

“FIP DRC – Integrated REDD+ Project in the Mbuji-Mayi/Kananga and Kisangani Basins” (AfDB)

Answers to the FIP Subcommittee Comments / Questions

Summary of Comments

General:

- The concept is interesting and the effort and work that has gone into developing the project document, particularly evidenced by the extensive technical annexes was highlighted.
- Furthermore, the responses and clarifications provided to the initial set of comments provided by Japan, the United Kingdom and the United States demonstrate that a lot of thinking and work has gone into the project preparation.

Areas of Improvement:

- However, even with the responses to the earlier comments, there is a need for further work in relation to the following elements of the project document and associated annexes:

Articulation of the theory of change - The project submission will benefit from a clear, concise and upfront exposition of what the project intends to do, why it intends to do it, and to some extent, how it intends to do it. The theory of change should progress from an identification of the problem and a description of the drivers of deforestation and forest degradation, an analysis of the barriers to change, a description of the interventions, including how the intervention will address the drivers, and an indication of the expected outcomes in the context of changes from business-as-usual. The “theory of change” should also make clear why FIP financing is required to address the problems and overcome the barriers to change.

Agriculture and wood energy are the main drivers of deforestation and forest degradation in DRC. Deforestation by slash-and-burn agriculture is caused by 1) demographic pressures; 2) low yield due to low use of agricultural inputs and effective agricultural techniques, ii) land degradation due to the reduction of fallow time and low investment in soil management; and 3) low income from agricultural activities due to the lack of infrastructure and equipment for transport, storage, and transformation. The barriers to change in agriculture include lack of appropriate land tenure security, lack of technical capacity, difficulties in accessing agricultural inputs, lack of investment capacities. The project will seek to improve yields of subsistence farming by building capacities in agricultural and soil management techniques as well as in agroforestry, facilitating access to agricultural inputs and securing land tenure. The project will support the development and adoption of 9 land use plans, the promotion of 5500 ha of agroforestry, agricultural intensification on 2250 ha, soil conservation measures on 1500 ha, the development of Income Generating Activities (IGA) for 20000 beneficiaries (50% of which will be women), and the construction of 9 watering points.

Forest degradation is mostly due to the lack of sustainable wood energy supply and of energy alternatives, the low level of energy efficiency of both the carbonization techniques and the final consumption, and the high level of informality of the value chain. The barriers to change include the lack of technical and financial capacities and of awareness to develop and adopt more energy efficient techniques and tools (eg. improved stoves) and alternative sources of energy. It has also to do with the lack of economic incentives to do so. The project will seek to improve the sustainability of the wood energy sector by providing economic incentives, capacity-building and awareness-raising activities, identifying land available for forest plantations and fostering access to financial services for the adoption of improved stoves. The project will support the establishment of 11500 ha of plantations, the enrichment of 4000 ha of forests with high value timber species, the conservation of 8500 ha of forest buffer zones and of 2905 ha of protected areas, the adoption of improved stoves by 30000 households, and the training of 2600 trainers in improved carbonization techniques.

In order to address these drivers, FIP financing is required to bring governance, technical and investment capacities that the local population and the state are currently lacking, thus piloting the REDD+ investment phase in DRC.

The implementation of project activities will be phased as follows:

- Phase 1: Elaboration of land use plans
 - o Step 1 : Support to training and capacity building of local institutions
 - o Step 2 : Assessment of the existing land tenure situation in the project areas, as well as that of site-specific drivers of deforestation and barriers to change
 - o Step 3 : Preparation of land use plans (“micro-zoning”) integrating REDD+ objectives tackling the drivers of deforestation
 - o Step 4: Preparation of a development plan supporting the compliance with the land use plans and addressing the barriers to change for each land unit.
 - o
- Phase 2: Contracting with the communities on the basis of a PES approach following the double logic of supporting (i) investment and (ii) compliance with the zoning.
- Phase 3: Implementation of project activities relating to forestry, sustainable agriculture, wood energy efficiency, land tenure security, alternative livelihoods, and socio-community infrastructure.

