Climate Investment Funds

FIP/SC.6/4
June 7, 2011

Meeting of the FIP Sub-Committee
Cape Town, South Africa
June 29 and 30, 2011

Agenda Item 5

INVESTMENT PLAN
DEMOCRATIC REPUBLIC OF CONGO

Proposed Decision by FIP Sub-Committee

The FIP Sub-Committee, having reviewed the *Investment Plan for the Democratic Republic of Congo*, (document FIP/SC.6/4),

a) endorses the Investment Plan as a basis for the further development of the projects foreseen in the plan and takes note of the requested funding of USD60million in grant funding. The Sub-Committee reconfirms its decision on the allocation of resources, adopted at its meeting in November 2010, that a range of funding for the country should be used as a planning tool in the further development of project and program proposals to be submitted to the FIP Sub-Committee for FIP funding approval, recognizing that the minimum amount of the range is more likely and that the upper limit of the range will depend on availability of funding.

   The range of funding agreed for the Democratic Republic of Congo is USD 40-60 million in FIP resources. The Sub-Committee also recognizes that the quality of the proposed activities will be a significant factor in the funding to be approved by the Sub-Committee when project and program proposals are submitted for approval of FIP funding.

b) approves a total of USD1.6million in FIP funding as a preparation grant for the following projects,

   i. USD300,000 for the project "*Addressing Deforestation and Degradation in the Kinshasa Supply Area*", (World Bank)
   ii. USD400,000 for the project "*Addressing Deforestation and Degradation in the Mbuji Mayi/Kananga Supply Area*", (AfDB)
   iii. USD400,000 for the project "*Addressing Deforestation and Degradation in the Kisangani Supply Area*", (AfDB)
   iv. USD250,000 for the project "*Small Grants Program to Promising Small-scale REDD+ Initiatives*", (World Bank)
   v. USD250,000 for the project "*Engaging private sector in REDD+ in DRC*", (World Bank)

   to be developed under the investment plan;

c) takes note of the estimated budget for project preparation and supervision services for the project(s) referenced above and approves a first tranche of funding for MDB preparation and supervision services as follows[1]:

   i. USD300,000 for the project "*Addressing Deforestation and Degradation in the Kinshasa Supply Area*", (World Bank)

[1] For private sector projects, MDB preparation and supervision costs are determined at investment development stage and requested at a later point in time.

ii. US300,000 for the project "*Addressing Deforestation and Degradation in the Mbuji Mayi/Kananga Supply Area*", (AfDB)
iii. USD300,000 for the project "*Addressing Deforestation and Degradation in the Kisangani Supply Area*", (AfDB)
iv. USD300,000 for the project "*Small Grants Program to Promising Small-scale REDD+ Initiatives*", (World Bank)
v. USD250,000 for the project "*Engaging private sector in REDD+ in DRC*", (World Bank)

d) requests the Government of the Democratic Republic of Congo and the MDBs to take into account all written comments submitted by Sub-Committee members by July 15, 2011 in the further development of the projects.

Democratic Republic of Congo

Ministry of Environment, Nature Conservation and Tourism

Forest Investment Program

Investment Plan

30/05/2011

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Summary of Country Investment Plan

FOREST INVESTMENT PROGRAM **Summary of Country Investment Plan**		
1. **Country/Region**:	Democratic Republic of Congo/ Africa	
2. **FIP Funding Request (in USD million):**:	*Loan: N/A*	*Grant:* ***USD 60 million***
3. **National FIP Focal Point**:	*Victor Kabengele – (abckab@gmail.com)* *Ministry of Environment, Nature Conservation and Tourism*	
4. **National Implementing Agency**	*National REDD Coordination* *Ministry of Environment, Nature Conservation and Tourism*	
5. **Involved MDB**	*World Bank, African Development Bank and International Finance Corporation*	
6. **MDB FIP Focal Point and Project/Program Task Team Leader (TTL)**:	*Headquarters-FIP Focal Point:* **Gerhard DIETERLE** Forests Adviser, FIP Focal Point World Bank gdieterle@worldbank.org **Mafalda DUARTE** Principal Climate Change African Development Bank m.duarte@afdb.org	*Task Team Leaders:* *World Bank* **Simon RIETBERGEN** Sr. Forestry Specialist srietbergen@worldbank.org **André AQUINO** Carbon Finance Specialist adeaquino@worldbank.org *African Development Bank* **Modibo TRAORE** Chief Natural Resource Management Specialist, African Development Bank d.traore@afdb.org

7. **Description of Investment Plan:**

(a) Key challenges related to REDD+ implementation:

Key challenges are linked to the overall weak level of institutional and technical capacity in DRC and to governance challenges in the forest sector (and other land use-related sectors), in addition to the need for inter-sectoral coordination which is an inherently complex goal to achieve, and to limited private sector interest in REDD-related activities in the country. The REDD+ process in general requires substantial capacity at all levels due to its technical and institutional complexities. These needs are being addressed by the FCPF and UN-REDD support to REDD Readiness, and various other initiatives such as the World Bank Forest and Nature Conservation Project. Some of the governance challenges are being directly addressed by the FIP, such as contributing to the process of land tenure clarification in target intervention areas and supporting communities for managing forests. Inter-sectoral coordination should be ensured through the National Inter-ministerial Committee, but will require higher-level political support to this body. Finally, private sector engagement is being explicitly targeted by the FIP Investment Plan, which includes a number of activities aimed at removing some of the key barriers preventing private investment in REDD-related sectors.

(b) Areas of Intervention – sectors and themes

The Investment Plan proposes to: i) to concentrate investments on deforestation "hot spots", located in the supply area of large urban centers; (ii) to focus on investments that address the direct causes of deforestation and that generate measurable emissions reductions and co-benefits; and (iii) to improve enabling conditions to address some of the underlying causes of deforestation (at the national level, to support medium-term transformation, and at the local level, to support innovative experiments aimed at tackling the underlying causes of deforestation, such as land tenure insecurity and an inconducive business environment for private sector engagement).

The proposed sectoral activities include:

a) afforestation/reforestation, including agroforestry and assisted natural regeneration
b) dissemination of improved cook stoves,
c) dissemination of improved charcoal-making techniques,
d) development of alternative energy sources,
e) Support for community forestry and strengthening communities' capacity to manage forests.

The enabling activities aiming to address the underlying causes of deforestation include modernization and promotion of land tenure security, establishment of a national policy for land use planning as well as facilitation of private sector and civil society projects. These activities should contribute directly to the strengthening of governance in the Congolese forest sector.

