

August 1, 2013

**Response of AfDB on Approval by Mail: Democratic Republic of Congo -
Integrated REDD+ Project in the Mbuji-Mayi/Kananga and Kisangani basins
(AfDB)**

Dear Andrea,

Please find attached the consolidated set of questions and answers and proceed with posting.

Best regards,
Mafalda Duarte

AfDB

UK COMMENTS ON PIREDD/MBKIS

COMMENTS	ANSWERS
<p>1) Whilst many of the key strategic barriers to successful implementation are raised in the appraisal document, the strategic case to address these barriers is not presented clearly and robustly and nor does a strong theory of change emerge.</p>	<p>The weakness of institutional and human capacity in the sector, and the low interest in sustainable forest management will be addressed through :</p> <ul style="list-style-type: none"> - Site-specific assessments: the project has planned a site-specific assessment of the potential constraints to a satisfactory implementation of each set of activities (Land tenure, land use planning, woodstoves, and afforestation/reforestation) in order to recommend the available best approaches to the achievement of project objectives. Such exercise is now in progress under the preparation grant and should be completed by end of the year 2013 before project implementation commences. - Working with established local organizations (CARG, CLD) and the Ministry of Environment's services to ensure project ownership and sustainability. The activities set in motion by the project are meant to continue and develop further through local communities' institutions (CARG, CLD) and Ministry of Environment's provincial technical services which will gradually take over from the LEAs for the implementation of activities. - Capacity-building and technical support in sustainable forest management, land use rights management and land use planning, alternative farming and energy alternatives and efficiency. - Demonstration activities (cf. agricultural component) - Economic incentives (PES)

The activities set in motion by the project are meant to continue and be developed further through local communities. The sustainability and change strategy is to gradually involve provincial technical services and user groups in the implementation of activities from the 4th year of project's duration and stimulate the Congolese efforts in carbon sequestration. Furthermore, the anchorage of the project in the existing DDD/MECNT, in accordance with the Paris Declaration, contributes to sustainability and ownership of its achievements. The global approach will rely on a land use planning and approach based on a concerted and shared vision among stakeholders on how each zone should be managed. It is supported by a contractualization with the community in which the community commits itself to respect a land use plan they have designed in exchange for financial support to the project's activities (PES). That approach has been successfully tested in CARPE projects in the DRC.

The objectives will be pursued through the promotion of sustainable forest management while alleviating population pressure on forests by promoting sustainable agricultural practices and wood saving energy alternatives. Land tenure securisation, along with land use planning will allow agricultural intensification to reduce forest encroachment. Furthermore, pressure on the forest from the wood energy sector will be reduced through the promotion of a sustainable supply based on plantations, of alternative sources of energy (agricultural biomass) and of energy efficiency technologies (improved biomass, carbonization techniques).

2) The project document highlights the challenge of weak capacity in DRC, particularly at sub national level. Bearing this in mind, we have some concerns at the level of ambition of the project, and the heavy reliance on LEAs to deliver a complex and ambitious set of interventions. We would welcome reflection and discussion with the AfDB on whether the scope of the project could be more focused and/or to explore the options of a phased approach to implementation. For example, the proposal annexes make clear that successfully settling land tenure issues is a pre requisite for the implementation of the project's forest related initiatives and will become increasingly important once the potential benefits to be had from REDD+ become more apparent. In a phased approach, this could form a first phase of project work.

The weak institutional capacity at provincial level is a constraint all the projects in DRC are facing and which explains the heavy reliance, for the time being, on Local Executing Agencies. For this project, an integrated approach is the strategic orientation retained. That means the project will pilot on specific territories a whole range of REDD+ activities including the ones focused on land use rights and land use planning, agriculture, forestry, and energy. Therefore; reducing the scope of the project may compromise the achievement of the objectives of that orientation.

The implementation of project activities will be phased as follows/:

Phase 1 : Elaboration of land use plans

- Step 1 : Support and capacity building to local institutions for consultations
 - Step 2 : Assessment of the existing situation in terms of land tenure (general terms)
 - Step 3 : Preparation of a land use plan (zoning) integrating REDD+ objectives
 - Step 4: Preparation of a development plan supporting the compliance with the land use plan
- Phase 2: Contracting with the community through a PES following a double logic of supporting (i) investment (ii) compliance with the zoning (on PES, see also answers to question 8).
 - Phase 3: Implementation of project activities relative to forestry, agriculture, energy, land tenure, alternative livelihoods, socio-economic infrastructures...