Outline of the PES scheme and implementation modality – A short but comprehensive description of the proposed PES scheme, including an analysis of:

- target beneficiaries, and how they are selected;
- a description of the actions for which participants will receive PES; payment structure, including the type of PES (cash, other?) for “stage one” and any stages thereafter, the level of the PES (how much, and will this be standard across communities, or will it vary; if it varies, on what factors will it depend, and who will decide on PES levels/conditions);
- conditionality and compliance monitoring

- rationale for the structure of the PES system; ie, argument for how the PES system establishes an efficient and effective incentive system; in what sense the project is piloting larger-scale PES
- how much of FIP project funding is expected to go to PES

The details of the PES mechanism will be developed at the beginning of project implementation through a specific assessment study. This mechanism will share common features across intervention areas but may also be adapted to take into account local specificities in order to maximize efficiency. While the details have yet to be defined, some of its basic characteristics are already being identified under the preparation grant activities.

The support the project is offering (which is the “payment” for ES) will be dependent upon the compliance with the land use plans and will follow a double logic of supporting (i) investment (ii) compliance with the zoning (which means compensation for maintaining carbon stocks).

Through the first logic, the project will provide support in-kind to one-time activities such as capacity-building, equipment with materials for IGA, support to the mechanism for the formalization of customary land usufruct rights, socio-community infrastructure.

Through the second logic, annual recurrent (opportunity and implementation) costs will be supported through in-kind contributions such as improved seeds and cuttings, as well as other agricultural inputs. These “payments” should be sustained after the project’s completion, contrary to the support for one-time activities. This will be achieved through the channeling of carbon revenues by a national PES/benefit sharing mechanism that the project would have helped pilot in its areas of intervention. These carbon revenues will be generated at the national level through the sales of REDD+ carbon credit.

The in-kind support will be channeled through the Local Executing Agencies (LEAs). The level of support will be based on the costs of necessary activities to alleviate pressure on forest and on negotiations with the communities. In principle, the PES will apply to the whole community (collective contracts), so that collective dynamics toward sustainability are encouraged and peer pressure mobilized for compliance. Target beneficiaries of project activities will be based on participants’ willingness, capacities to implement the proposed activities (for example, having land for agricultural activities), efficiency and equity concerns (eg; gender equality, and ensure no groups are excluded which will limit the ability of the communities to comply with the zoning). The list will be agreed upon with local entities (CLDs and CARGs). Communication activities by the project implementation team will ensure that potential participants are aware of the project’s opportunity and the need to express their willingness to participate.

The monitoring of land use plans compliance on the ground will be carried out by the project’s provincial coordination units and the LEAs, in cooperation with CLDs and CARGs. In addition, DIAF will perform overall annual surveys, based on satellites images, on the project’s intervention areas as part of the national MRV system.

Analysis of alternative livelihood options:

- description of the alternative livelihood options to be promoted, and analysis of whether these options are competitive with/more attractive than traditional

livelihood options. What are the barriers to uptake of these alternative livelihoods? If these alternatives can compete with traditional livelihoods, why is FIP support necessary and why haven't they already been taken up?

The alternative livelihood options considered are the following: sustainable agricultural practices; tree plantations ; improved stoves and biomass briquettes production; IGAs such as tree nurseries, Non-Timber Forest Products (NTFP), bee-keeping, snail farming, small animal stock breeding, and the processing of agricultural products. The project's internal rate of return estimated to be 21.3% without considering carbon revenues is an indication of the viability of these alternative livelihood activities. The main barriers to the adoption for these activities have been the lack of technical and investment capacities that the FIP will help overcome.

Overall sustainability of the project outcomes – Linked to the issue of PES scheme, the project submission needs to clarify the sustainability of the project outcomes by outlining

- any experience that DRC has had with this approach;
- any economic analysis which indicates that the payments/investments from the PES scheme are viable in light of other employment opportunities;
- community interest in implementing the agreed land use plans; and
- the extent to which the project depends on additional financing from carbon payments through the FCPF Carbon Fund (how does this link?).