(c) Expected Outcomes from the Implementation of the Investment Plan

8. **Expected Key results from the Implementation of the Investment Plan (consistent with FIP Results Framework):**	
Result	**Success Indicator**
(a) Natural forests are managed in a more sustainable fashion.	Size (in hectares) of forests for which management is decentralized (i.e. undertaken by local communities) and deforestation rates within community-managed forests as compared to open access forests.
(b) Increase in the production of biomass energy and agricultural products produced in a sustainable fashion	Proportion of biomass energy produced in a sustainable fashion.
(c) Consumption of charcoal/fuelwood in urban centers is reduced	Tons of charcoal/ fuelwood saved due to the use of improved cook stoves and alternative sources of energy.

9. **Project and Program Concepts under the Investment Plan (in USD million):**

Project/Program Concept Title	MDB	Requested FIP Amount ($)[1]			Expected co-financing ($)	Preparation grant request ($)	MDB Fee[2]
		TOTAL	Grant	Loan			
Addressing Deforestation and Degradation in the Kinshasa supply area	WB	US$ 13.7 million	US$ 13.7 million	--	US$ 5.1 million	US$ 0.3 million	US$0.6 million
Addressing Deforestation and Degradation in the Mbuji Mayi / Kananga supply area	AfDB	US$ 11.7 million	US$ 11.7 million	--	US$ 5.7 million	US$ 0.4 million	US$0.6 million
Addressing Deforestation and Degradation in the Kisangani supply area	AfDB	US$ 9.8 million	US$ 9.8 million	--	US$ 7.0 million	US$ 0.4 million	US$0.6 million
Small grants program to promising small-scale REDD+ initiatives	WB	US$ 5.05 million	US$ 5.05 million	--	US$ 1.7 million	US$ 0.25 million	US$0.6 million
Engaging private sector in REDD+ in DRC	WB	US$ 18.15 million	US$ 18.15 million		US$ 18.2 million	US$ 0.25 million	US$0.5 million
TOTAL		US$58.4 million	US$58.4 million		US$37.7	US$1.6 million	US$2.9 million

[1] Includes preparation grant and project/program amount.

[2] To be completed by the MDB submitting the project.

10. **Timeframe** (tentative) – Approval[3] Milestones

Program 1: Expected Board Date: November 2012

Program 2: Expected Board Date: November 2012

Program 3: Expected Board Date: November 2012

Program 4: Expected Board Date: March 2013

Program 5: Expected Board Date: March 2013

11. **Link with FCPF and UN-REDD Program Activities:**

FIP investments are fully embedded in the national REDD+ Readiness process to which DRC is strongly committed since January 2009, under the leadership of the Ministry of the Environment, Nature Conservation and Tourism, with the support of the UN-REDD Program and the FCPF. The design and implementation of FIP Investment Programs make full use of the REDD+ Management structures, which were established by Decree of the Prime Minister and are made up of a National REDD Committee and an Inter-ministerial REDD Committee, to ensure multi-sectoral coordination in the preparation and implementation of the national REDD+ strategy, and the National REDD Coordination in charge of daily management of the REDD Readiness process. The FIP will draw on the ongoing REDD readiness activities, including: (i) consultations for the development of the national REDD+ strategy, (ii) the design of safeguard mechanisms, such as the definition of socio-environmental standards for REDD+ initiatives in DRC and the implementation of a Strategic Environmental and Social Evaluation, (iii) the reporting and control mechanisms (procedures for REDD+ projects certification, registry for REDD+ projects) (iv) development of a measurement, reporting and verification system (MRV), (v) mechanisms for financial management (national REDD+ fund, benefit sharing schemes). The FIP therefore meet the requirements of the ongoing national REDD+ process and provides a first source of substantial financing for the investment phase, to allow the country to (i) build the structural conditions and to engage an operational deployment and on a larger scale of the REDD+ and (ii) to undertake the first sectoral transformational programs.

12. **Other Partners involved in design and implementation of the Investment Plan**[4]:

Ministry of Energy, Ministry of Land, Ministry of Decentralization and Territory Management, Ministry of Rural Development, USAID, European Commission, GTCR (National Working Group on Climate and REDD), DGPA and LYNAPICO (local Indigenous Peoples organizations).

[3] Expected signature of loan/grant agreement between government and MDB.

[4] Other local, national and international partners expected to be involved in design and implementation of the plan.

13. **Consultations with Indigenous Peoples and Local Communities:**

Extensive consultations were held at the national and provincial levels for the preparation of the FIP Investment Plan. These consultations were led on one side by the National REDD Coordination through Thematic Coordination Groups (TCG - multi-stakeholder groups involved in the development of the national REDD+ strategy) and through various workshops and focus groups, and on the other side by civil society organizations (DGPA and CODELT – Congolese NGOs) representing all stakeholders, including national, provincial and local administration, civil society representatives, representatives of indigenous peoples and the private sector. The consultations held made it possible to reach more than 600 people in 16 sites located in six Provinces (Bandundu, Bas Congo, Kasaï Occidental, Kasaï Oriental, Kinshasa and Province Orientale). In addition, more than 30 meetings of the TCG were held, involving more than 160 people, including over 50 representatives from the private sector (28 companies, 6 banks, 2 private sector representative organizations).

The Provincial consultations raised several concerns, including: the need for land tenure security and harmonization between the statutory and the customary authorities; the risk of inequality in the distribution of opportunities and of political interference in the selection of the projects; the weak provincial administration capacity for project monitoring; and the barriers preventing weak institutions from accessing financial resources. The consultations also revealed several opportunities related to FIP activities, in particular the creation of local employment, the injection of capital in the target areas as well as the revitalization of the banks and other financial structures. These consultations also highlighted the difficulty for the private sector to access credit and other financing mechanisms.

Overall, the consultations revealed a strong interest of the stakeholders for the proposed FIP activities. A detailed consultation plan for the preparation of the programs will be developed once the Investment Plan has been endorsed by the Sub-committee.

This Investment Plan was formally validated by the National REDD Committee, the main decision-making body for REDD+ in DRC.

14. **Private Sector Involvement:**

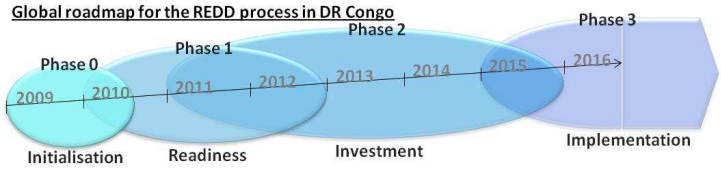
Private sector has been consulted throughout the preparation of the Investment Plan. Local firms in the forestry sector (logging concessionaries), agroforestry and agriculture sector and the financial sector were consulted. Although there is a strong interest in the types of activities being promoted by the FIP - especially in the biomass energy sector - challenges for effective private sector engagement in DRC are not to be underestimated. From an overall non-conducive business environment to the lack of credit for medium- and long-term activities and to insecure property rights, a range of barriers will need to be addressed by the Investment Programs in order to attract private sector financing for REDD-related activities in DRC; hence the proposal for a dedicated mechanism for promoting private sector involvement in the FIP activities.