	<p>With regards to land tenure, it should be noted that despite the absence of a dedicated strong tenure law, current working procedures and institutional setting (tenure commissions) allow for securing definitive tenure rights or at least usufruct rights for a long period of time (25 years renewable). The project will take maximum advantage of that in helping the maximum of beneficiaries enjoy tenure rights. We should bear in mind that the project intervention sites are not high population density areas and land tenure issues have not yet become major concerns.</p>
<p>3) It is our understanding that many other forest sector programmes managed by the Ministry of Environment, Nature and Tourism (MENT) are administered through an Independent Project implementation Unit. It is not clear in the appraisal report whether the proposed structure for implementation of the project makes use of this facility or is forming a separate entity. Furthermore, we are unclear about the capacity of the national coordination unit, particularly its capacity to undertake the technical coordination role described, as well as procurement and financial management. It would be helpful to understand the extent of support expected from the REDD technical unit, mentioned in the appraisal annex, as distinct from the REDD+ national steering committee.</p>	<p>The existing facility known as UCP-PFCN, initially created to manage the World Bank Forestry project is being phased out. Not only because the WB project is ending but also the unit has in the meantime become a financial management facility, with the technical aspects being handled by the Directorate of Sustainable Development (DDD).</p> <p>During the appraisal mission the MECNT has strongly recommended that the project be anchored at the DDD and managed by the FIP coordination Unit. This structure already exists within the DDD and has financial management capacity that the project will reinforce. The DDD is currently audited for the projects it implements and audit reports are available. Its capacities will also be strengthened in terms of monitoring & evaluation at the beginning of the project.</p> <p>The REDD+ national steering committee has a consultative, oversight role whilst the REDD+ technical unit created within the DDD supervises the implementation of the different activities related to the preparation of the National REDD Strategy of the DRC, mainly the construction of the national MRV system. The FIP coordination unit has been carved out of the REDD technical unit and forms part of it. This is shown in the project's organogram presented in the Technical Annexes.</p>

4) It would be useful to have more of a sense of whether capacity within MENT (in Kinshasa and the Provinces) has been improving. There has been substantial investment in infrastructure and staff skills, via a variety of donor programmes to the Ministry over the last years at capital and provincial level. An indication of progress and outcomes arising from this support would be useful, in determining the project risk level more accurately, and identifying improved mitigation options. Whilst the proposal does offer some glimpses into this, we would appreciate a more thorough assessment.

The institutional capacity of the Ministry of Environment, including its provincial delegations has been strengthened through support from different donors. The MECNT has been restructured to meet the need for establishing a better collaboration among the public institutions, civil society and others stakeholders for a sustainable and fair management of forest resources for different uses. There are convincing results in terms of institutional reorganization of the MECNT structures in Province Orientale, Bandundu and Equator:-strengthening the capacities of technical services: construction/rehabilitation of the office buildings, equipment, including; training of staff at provincial level (especially in financial management); support to the civil servants' retirement plans, the reinforcement of the DIAF, in charge of designing the national MRV system, etc. other noticeable outcomes include the pre-contracting of new staff with the desirable skills, the reorganization of some services such as for the control of wood sales, the important progress made in the legal framework with the adoption of a new forest law and a new law on the environment; and advances made on the design of the national REDD+ strategy. In addition, a National REDD+ Registry has been established and put online to allow for keeping track of all relevant projects in terms of carbon credit production and their intervention areas.

This project will further enhance technical and institutional capacities of the Ministry of Environment delegations at the provincial level.

5) The implementation structure has many layers, and it isn't clear what the relationship is between the provincial coordination bodies and the national. As stated above, we are concerned about the LEAs. Much is expected of them and we would have expected to see some assessment of likely candidate organisations and their capability given that the project risk assessment suggests there could be a major capacity limitation.

The REDD+ national coordination unit coordinates the overall project and handles major procurement issues such as those pertaining to vehicle and equipment's acquisition, LEA recruitment and contracting, monitoring and evaluation, preparation of annual work programmes and budgets, reporting on progress. The overall supervision of project activities will be done both directly and through the provincial coordination units.

The Provincial coordination units are the direct supervising entities of the project activities, especially in terms of surveillance and monitoring. They provide guidance, technical advice, and advocacy and handle minor procurement activities. Each of the 3 units will be a lean structure composed of 3 experts: a provincial coordinator, an agricultural economist and an environmentalist/forester who will engage other government services in their daily activities.

The REDD+ national steering committee will define and decide on the strategic orientation of the project, approve and supervise project work plans and annual budgets. The Provincial Steering Committees will have the responsibility to decide on operational issues, providing guidance to the provincial coordination for effective project implementation.

In each of the 3 provinces, a Provincial Steering Committee will be established. They will be composed of representatives of the local Administration, decentralized services of the ministries involved in the project, the REDD + Focal Point, the private sector and the civil society.