The PES approach retained for the implementation of the project has been so far used successfully in DRC by the USAID-funded CARPE program, and the EU-funded project around the Luky forest Reserve implemented by WWF. The lessons learnt from these projects at the national level will be useful for the project. They show that communities may have an interest in implementing a REDD+ compatible land use plan, provided they are supported to do so, as also confirmed during the stakeholder consultations throughout project preparation activities. The project's sustainability, in particular the long term compliance with the land use plans, will depend partially on "payments" for carbon services channeled through a national PES / REDD+ benefit-sharing mechanism that is currently under development and that the project will help pilot. These funds would come from the sales of REDD+ credit at the national level, not specifically from the FCPF Carbon Fund.

If the project is fundamentally a PES scheme , then it is recommended to present clearly and upfront how such a scheme could drive the REDD+ agenda in the projects areas, and if possible, at the national level.

During the FIP project this "PES" mechanism consists of implementing project activities only if the communities do comply with the agreed upon land use plans. The project will pilot the implementation of REDD+ in three provinces. Project activities should be sustained over time, including through the support of a national REDD+ benefit-sharing scheme, as explained above. That has been reflected in the Project Appraisal document (See under Executive Summary and sections 2.3.2 /4.4.2).

Annex 1

Additional comments/questions submitted by the United Kingdom

General points:

1. There are some inconsistencies in what might be translation problems, that would be worth checking (e.g goats or sheep?). In some instances the beneficiary contribution is US\$ 0.6 million in other 0.7 million

The correct figure is US\$ 0.6 million. It should read goats. Adjustments have been made in the text.

2. We were not clear on whether there is a Government of DRC counterpart contribution or not. It's not mentioned on the cover sheet but there is a reference to a \$4.3 million counterpart contribution for woodlot establishment in the technical appraisal

Please note that there is no Government contribution. Correction has been made.

3. The concept of "Kits" is potentially problematic. Is this a translation issue? It suggests a mechanical one size fits all package approach.

The mention of standard kits is made to facilitate calculations for budget preparation. Standard kits do exist for different set of activities such as beekeeping, animal breeding, tree nursery establishment, etc. However, it must be understood that the composition of these kits adapt to the specific needs of each intervention area and modality.

Logical framework:

4. Suggest an amendment to outcome performance indicator: *Number of operational rural micro enterprises in year 3, 50% of which are for women.* Replace "for" with "owned/or led by"

Thanks for the suggestion. It has been taken into account.

Risk assessment:

5. A more rigorous and detailed risk assessment is needed. The current project risk table highlights 3 risks. It is our view that this should reflect management risks, fiduciary risks, tenure risks, enduring political risks etc

The DRC FIP investment plan approved by the FIP Sub-Committee in June 2011 had already provided a comprehensive assessment of risks with their mitigation measures. We have added in the risks' table of the project appraisal report two risks: Political risk: the two Kasai provinces (Mbuji-Mayi and Kananga), where armed conflicts have ended since 1999, pose presently no security or political problem. The civil strife occurring in the Eastern Congo is far away and has not spread into the province of Kisangani. The decision of the Security Council to restrain and disarm the armed groups shall facilitate the restoration of a lasting peace and stability in the whole Eastern part of the country. Also at the national level the Donors, including the AfDB,

have agreed on a roadmap with the Government and continued political dialogue is being used to follow up on that. Tenure risk: Relatively low population density makes land tenure conflicts not so crucial in the project intervention area. The local land tenure commissions will be reinforced in order to provide mediation, conflict resolution and disputes arbitration services. The participatory approach and the involvement of traditional chiefs will help ensure effectiveness. At the national level, the REDD+ Strategy provides for the establishment of a mechanism for management of complaints and anti-corruption: civil society, communities and individuals will have access to a web site where they can file complaints, including on land tenure issues. Fiduciary and Management risks are addressed in both para 4.1 of the Appraisal document and B.4.10 of the Technical annexes).

Context/rationale:

6. A more detailed analysis of the drivers of deforestation and how the project addresses them is needed.

And

7. It would be helpful to understand why the alternative livelihood options analysed in the “economic appraisal have not been taken up by local people already? What are the barriers to doing so, and how is the project addressing these?”

Please see answers under the “Areas of improvement” section on “Articulation of the theory of change” and “Analysis of alternative livelihood options”.