Executive summary

In the heart of the African continent, the Democratic Republic of Congo (DRC) has a forest cover of approximately 1.5 million km² out of a national territory of 2.3 million km², and a population estimated at 60 million inhabitants. In spite of a relatively low rate of deforestation (when compared to the average deforestation rate of the tropical countries), the DRC is amongst the top ten countries in terms of loss of forest cover (measured on an annual basis), with an estimated deforestation of more than 350 000 ha per annum over the period 2000-2010.

Such deforestation is concentrated around "hotspots" located mainly around the large cities of the country, as well as in the densely populated areas on the edge of the large forest massif of the central basin. Household-scale slash and burn agriculture and exploitation of wood in the form for fuelwood (including charcoal) and timber appear to be the major drivers of deforestation and forest degradation in DRC. They reflect the very strong dependence of the rural and urban populations on forest resources, caused in part by the collapse of the physical and socio-economic infrastructures.

The FIP in DRC will be based on the REDD+ Readiness process, in which the country is firmly engaged since January 2009 under the leadership of the Ministry of the Environment, Nature conservation and Tourism, and in partnership with the United Nations REDD (UN-REDD) program and the Forest Carbon Partnership Facility (FCPF) managed by the World Bank. In order to ensure inter-sectoral and multi-stakeholder coordination and participation, institutional arrangements for the REDD process were established, including a National REDD Committee and an Inter-ministerial REDD Committee along with the structure of day-to-day management of the process, the National REDD Coordination. These structures lead the development of an implementation framework for REDD+, including, in particular: (i) participatory development of the national REDD+ strategy; (ii) stakeholder consultation mechanisms; (iii) safeguard mechanisms (definition of socio-environmental standards and implementation of a Strategic Environmental and Social Assessment, which will help design an Environmental and Social Management Framework); (iv) reporting and control mechanisms (national authorization procedures for REDD+ projects, establishment of a national registry for all REDD+ initiatives, establishment of a national Measurement, Reporting and Verification system); and (v) mechanisms for financial management (national REDD+ fund and mechanisms for REDD+ related benefit sharing). The FIP thus fits within an ongoing national REDD+ process and provides a first source of substantial financing, making it possible for DRC to gradually enter into an investment phase. . With that, the country expects to (i) build the structural conditions for the deployment at a larger scale of the REDD+ strategy, and (ii) undertake the first sectoral transformational programs.



The Investment Plan sets out three main goals: (i) to concentrate the investments on the "hotspots" of deforestation located in the supply areas of the large cities; (ii) to channel investments towards sectoral activities that address the immediate causes of deforestation and that generate measurable emissions reductions and co-benefits; and (iii) to support the improvement of enabling conditions so that these sectoral activities can flourish and start addressing some of the underlying causes of deforestation. The latter intervention will take place on two levels: on the one hand, at the national level to initiate an in-depth transformation of the DRC governance, and on the other hand, at the local level, providing concrete support to the development of projects spearheaded by the local communities, Indigenous Peoples and the private sector. The combination of activities both of a "sectoral" and "enabling" nature

within a given geographical area makes it possible for the DRC to obtain a transformational result through the FIP.

The interventions to be financed by the FIP in DRC are expected to generate measurable results in terms of reduced emissions for which the country will seek compensation through a performance-based mechanism (such as the FCPF Carbon Fund, bilateral deals or the carbon market). These emission reductions payments will ensure the long-term sustainability of the various activities proposed, especially those with a long-term nature, such as reforestation and support for community forestry, including capacity building for the creation of Small and Medium Enterprises. Hence, the FIP Investment Plan can be seen as an attempt to form a link between REDD Preparation and future performance-based payments for Emission Reductions.

Extensive consultations were undertaken at the national and provincial levels for the preparation of the FIP Investment Plan. These consultations were held on the one hand by the National REDD Coordination through the Thematic Coordination Groups (TCG: multi-stakeholder groups involved in the development of the national strategy) and various workshops and meetings, and on the other by the civil society groups representing all the stakeholders (national, provincial and local administration, the civil society, representatives of Indigenous Peoples and the private sector). The consultations in the Provinces involved more than 600 people in 16 sites located in six provinces (Bandundu, Bas Congo, Kasaï Occidental, Kasaï Oriental, Kinshasa and Province Orientale). In addition, over 30 meetings of the TCG were held, gathering more than 160 people, including more than 50 people from the private sector (28 companies, 6 banks, and 2 business associations) in workshops and meetings. These participatory consultations brought forth several concerns, from to the need for land tenure security and harmonization between the public and the customary authority, to the risk of inequality in the distribution of opportunities and of political interference in the selection of projects, as well as to weak provincial administration capacity for project monitoring, and finally to the difficulties which weak institutions face to gain access to funds. The consultations also revealed several opportunities related to FIP activities, in particular the creation of local employment, injection of capital as well as the revitalization of the banks and other financial structures in the target areas. They also highlighted the difficulty for the private sector to access credits and other financing mechanisms.

Overall, the consultations revealed a strong interest of the stakeholders for the proposed FIP activities. A detailed consultation plan for the preparation of the programs will be developed once the investment plan has been approved by the Sub-committee. The FIP investment plan for DRC was validated by the National REDD Committee, a multi-stakeholder decision-making body overseeing the REDD+ process in the country.

Taking into account the need to focus on activities (i) allowing the country to build on existing experience, (ii) leading to measurable results and (iii) which can be quickly operationalized, the proposed activities aimed to address the biomass energy driver of deforestation seem particularly relevant. This particular driver also allows for intervention in the fields of agriculture and non-industrial forestry development. The sectoral activities suggested thus integrate (i) afforestation/reforestation (including agroforestry and assisted natural regeneration), (ii) the dissemination of the energy-efficient cook stoves, (iii) the dissemination of improved charcoal-making techniques, (iv) the development of alternatives to biomass energy, and (v) Community forestry development. This set of activities can bring about a change in the “business as usual” deforestation scenario, by reducing the intensity of the deforestation drivers involved, and by redirecting the pressures causing deforestation away from the forests and towards the savanna zone.

