & biodiversity-rich areas. Intervention areas also including large areas of relatively intact forests. Complementarity with the USAID-CARPE program, aiming at the protection of some of the most outstanding forest ecosystems in DRC, as well as the National Program for Environment, Forest & Biodiversity</p>
<p>Does the Investment Plan not target any Governance activity?</p>	<p>Community Forestry: very important shift in forest governance Land tenure and land use planning activities, at both national and local levels Support to the national preparation process for REDD+: Governance Bodies for REDD+, approval procedure & national registry, studies (financial mechanism, legal framework, SESA, etc.), mechanism for risk and co-benefits monitoring & management, carbon MRV, link with the FLEGT initiative, etc</p>



Stakeholders	Consultations
Civil society & technical partners	Presentation of the Investment Plan and discussions in a number of workshops organized by the civil society or the REDD-NC in Kinshasa. Investment Plan sent to many technical partners Consultations in the Provinces conducted by the Civil Society (60 mediators trained, >600 people consulted) and national feedback & validation workshop (75 participants)
Private sector & financial institutions	1 workshop on private sector engagement in REDD+ organized (28 companies, mentioning in particular difficulty in accessing credit in DRC) with presentation of the investment plan. Meetings with 5 banks and two organizations representing the private sector in the DRC Consultations in the Provinces conducted by the Civil Society
Public administration	Investment Plan sent and 2 presentations made to the Inter-ministerial Committee (22/04) and numerous informal discussions with several Ministries (MINDECAT, MINAF, etc.) as well as through the TCGs
TCGs	Presentation during a workshop and distribution of the Investment Plan to 11 TCGs, involved in the FIP (171 people). They provided numerous comments on the Plan and will be particularly involved in the designs of the program
National Committee	3 sessions held with the National Committee; approval of the Plan