Permanence and leakage

8. The project does not explicitly address permanence and leakage. In the call, there was some discussion around using future PES payments to discourage expansion of the agricultural frontier. How will the project monitor leakage, for example, individuals are signed up to community land use plans but continue shifting cultivation activities, displaced into other areas (e.g. protected areas).

The project will support the strengthening of the Ministry of Environment at the provincial level, including with equipment for surveillance (motorcycles, etc.) outside the project sites of interventions. In case of significant leakage dynamics, they will be identified by the Ministry of Environment and reported to the project, which in turn will lead to negotiations with the communities through CLDs and CARGs to stop these dynamics. To avoid a top-down approach, the project will facilitate consultations amongst the mentioned community organizations and let them come up with alternative incentives and/or enforceable measures aimed at dealing with non-compliant members, taking into account the socioeconomic specificities of each intervention area.

9. In savannah areas, fire is a key land preparation technique for agriculture, is used in hunting, etc. How will the project deal with this specific challenge? It has major implications for leakage, and could leave communities vulnerable to “non-compliance” where fire originates outside the agreement areas but spreads into them.

The project includes awareness-raising activities and the opening and maintenance of fire-breaks around forest rehabilitation areas (plantations, forest conservation and enrichment) as part of the implementation of the simplified forest management plans.

Forestry activities:

10. Strong emphasis is given to creating local jobs for the communities, particularly through some of the tree planting activities. However, in the technical appraisal there is a reference in the social assessment to the risk of plantation laborers entering into conflict with local communities. Does this mean that tree planting activities will use hired labor from outside the project area? Is this Government initiated tree planting? A risk is also highlighted that local people will be under represented in recruitment. There should be more discussion of how this will be mitigated, and of the Government's role in tree planting activities.

In the DRC, the recommended method is to use local labor for tree planting activities. This modality is reflected in the social clauses of all forest enterprises contracts with local communities. The same option has been retained in the current project proposal. Government's provincial structures will be involved in the project implementation process. It is true that some generic potential negative impacts have been flagged by the environmental and social impact analysis, but plantations laborers are largely expected to be community members themselves with almost no laborers importation from elsewhere.

11. Will there be any groups (especially the poorest) that currently rely on degraded areas targeted for reforestation that might "lose" in terms of access once these areas are designated for tree planting? How will their needs be accommodated?

Plantations should respect the land use plans, which in turn integrate the needs of the poorest as well as the designated areas to fulfill such needs. The project implementation team will ensure that. Furthermore, appropriate mitigation measures recommended by the environmental and social safeguards will be applied where plantations would actually create restrictions of access for the poor.

12. The presentation of forest related activities in general could be clearer. We are not clear on which activity is going to be implemented in the different types of forest area (e.g protected forest, buffer zones, communal areas versus state lands? It would be helpful to set this out in a simple table (along with other key activities) and say a little about what they entail

The forest area in DRC is divided into "classified forests" (gazetted forest reserves); "permanent productive forests" (industrial concessions for timber production) and "protected forests" (the rest, where in principle there are no specific activities in terms of conservation through forest reserves or timber production through industrial concessions).

All the forests belong to the state, which manage "classified forests". In the "permanent productive forests", the state concedes logging rights (concessions) to companies who still have to negotiate with surrounding communities that are entitled to customary usufruct rights. Those rights are also recognized by the state in "protected forests", where communities can obtain, upon request, part of these forests as a forest concession, as stipulated in the new forest code.

The table below shows the repartition of project activities by type of intervention areas.

Type of forest areas in DRC	Description of Project Activities
“protected forests”	<ul style="list-style-type: none"> ▪ <u>Rehabilitation of degraded forests</u> through the preparation and implementation of simplified management plans (SMP) in the buffer zones and Masako classified forest (Kisangani Basin). ▪ <u>Establishment of Forest Plantations</u>: promotion of private nurseries (identification, training, equipment and seeds); support for the establishment of forest plantations (11500 ha); support to private initiatives. ▪ <u>Promotion of Sustainable Agricultural Practices</u>: support to agro-forestry development. ▪ <u>Promotion of Local Land Use Plans</u>: support to zoning, training of stakeholders, capacity building of community organizations, preparation and implementation of Land use plans. ▪ <u>Support to Land Tenure Security Mechanism</u>: support to the formalization of customary usufruct rights; capacity building for tenure commissions and tenure officers (customary chiefs, local government, and relevant social groupings). ▪ <u>Supportive Measures</u>: construction of basic socio-community facilities (water points, other types of facilities selected by the LDCs) ; promotion of IGAs through processing of NTFPs and agricultural products, bee-keeping, snail farming, small animal stock breeding, etc.
“classified forests”	<ul style="list-style-type: none"> ▪ <u>Rehabilitation of a degraded forest</u> through the preparation and implementation of a simplified management plan (SMP) in Masako classified forest (Kisangani Basin).
“permanent productive forests”	<ul style="list-style-type: none"> ▪ <u>No specific activity</u>