The most relevant enabling activities relate to the modernization and security of land tenure, the establishment of a national land use planning policy and the facilitation of project development by the

private sector and civil society. These enabling activities are not only critical for the success of the Investment Plan but will also play a key role in the consolidation of the priority agenda for the Congolese forest sector, which has been engaged in a process of deep economic, legal and institutional reform in which the civil society was strongly involved, ever since the adoption of the new forest law in 2002.

The activities proposed under the investment plan, presented in the figure below, are all in direct synergy with the Poverty Reduction and Growth Strategy Paper 2011-2015, which gives a central place to sustainable management of natural resources and the environment as well as to climate change adaptation and mitigation.

		National level	Local level
Enabling Activities	**Modernizing land tenure & securing land rights**	- Evaluation of land tenure issues in the Country - Definition of the methodology for a future land tenure reform - Capacity building	-Rural tenure plans - Participatory enumeration - land offices
	Land Use Planning	- Support to National Land Use Plan development - Capacity building	- Micro-zoning
	Support to project development	- Capacity building of service companies, administration & civil society	- Support to project development

		Local level
Sectoral Activities	**Biomass-energy**	- Agroforestry (incl. afforestation/reforestation, assisted natural regeneration) - Dissemination of energy-efficient stoves; Improved charcoal-making; Energy alternatives
	Community Forestry	-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

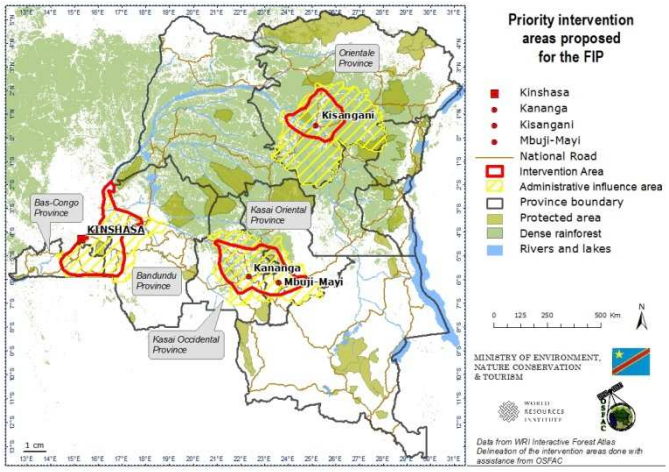
The FIP will support a number of key activities for the participation of the local communities, in particular land tenure security, micro-zoning, small-scale afforestation, support to small enterprises (charcoal production, energy-efficient stoves), and community forestry. In this context, the FIP (i) complements the Forest and Nature Conservation Project (US$64 million WB) which already finances land use zoning (micro and macro) and community forestry activities in three provinces (Bandundu, Equateur and Province Orientale), and (ii) establishes a direct link with the dedicated mechanism for Indigenous Peoples and local communities, in particular by improving land tenure security and by strengthening the capacity of indigenous communities. Other significant partnerships and possible sources of co-financing or synergies are to be announced, notably the REDD pilot projects (Congo Basin Forest Fund and private funds), the Forest and Biodiversity (PBF) project of the GIZ, the CARPE project of USAID, as well as many other initiatives supported by the main sponsors (the UK, Japan, EU, etc). Committing the private sector to REDD+ in DRC will require the establishment of sophisticated financial mechanisms and the intervention of stakeholders and tailor-made structures, as defined in this plan.

So as to maximize the impact of these measures and the knowledge acquired for future carbon finance activities (in particular within the framework of the payment phase based on REDD+ performance), the FIP sets out to finance projects concentrated in restricted geographical areas. This is in line with DRC's objective to implement activities at the sub-national level using the "nested" approach. The

geographical areas most suitable for the implementation of these activities were selected through a multi-criteria matrix scoring each area against all six FIP investment criteria.

These priority areas for the FIP are as follows: (i) the supply area of Kinshasa, (ii) the supply area of Kananga and Mbuji-Mayi, as well as (iii) the supply area of Kisangani.

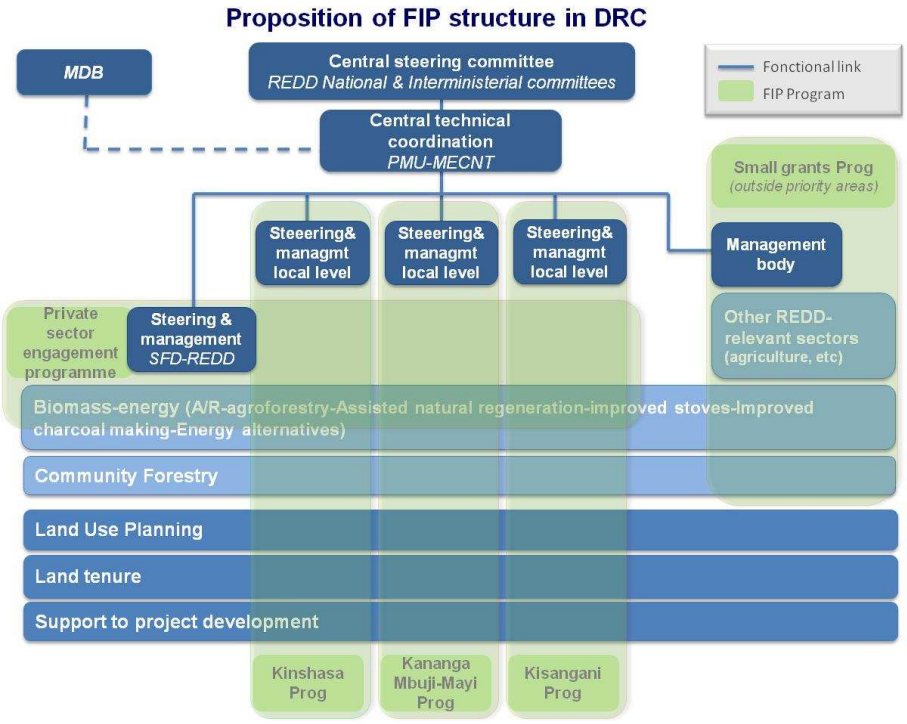
Beyond the FIP criteria, these areas contain an interesting diversity that is representative of a significant portion of the country (respectively: a zone consisting primarily of savanna but near a transition zone into forests; the savanna-forest boundary; and the forest zone).