The LEAs are service providers to be recruited competitively to actually lead the implementation of the project activities on the ground at site level under the supervision of the provincial coordination unit and with the participation and support of local NGOs and/or communities. Among selection criteria, due attention will be paid to good financial management

	<p>capacities. The main difficulty in DRC is to have LEAs with good fiduciary and financial management capacities. The LEAs operations manual is currently being prepared under the ongoing project preparation grant. Potential LEAs can be the same as for the USAID-funded CARPE program such as AWF, Wildlife Conservation Society, Conservation International, or others such as WWF, SNV or Tropenbos International.</p>
<p>6) Much of the project's success will rest on the alternative livelihoods activities described in component 2 of the project delivering tangible benefits. The structure of the proposal makes it difficult to understand the incentives for community/farmer participation, how beneficiary selection will take place, the extent to which beneficiaries will make payments (in cash or kind) for these initiatives, and how this will work in practice. The proposal states a number of times that high levels of expectation exist amongst the local population. It would be helpful to know if this expectation is associated with the concept of PES or more simply with the knowledge that a project is to be implemented.</p>	<p>The support to the community in terms of alternative livelihoods will be dependent on the compliance with the land use plans (PES logic). The incentives for community farmer participation are manifold: support to providing formal land use rights; provision of subsidized improved seeds and seedlings; training/capacity building and demonstration activities. In particular, the identification of alternative livelihoods activities will result from consultation with the local population. Both alternative livelihoods activities and agricultural intensification activities should be profitable, leading to increased incomes.</p> <p>The project is mainly implemented in the form of PES, provided the communities comply with the land use plans. Large explanations have been given to the population during stakeholder consultations on this. With the active participation of decentralized authorities, participative cartography and zoning will be undertaken by communities to define areas and to determine practical actions for conservation, afforestation/reforestation and agriculture. This process enhances broader commitment and engagement of all stakeholders towards the project objectives, and has the additional benefit of clarifying use and tenure rights over forests and forest resources and is an initial step towards recognition of these rights by the Provincial administration.</p>

	<p>An important point for the sustainability of the project will be to make sure that PES mechanism used during the project for the compliance with the zoning will be aligned with the national PES/benefit sharing mechanism for REDD+ to be established (the expectation is that the national PES/benefit sharing mechanism will be piloted under the FIP project) and that will replace the FIP PES project mechanism after project completion.</p>
<p>7) The economic appraisal case makes the assumption that land is not a constraint. The appraisal annex also describes the limited “working capacity” of households. If these two assertions are correct, it raises important questions about the likelihood and interest of farmers to engage in agricultural intensification and sedentary agricultural practices where labour is potentially the more important constraining factor. The report does not provide a convincing analysis of the incentives for, and constraints to, promoting settled agriculture. It is also not clear whether the alternative livelihoods are viable, and whether this is the case with or without the potential carbon values.</p>	<p>Land is not a constraint in the project areas. This situation was observed and supported by potential beneficiaries the project team visited during the appraisal mission. In fact, population density in the DRC is low 28.5 /km². These communities practice subsistence agriculture to meet their food needs (cassava, maize, rice) and harvest forest non-wood products. In order to maintain them in the zone, project activities described in component 1 (afforestation/ reforestation) offer durable alternatives for their livelihoods. Labor for agriculture intensification could be a limiting factor that can be addressed by hiring additional labor during peak farming periods. This explains why the farming practices are limited to small production areas of about 0.25 ha. The adoption of high yielding crop varieties to increase production is being proposed.</p> <p>The alternative livelihoods are viable with and without potential carbon revenues. The inclusion of carbon revenues at the 25th year of the project has been considered as one scenario and the results are: NPV of 2937.19 million CDF and IRR of 23.9 %. The project’s internal rate of return estimated to be 21.3% without considering carbon revenues is also an indication of the viability of project’s activities. There is a significant potential for increasing agricultural yields, therefore ensuring the viability of agricultural intensification/sedentarization.</p>