13. How will the SFM contracts with local authorities work? What exactly are the buffer zones? Do they have a status?

The buffer zones are degraded forest areas (sometimes woody savannah) where there is usually no particular agricultural use. There is a potential for rehabilitation through natural regeneration or tree planting. The buffer zones have no particular status than that of an open land that can be either reversed back to forest or converted to agricultural use. The demarcation of buffer zones is part of the zoning activity. The simplified forest management plans cover both the forested areas and their adjacent buffer zones. The SFM contracts with local authorities are part of the general contract of the project by which it ties its support to the compliance of communities with the land use plans (PES). Cf. section 9.2.9 of the Technical Annexes.

14. Are we correct in understanding that a study is planned to inform what activities might be implemented to the benefit of indigenous communities? Could you provide some indication of when this is likely to be ready? Will there be opportunities for indigenous communities in these areas to link with the DGM?

An assessment study of the specific needs of the indigenous people in the project intervention area is about to start under the preparation grant. It should be completed before the implementation of the project starts. Links will certainly be possible with the national DGM. Already a budgetary provision of 400K dollars has been set aside by the project to support any investment efforts in favor of the indigenous communities. Cf. 9.5.2 of the TA.

15. Nursery establishment has a notoriously patchy track record around the world. Are 5 days of training and the provision of some basic equipment going to be sufficient to create good quality nurseries that produce a wide range of in- demand seedling? Or will it result in mass production of easy to grow species (often exotic) rather than native species? Have the economics of such nurseries been analysed?

Experiences in DRC and other countries of the region show that it is relatively easy to train farmers to master plant production in tree nurseries. With the support of Government forestry experts and other technicians who have gained experience with industrial plantations, the availability of the necessary equipment and watering sources which the project will provide, interested individuals should be able to produce both local and exotic tree seedlings for the different planting needs. Cf. 9.3.1 TA.

On the fuel wood sub-sector interventions:

16. The proposal as it stands for this part of the programme, demonstrates an approach to look at the whole value chain (this is good), namely: Carbonisation techniques; Models of carbonization kilns; types of improved stoves, their performance, different users, stove production opportunities and challenges & barriers.

Thank you.

Improved cook stoves

Under the project preparation grant, a study is about to be launched that will assess market challenges and opportunities for the improved cook stoves in the project's areas of intervention.

17. We are not sure if the project proposes to equip 30,000 households with improved stoves (i.e. are these given out / a hand out?), via mechanisms to be determined.
 Would strongly caution against a "hand out" approach. This should be avoided. Rather encourage the existing market for improved stoves (if one already exists), or seek to develop the market.

As DRC is a pilot country, the FIP projects (including the one supervised by the WB) will benefit from the support of ACCES (Africa Clean Cooking Energy Solutions) in the development of the appropriate strategy (choice and testing of models to disseminate, support to entrepreneurs to produce these models, marketing and access to finance). No hand out is envisaged. The project will rather support i) sensitization and advocacy to convince the 30 000 households to use improved stoves, ii) training and equipment for about 45 artisanal

manufacturers of kilns. At the start of the project, administrative facilitation for importing IS will also be provided.

18. We support the approach of encouraging the dissemination of a range of stove types into the project areas. Promoting just one particular model of stove (as some donors do) can cause problems, and affect market conditions.

And

19. By having a pool of options within the market, the best models will be disseminated and monitored (and appeal to a wide range of economic, social and practical conditions).