The conjunction of these choices in terms of activities and priority FIP geographical areas, as well as the identified stakes and challenges, made it possible to define five FIP programs in DRC:

- Three geographical programs, combining all the selected enabling and sectoral activities, and directly aiming to support projects of the local communities and Indigenous Peoples in the three identified priority zones;
- A crosscutting program specific to the private sector, in the same geographical areas and benefiting from the same enabling supports, but concentrating on biomass energy activities and using specific channels and mechanisms to respond to the needs of the private sector;
- A more restricted crosscutting program of small grants to support innovative initiatives with strong co-benefits, in all the sectors relevant to REDD+, but outside the three the FIP geographical priority areas, which will help to maximize learning and address national equity concerns.

These programs as well as the activities which they include lead to the following proposal for structuring FIP in DRC (summarized in the figure below):



The proposed budgets for these programs, the estimates of emissions reductions and sequestrations over 30 years and the corresponding co-benefits are presented in the table below:

	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)
Local Communities & Indigenous Peoples (LCIP)	**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
Private Sector	**Private sector engagement**	**18,4**	31%	18,2	36,6	8,8	2,1	4,2
LCIP & private sector	**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**

Finally, in order to optimize the ongoing learning process made possible by the FIP, DRC will concentrate on the monitoring mechanism developed at the national level and will ensure the sharing of the lessons learned and relevant experiences gained at the national and international levels through the REDD+ Registry of projects and initiatives of the DRC, as well as many communication activities envisaged within the framework of the REDD+ process in general and the FIP process in particular. The geographical interface and the integrated research functions in the data base of the national Registry will allow the general public to have access to a great quantity of information, thus ensuring a maximum of visibility and transparency.

Table of Acronyms

AFD	French Development Agency
AfDB	African Development Bank
ANR	Assisted Natural Regeneration
CARG	Rural Agricultural Management Committees
CARPE	Central African Regional Program for the Environment
CATEB	Fuelwood Technology Adaptation Centre
CBFF	Congo Basin Forest Fund
CDM	Clean Development Mechanism
CI	Conservation International
CIF	Climate Investment Funds
CIFOR	Center for International Forestry Research
CIRAD	Centre for International Cooperation in Agronomic Research for Development
CTF	Clean Technology Fund
DFID	UK Department for International Development
DIAF	Direction of Inventory and Forest Management
PRSP	Growth and Poverty Reduction Strategy
ERAIFT	Regional Post-graduate Training School on Integrated Management of Tropical Forests and land
FAO	Food and Agriculture Organization
FCPF	Forest Carbon Partnership Facility
FGEF	French Global Environment Facility
FIP	Forest Investment Program
FLEGT	Forest Law Enforcement Governance and Trade
FNCP	Forest and Nature Conservation Project
FORCOL	Local community forests management project
FORCOM	Development and implementation of community forestry project
GEF	Global Environment Facility
HIPC-I	Heavily Indebted Poor Countries Initiative
IDA	International Development Association
IP	Indigenous Peoples
KFW	German Development Bank
LC	Local Communities
MDB	Multilateral Development Bank
MECNT	Ministry of Environment, Nature Conservation and Tourism
MRV	Measurement, Reporting and Verification
NTFPs	Non Timber Forest Products
ODA	Official Development Assistance
OFAC	Observatory for the Forests of Central Africa
OSFAC	Satellite Observatory for the Forests of Central Africa
PNFoCo	National Program for Forestry and Nature Conservation
PPP	Public-Private Partnership
REDD	Reducing Emissions from Deforestation and Forest Degradation
REDD+	REDD including conservation, sustainable forest management and increase carbon stocks
REDD-NC	REDD National Coordination
R-PP	REDD Preparation Process
SME	Small and Medium Enterprises
TA	Technical Assistance
TCG	Thematic Coordination Group
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
WB	World Bank

Foreword

The Climate Investment Funds (CIF), established by the Multilateral Development Banks, seek to promote international cooperation on climate change and to assist developing countries in their climate change mitigation and adaptation efforts. Two trust funds have been established within the framework of the CIF: (i) the Clean Technology Fund (CTF) and (ii) the Strategic Climate Fund (SCF). The SCF includes the Forest Investment Program (FIP), which is aimed at encouraging policies, measures, and financing to facilitate a reduction in deforestation and forest degradation and promote sustainable forest management.

The Democratic Republic of the Congo (DRC) was selected in June 2010 as one of eight Forest Investment Program pilot countries, reflecting recognition of the significant progress made by the country in the REDD+ preparation process. In November 2010, the FIP Sub-committee decided to allocate 40 to 60 million dollars to DRC as part of the Forest Investment Program.

A FIP scoping mission was first conducted in Kinshasa in November 2010 in order to initiate dialogue with the Government and main stakeholders and plan the preparatory activities associated with the FIP Investment Plan. A joint mission of Multilateral Development Banks was subsequently conducted in Kinshasa from February 21-27 with the aim of assisting the DRC with the preparation of the Investment Plan. A second joint mission then took place from 9 to 13 May 2011 with the main objective of evaluating the Investment Plan to be submitted to the FIP. On the occasion of these missions, the Government of DRC reiterated its desire to submit the Investment Plan for approval at the next FIP Sub-Committee Meeting scheduled for end-June 2011. If this approval is obtained, the Government will be able to prepare programs and submit them to this Sub-Committee during the first half of 2012.

This document is the final version of DRC's Investment Plan for the FIP, validated by the REDD National Committee and sent to the FIP Sub-committee for approval.

Investment Plan for the Forest Investment Program
Democratic Republic of Congo

1. **Home to the largest forest in Africa,** located in the heart of the continent, the Democratic Republic of the Congo (DRC) has a surface area of approximately 2.3 million km² and an estimated population of over 60 million people. It enjoys extremely favorable climatic, hydrographic, and geological conditions, the potential of which remains largely untapped. Devastated by a regional conflict, the DRC, despite being once again on the path to growth and political stability since 2003, still ranks among the poorest countries in the world.

2. **With the international cooperation resuming in 2001,** the country began developing, under the Heavily Indebted Poor Countries initiative (HIPC), a growth and poverty reduction strategy (the PRSP) the review of which facilitated achievement of the HIPC completion point in 2010. A new PRSP (2011–2015) is currently being developed under the supervision of the Ministry of Planning, in which sustainable environmental and natural resource management, as well as climate change adaptation and mitigation, figure prominently. This document is available in draft form, and requires further broad-based consultations prior to its adoption by Parliament

1. Description of the national and sectoral context

3. **The DRC has 155 million hectares of forest (67 percent of the national territory)[5] distributed across four major ecosystems:** (i) the dense rainforests of the Congo Basin in the Province Orientale, the Province of Equateur and Bandundu, with population densities of fewer than 10 persons/km^2; (ii) *montane* forests (Kivu and Ituri), located near fertile areas where considerable pressure is being exerted on the land, owing to population densities of more than 300 persons/km^2; (iii) the forest-savanna mosaic (gallery forests); and (iv) open woodland (like the Miombo woodlands in Katanga). The dense rainforests and the *montane* forests represent 99 million hectares. While forest titles are issued primarily in the Congo Basin, the national forests overlap with the cadastral register for mining areas. There is currently no centralized digital map of the land register or of the major agricultural concessions.