<p>8) We are not clear on what the proposed PES mechanisms are. In parts, the proposal appears to classify the alternative livelihood activities and associated inputs that will be provided to beneficiaries, as PES. The proposal also states that the project will identify the optimal PES system based on carbon finance. It is not clear whether this will entail engagement with the voluntary carbon markets or other mechanisms. If this is the case, we would expect to see more detail on how this will be done, for what proportion of the emissions saved?</p>	<p>The proposed PES mechanism will be dependent on the compliance with the land use plan and will follow a double logic of supporting (i) investment (e.g. plantations, reforestation, inputs for alternative activities) (ii) compliance with the zoning (which means compensation for maintaining carbon stocks).</p> <p>The support provided for investments will materialize during project implementation while the second type of support will happen both during project implementation to ensure compliance with the zoning but should also be sustained after the project's completion. This will be achieved through the channeling of carbon revenues by a national PES/benefit sharing mechanism that the project will pilot in its areas of intervention. These carbon revenues will be generated at the national level as the project relies on a national approach to REDD+.</p>
<p>9) Reference is made to the stipulations in the forest code for forest revenue distribution, but further detail is required to explain how this will be applied in the context of the project. The usufruct contracts that are referred to are not explained. How are they linked to the issue of the beneficiary contribution of 0.6 million? In such an uncertain tenure environment, we would expect to see an analysis of how this mechanism will work in practice.</p>	<p>An innovation in Article 122 of this Forest Code is: ‘Communities may, upon request, obtain as a forest concession, all or part of the forests in the protected area (“forêts protégées”) to which they have customary rights...’</p> <p>The project may facilitate the process of getting local communities to get forestry concessions. However, since it is not known yet how timber revenues obtained from forestry concessions are to be distributed and how that revenue distribution system will interface with the PES/national benefit sharing mechanisms for carbon revenues, this is something that will have to be analyzed during project implementation.</p> <p>For sustainability purposes, the beneficiaries will contribute with US\$ 0.6 million in the form of: (i) small contributions to acquiring improved seeds (25%) (total of US\$0.09 million) starting from the first year of the project; (ii) and 100% of the running costs of the food processing equipment (fuel, oil etc) (US\$0.51 million).</p>

<p>10) The proposal highlights the lack of clarity around rural land tenure in DRC as a major limiting factor and quite rightly points out that land and tree tenure issues must be clear before investments in forest related activities get underway. The project will try to address this issue by land use planning, zoning and issuing usufruct titles through a system coordinated between clan chiefs and local land registration officials. We are not clear on the extent to which these usufruct titles and/or contracts will have any legal basis, for example in future disputes or situations where decisions may have to be made about competing land uses.</p>	<p>With regard to land tenure, it should be noted that despite the absence of a dedicated strong tenure law, current working documents and institutional setting (tenure commissions) allow for securing definitive tenure rights or at least usufruct rights for a long period of time (25 years renewable). These usufruct titles have a legal basis and must in the future evolve to become a permanent land title. Meanwhile, eventual land disputes will be settled by the established land tenure commissions which will be reinforced by the project. All the activities on zoning and land use plans are meant for preventing future land disputes around competing land uses.</p>
<p>11) The forest code established the potential for Community Forestry but there has been little progress on developing the implementation text. Is this an indication of low levels of buy-in for the community forest concept? If yes, it should be brought more fully into the risk analysis. Since the project document stresses the need to develop a sense of identity to encourage the settlement of the population around common assets, the status of such areas will be precarious in the absence of land tenure security and no CF regulations in place.</p>	<p>We don't think the delay in issuing the implementation text on Community Forestry, linked most likely with the country's socio-political situation relating to the conflict in the eastern regions, would mean insufficient buy-in for the CF concept. And in any case it is expected that the implementation text will be adopted soon. The Government of DRC has written a few months ago to all its development partners in the forestry sector to allay concerns about the issue of Community Forestry and has assured them that it is giving all due attention so that the implementation decree can be issued as soon as possible. The last version of the implementation text « <i>décret portant modalités d'attribution des concessions forestières aux communautés locales</i> » has been adopted early July of this year by the law commission of the government. Its adoption by the Cabinet is expected soon.</p>

USA COMMENTS ON PIREDD/MBKIS

COMMENTS	ANSWERS
<p>We had trouble following the project's theory of change. While a number of the activities mentioned look promising, it is difficult to understand how they will fit together, and how the project proposes to overcome barriers to implementation.</p>	<p>Response provided under item No. 1 of UK Comments.</p>

JAPAN COMMENTS ON PIREDD/MBKIS

COMMENTS	ANSWERS
<p>We understand that, in the PIREDD/MBKIS, DIAF is expected to play an important role particularly in “Project Monitoring and Evaluation” and “Measurement of Carbon”. In that regard, we believe capacity building of DIAF through the JICA project will also contribute to the smooth implementation of PIREDD/MBKIS.</p> <p>At the same time, however, we are deeply concerned about the lack of human resources in DRC because several initiatives, including JICA, PIREDD/MBKIS and many others, are going on and planned. Therefore it is extremely important that the donors' supports be mutually complement and well-coordinated to promote consistent capacity building for DRC. Thus, we would appreciate continued information sharing and exchange with PIREDD/MBKIS.</p>	<p>We recognize that JICA’s work with DIAF will be an important contribution to the PIREDD/MBKIS objectives. We therefore welcome and share JICA’s view on the need to harmonize and coordinate activities. The project management team will try to make sure that information flows between all DIAF partners supporting the construction of the national MRV system. That will further be achieved through the Information Sharing and Learning (ISL) activities under the overall management of the DRC FIP.</p>