And

20. p. 30 (9.4.4) suggests identifying an approved model with a standard production, later in the programme. As before, caution against endorsing a particular model, or identifying just one? May create barriers of uptake for some households, and distort the market.

We agree. That will be taken into account.

21. Encourage the programme to refer to / be aware of the Global Alliance of Clean Cookstoves (GACC's) <http://www.cleancookstoves.org> work on stove standards. With a view of selected stoves, trying to adhere to those technologies that are at the higher end of the standards spectrum.

Noted with thanks. The DRC FIP team participated in the workshop organized by the GACCS in February 2012 in Accra on the institutional aspects of cookstoves.

22. Suggest that successful examples of IS technology and business models operating elsewhere in DRC are considered at an early stage of the programme (e.g. WWF-DRC 2013 Ashden Award winners <http://www.ashden.org/files/WWFDRCwinner.pdf>, SNV-Congo <http://www.snvworld.org/en/countries/dr-congo/our-work/sectors/renewable-energy>).

The DRC-FIP team benefited from the experiences of these two organizations and has worked closely with them during the preparation phase by taking advantage of their successes in the DRC and elsewhere. The planned site-specific assessment will take that into consideration and recommend the most viable options for the project intervention areas.

Alternative energy sources

23. Good to see consideration of other alternative energies, and solar energy capture etc being considered in this proposal, however would caution against spreading the project and interventions (as a whole) too thin. Clearer rationale and expected deliverables and impacts drawn out here, if this is to be pursued.

Support to alternative energy sources will be through awareness-raising activities and technical assistance/advice to and from the Ministry of Energy in the 3 provinces.

24. Focus on the development of briquettes from residue is to be encouraged though.

GVEP and GiZ have done substantive, large-scale successful work on briquettes in Africa (mostly East Africa), that could be valuable experience to draw on.

Much appreciated. Thanks.

25. What is the role of the Ministry of Energy in this work?

The Ministry of Energy is a member of the FIP Steering Committee. It takes into account the biomass subsector in its National Energy Strategy. An advisory role on the improved stoves and biomass briquettes activities is expected from that Ministry. The project will also support the Ministry in the development and implementation of its own alternative energy sources strategy, but only through technical assistance and advisory services.

Additional comments/questions submitted by the United States

1. Will the project support industrial scale logging in primary tropical forests? Any logging in primary tropical forests?

The project will not support any industrial logging activity, which is exclusively left to Forest enterprises in concessions. FIP interventions are outside the Forest Concession areas.

Annex 2

Follow up questions from UK to responses provided by AfDB (response matrix):

(Some of this discussed in the phone call)

1. We are not clear on the difference between the established local organisations (CARG, CLD) and the LEAs.

CARG and CLD (spelt out in the list of acronyms) are local community organizations. LEAs are mainly international NGOs operating as executing agencies, collaborating with counterpart local NGOs or other structures.

2. On the phased approach
 - a. It would be good to get greater understanding of timings, and geographical phase out. Step 1, we suggest would be done throughout the intervention.

We agree that the “Support and capacity building to local institutions for consultations” should last throughout the duration of the project.

- b. Would also be good to get greater understanding of land tenure issues and who would land use plans need to be authorized by, what rights do they give communities in practice, what grievance mechanisms are there, what happens if not all the community buy-in to the concept? Etc.

Plans are to be validated at the level of territorial and provincial governments. Validating them at both levels will reinforce their binding power and have them become recognized at a lower and higher administrative/political level. That will also facilitate compliance and monitoring. The contracts on land use planning will have to be legally binding in order to have them complied with by both the concerned communities and outsiders who might intend to violate the rights granted through the plans. Thus, communities can oppose uses not compliant with the plans which reflect the consensus of the community on the use of natural resources. At the national level, the REDD+ strategy provides a web-based grievance mechanisms, including on land use planning issues.

3. On tenure issues, although population density is low in DRC, this does not necessarily imply that land tenure insecurity and disputes are not an issue of concern. Experience from the CBFF suggests that the main technical delays to projects (as opposed to operational ones) come down to land tenure issues – also goes back to point 2b

See answer to question 5 in annex 1.