1.1. Causes and factors of deforestation

4. **Available data on forest cover trends** show an annual gross deforestation rate of 0.25 percent over the 1990–2000 period and a net rate of 0.2 percent (*Etat des Forêts*, 2008). The pioneer or mosaic deforestation "hot spots" are located on the periphery of the major cities in the savanna belt (Kinshasa, Lubumbashi, Kananga) and the Congo Basin (Kisangani, Kindu), in the northern section of Equateur province (Lisala-Bumba), as well as in the Albertine Rift area (Nord and South-Kivu, eastern section of Orientale province).

5. **Initial OSFAC estimates for the 2000–2010 period show a 3.7 million hectare reduction in forest cover** (2.2 million hectares of secondary forests, 1 million hectares of primary forests, 0.5 million hectares of savanna woodlands). While these deforestation rates (0.23% percent/year) are in themselves lower than the average for tropical countries, they are relatively high in Central Africa and must be viewed in relation to the size of the forest area in the DRC, which is one of the 10 countries with the largest absolute forest loss each year.

6. **A comprehensive study of the causes and factors of deforestation** by the Catholic University of Louvain (UCL) and FAO, with the participation of the Congolese civil society, is underway to identify and quantify them accurately. In addition, research is conducted within national public and private institutions including the University of Kinshasa (Faculty of Science, Faculty of Agricultural Sciences), ERAIFT, Novacel (IBI-Bateke), etc.

[5] De Wasseige et al., 2009

7. **Preliminary results of this study** show that different factors of deforestation are observed in the different provinces (Delhage & Defourny, 2008[6]) and that not all have the same importance (see Figure 1 below). Sub-national models seem particularly relevant to identify key factors, as understanding of their spatial diversity appears particularly relevant in defining a national strategy for REDD+.

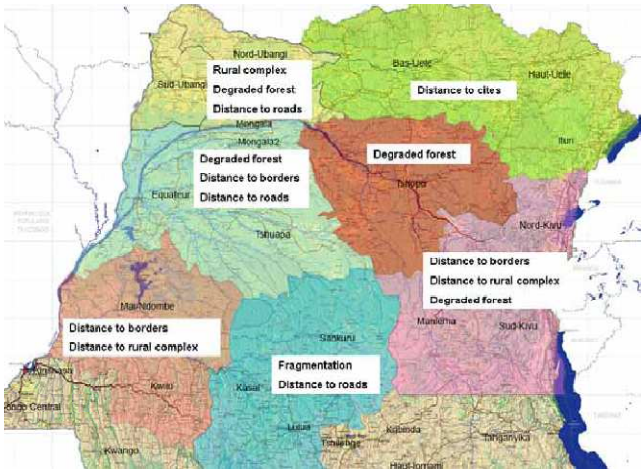


Figure 1 : Spatial variation of the explanatory variables of deforestation and forest degradation processes

8. The preliminary findings of the UCL-FAO study (before field validation) indicate the following immediate and underlying causes of deforestation and degradation:

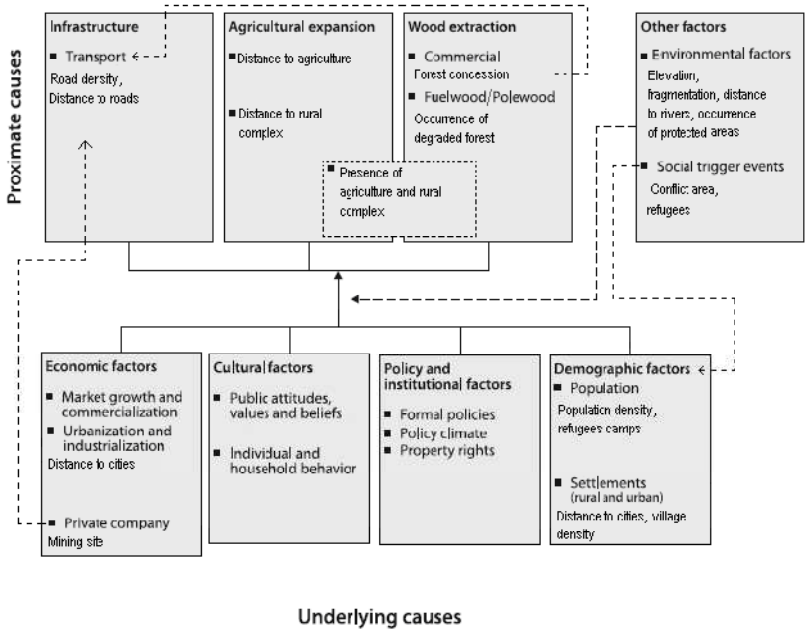


Figure 2 : Drivers of deforestation in DRC (adapted from the framework proposed by Geist & Lambin, 2002)

9. **The first qualitative phase of identification of the causes of deforestation is being finalized** and a restitution of the findings of the focus group interviews, conducted in the various Provinces with key informants, has taken place. The collection of firewood and agriculture are the most common causes mentioned, as well as artisanal timber production. The final report should be available shortly and will be followed by a second phase of quantitative analysis.

10.**There is a highly significant correlation between population density and forest fragmentation index,** as well as the degradation of the natural ecosystem that the latter demonstrates.

[6] Delhage & Defourny, 2008

11.**Family farming and small-scale wood production for fuelwood energy and timber** are the primary drivers of deforestation and forest degradation across the entire DRC, a reflection of the heavy reliance by rural and urban populations on forest resources, in a context of a physical, social, and economic infrastructure that lies in tatters.

12.**Family, subsistence, or commercial farming** (cassava, maize, rice, plantains, and palm oil) is practiced by three-fourths of the workforce and accounts for over 90 percent of national production, which has failed to keep pace with population growth. While the majority of the large commercial farms (palm oil, rubber, coffee) in the high forest zone have been abandoned, the agro-pastoral farms in the savanna areas do not occupy large areas, with the notable exception of the Katanga region, which launched a proactive policy to guarantee food self-sufficiency through large farms. Only a few thousand metric tons of coffee are currently being exported, and the country is now a net importer of palm oil for its population and a small number of processing industries.

13.**Firewood cutting for rural and peri-urban areas and timber production for urban centers** meet over 90 percent of domestic energy needs, a portion of industrial energy needs (bakeries, brickyards, distilleries, restaurants, artisanal aluminum smelting), and even cross-border demand (Rwanda, Burundi and Uganda), leading to an estimated annual harvest of up to 45 million m^3 accounting for 95% of DRC's energy balance[7].

14.Small-scale timber production meets virtually all national needs, as well as regional demand (Angola, Uganda, and Kenya). While industrial production, which is primarily for export, has never surpassed 500,000 m^3, small-scale production is estimated at between 2.5 and 5 million m^3[8]. The impact of industrial timber production on the forest, even though harvesting is selective, is nevertheless significant as its infrastructure network facilitates access to remote areas and the retrieval of local products, despite the fact that the DRC network is the least dense of all Central African countries.

15.**The ongoing effort to open up access to remote areas by rehabilitating roads** (including farm access roads) and river infrastructure, **coupled with the distribution of inputs** (primarily the increase in the number of improved seeds), should serve as a short-term incentive for marketing agricultural surpluses, despite the fact that industrial processing outlets (flour mills, breweries) are still few in number and numerous instances of corruption persist. The effects of this effort to improve access to isolated areas are nonetheless already being felt in the area of small-scale wood production, particularly between Kisangani and the eastern border. In view of the fact that the heavy investments required in agricultural intensification and energy supply are slow to materialize, sustained population growth and (even minor) revenue increases are expected to lead to considerable pressure on land and forest resources, in the medium term, even without taking into account the interest in arable lands (80 million hectares) for cash crops or biofuels.

16.**An attempt to estimate the value of annual domestic forest products flows**[9] reveals the following: over US$1 billion each for fuelwood energy and game (mainly "bush meat"), US$100 million for informal timber and US$60 million for formal timber. Given that the only tax revenues recorded in the Public Treasury's accounts relate to formal industrial activity, the forest sector contributes less than 1 percent of an estimated GDP of US$10 billion. In light of the disruption in economic trade and the decline in agricultural production (due to the lack of access to input and output markets), informal timber production, bush meat and fuelwood energy have become the main income-generating activities in the forest sector, linking rural areas to urban centers and providing, in some areas, supplies to small-scale mining camps.

[7] Ministère de l'Energie, 2010

[8] MECNT, 2004

[9] Debroux, 2007

1.2. The Institutional Mechanism for REDD+ Preparation

17. **The Readiness Preparation Proposal (R-PP)**. Based on a May 2008 Readiness Preparation Idea Note (R-PIN), in January 2009 the DRC embarked on a process to prepare the future international mechanism for Reducing Emissions from Deforestation and Forest Degradation (REDD+), spearheaded by the Ministry of the Environment, Conservation of Nature and Tourism (MECNT), in partnership with the United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation (UN-REDD) and the Forest Carbon Partnership Facility (FCPF) program managed by the World Bank. Developed in a broadly inclusive environment, the R-PP was approved in March 2010 by UN-REDD's Policy Board and the FCPF's Committee of Participants. To support this process, civil society has mobilized since June 2009, with assistance from the National REDD Coordination (REDD-NC) in the REDD Working Group on Climate (GTCR), whose operations are financed by the Rainforest Foundation Norway.

18. **The institutional framework for the implementation of the REDD+ preparation process**, which was developed during joint FPCF/UN-REDD missions, was formally instituted by Decree 09/40 of November 26, 2009. In addition to the National Coordination, which had already been in place to develop the R-PP but was formalized by this decree, this national structure comprises a National Committee (steering and decision-making body bringing together the stakeholders) and an Inter-ministerial Committee (planning body), whose members were appointed in June 2010 and have been serving since December 2010. The law provides for the possibility of establishing a Scientific Council and replicating the national structure (composition and organization) in provinces as decentralized and deconcentrated entities. Focal points are going to be appointed in the Provinces between June and September 2011; they shall support the implementation of the FIP.

19. **The national strategy development process**. The approach outlined in the R-PP is based on international benchmarks relating to the key analytical determinants of a REDD strategy and the conduct of framework studies that should inform the decision-making process through 30 Thematic Coordination Groups (TCGs), established in January 2011. These TCGs gather the various stakeholders in small working groups and have been tasked with engaging in more in-depth discussions over an 18-month period, about the potential contribution of an activity sector or a thematic area to the REDD+, providing recommendations to the National Committee. This process will be completed around June 2012 and the strategy by end-December 2012. It will be carried out in parallel with seven geographically integrated pilot projects distributed across the country and targeting the various causes of deforestation, with a view to testing the different options and institutional conditions for the implementation of the REDD+ strategy at scale. These projects are on the verge of being launched with financing from the Congo Basin Forest Fund (CBFF) managed by the African Development Bank.