4. The named NGOs are already implementing partners for at least CARPE, CBFF programmes. What is their absorptive capacity? Has an analysis of capacity to implement been carried out?

The absorptive capacity of the NGOs will be evaluated during their recruitment process. Also, the ongoing baseline study will conduct a capacity assessment of NGOs operating in the project areas and which of them might be potential candidates for the implementation of this project. An operational manual for LEAS will be prepared.

5. If alternative livelihoods are viable with and without potential carbon revenues, why are people not already “doing” them? What are the barriers for entry, and does this intervention overcome these barriers?

See answer to question 7 in annex 1.

6. On PES would be good to get a bit more understanding of:
 - a. Eligible participants (women, men – will it end up benefiting those with lower opportunity costs – i.e. Will PES payments be going to people who would be most likely/able to respect the land use plan anyway?)

In principle, contracts should be collective and would not as such go to specific individuals. The community as a whole will have to comply with the land use plans and be engaged with the project. Please see also answer under “Outline of PES Scheme...” above.

- b. Governance structure – how will PES be governed at a community level?

The CLD and CARGs, through their executive committees, will manage the implementation of the plans and ensure internal monitoring. The compliance will be certified by LEAs in collaboration with the project’s provincial teams and the DIAF.

- c. Payments – how will the level be determined (standard across the board, or differentiated depending on opportunity costs? – and some schemes even go into reverse auctions to figure out optimum payment level).

The support will be channeled through the Local Executing Agencies (LEAs). The level of support will be negotiated with the communities, based on the costs of necessary activities to alleviate pressure on forest and on opportunity costs for the “compliance with the zoning” PES.

- d. Payments – how will payments be made – individual level or household level (assume that payments are in-kind support to develop alternative livelihoods).

Payments would be mostly in kind (support to develop alternative activities); results-based cash payments will be used for tree planting activities instead of traditional work remuneration. Please see also answer above under “Outline of the PES scheme and implementation modality”.

- e. Payments – how will they be conditional – i.e. what monitoring will go on, what happens if individuals don't comply?

For the monitoring, see above under “Outline of the PES scheme and implementation modality”.

In case of non-compliance with some individuals, the CLD will have to pressure the non-compliant individuals. If this does not succeed, the program will adopt a pragmatic approach and determine the best option depending on its understanding of the situation. Options include stopping the implementation of project activities, revising the agreement and land-use plan, or adopting individual support rather than a collective one.

- 7. Will the project seek any additional finance through either CDM type carbon finance or domestic PES schemes? In case of the former, please indicate whether savings from projects under the CDM are included in the total project CO2 savings or not and what is the expected amount of CERs issued. In case of the latter, please indicate the PES scheme, its scope (local, domestic) and its primary aim (whether biodiversity or CO2 savings, etc.).

The project is not designed for seeking immediate carbon payments. The agreement under negotiation with the FCPF will cover only a very limited area of the DRC, the Mai Ndombe, which is outside the project's intervention areas. The National REDD+ Fund being put in place by DRC is planning to create a window for financing projects through PES as part of their benefit sharing mechanism. The FIP beneficiaries may in the future apply for this Fund and obtain the means of sustaining the PES funding mechanism.

- 8. Could you clarify whether adoption by the Cabinet is the last step in the approval process for the Community Forestry legislation?

The draft decree on the forests of the local communities has been reviewed and cleared by a Ministerial Committee set up for this purpose. It should be signed by the Prime Minister, as a last step for its approval.

Additional comments/questions submitted by Australia

1. We note that the discussion did touch on the possibility of the project being submitted to the FCPF Carbon Fund. If this is the case, we would appreciate some clarity around how potential emission reductions will be attributed (i.e. how the attribution of ERs will be split between the Carbon Fund and the FIP if both are contributing funding for the project).

And

2. We also request that AfDB include in their revised project proposal documents some more information on any additional carbon market funding that might be sought using ERs generated from the project. This should include which type of carbon market they are likely to access (CDM, voluntary market, jurisdictional REDD+ markets), the proposed standards and the likely volumes of credits to be sold.

Under this project, it is not envisaged to seek the sale of carbon credit at sub-national levels. It rather fits into the DRC national approach to REDD+. Please see answer to question 7 in annex 2.