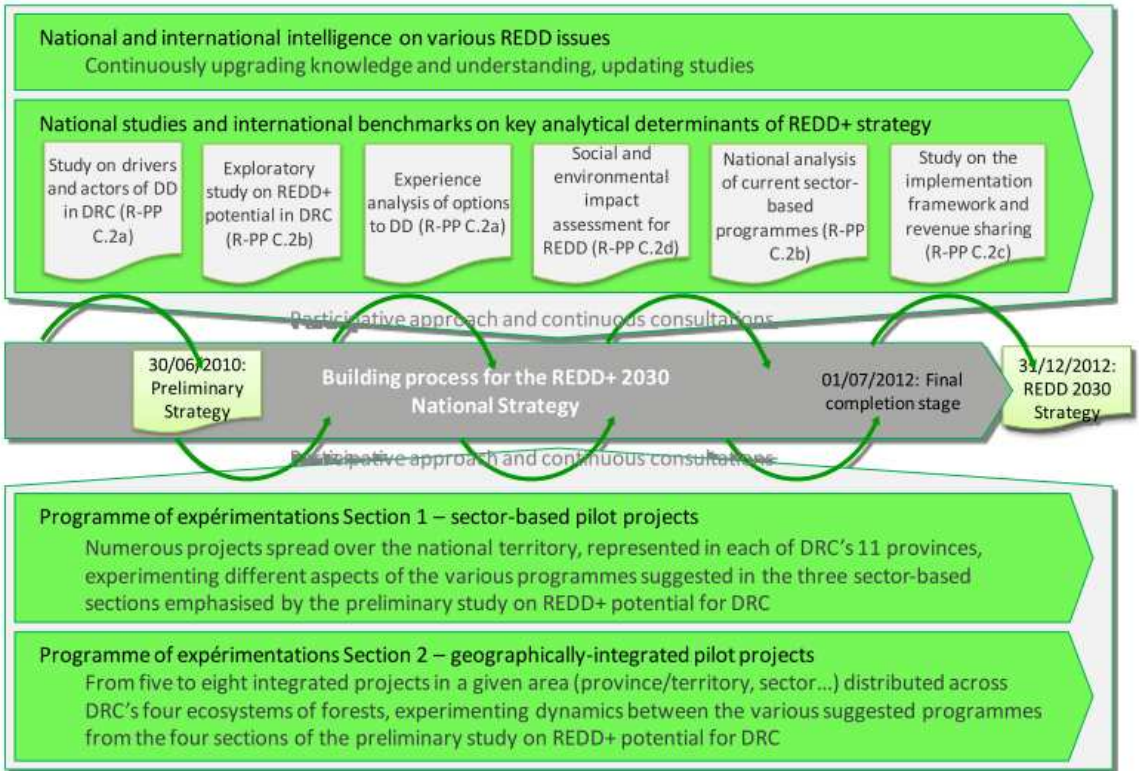


Figure 3 : Building Process for the National REDD+ Strategy for 2030

20. **The interim framework for REDD+**. DRC shall create from 2011 an interim (or experimental) framework to oversee the development of REDD+ initiatives as well as REDD+ projects aiming at generating "emission reductions/removals" for the voluntary market and/or carbon funds (e.g. FCPF Carbon Fund). This regulatory framework will consist of a series of criteria, procedures for notification (reporting) and auditing and a national registry of REDD+ projects and initiatives. Indeed, in order to ensure that i) eligibility criteria and ii) environmental and social safeguard measures / guarantees are met, the government is currently developing a series of regulations. These regulations shall differ depending on the nature of the programs they pertain to.

21. **In general, REDD+ initiatives will have to comply with** i) laws and regulations of the country, (ii) policies and procedures of fiduciary agencies (under the FIP, it will be the World Bank and the African Development Bank's policies and procedures) (iii) The requirements of the UN system in particular the guidelines of UN-REDD Program and the guidelines of the UNDG on Indigenous Peoples (iv) REDD+ safeguards under the UNFCCC as agreed in Cancun (COP 16, LCA Decision, Annex 1, Paragraph 2), and (v) DRC's international commitments including the Convention on Biological Diversity, the UN Declaration on the Rights of Indigenous Peoples.

22. **Regarding REDD+ projects,** differing from the broader category of REDD+ initiatives in that they aim to generate "emission reductions/removals" for the voluntary market and/or carbon funds, a specific REDD+ approval process is under development. This regulatory framework for approval of REDD+ project must promote transparency, synergies and learning in the implementation of REDD+. A detailed procedural manual must be validated by stakeholders in order to lead to a Ministerial Order (MECNT) before the end of the first half of 2011.

23. **A registry of REDD+ projects and initiatives** in DRC is also being developed to support this approval procedure and to monitor the performance of these projects. It will be accessible to all on the internet from September 2011; a pilot version developed by the REDD National Coordination with the assistance of the computing services of the Observatory for the Forests of Central Africa (OFAC) was actually presented at the COP16 in Cancun. This registry will become a dynamic tool by which the administration can track investments in REDD+ projects and their social and environmental impacts

on a regular basis. This registry will also ensure transparency and sharing of data generated by the projects, and allow for monitoring and verification by all stakeholders.

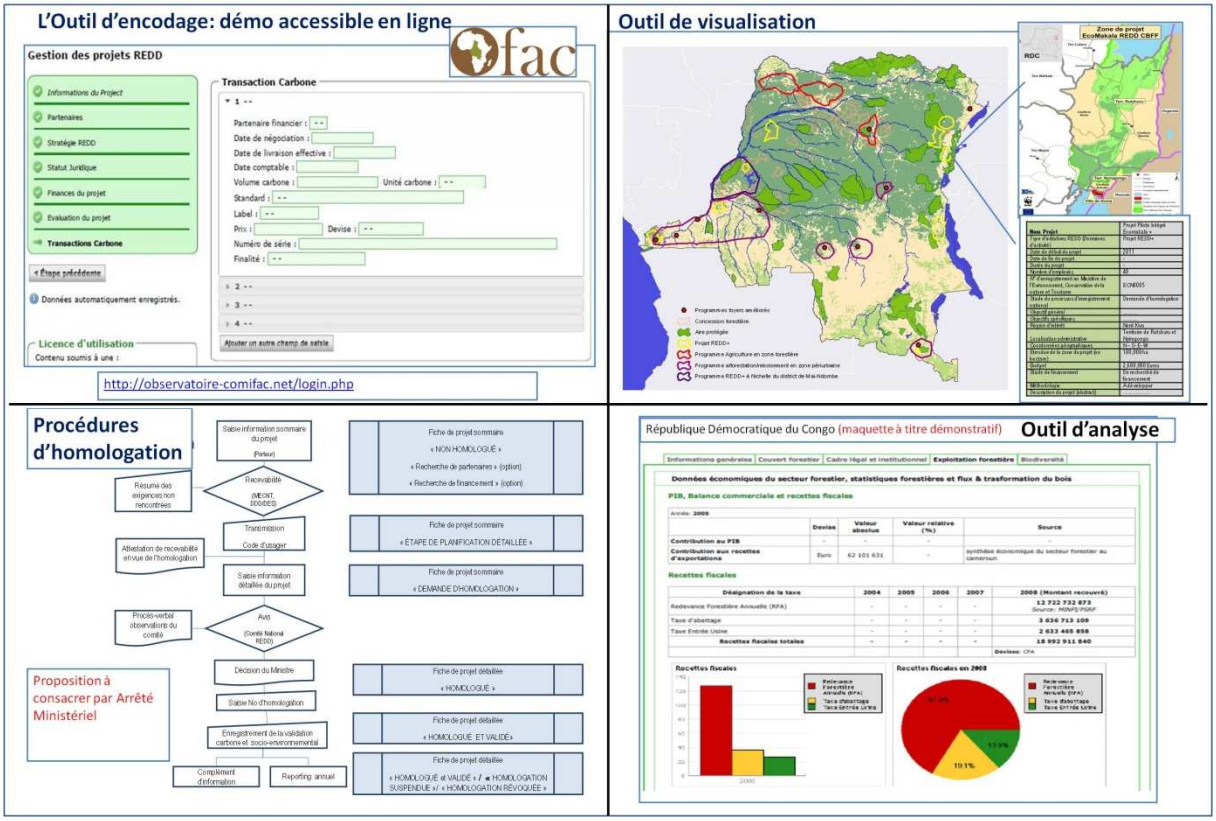


Figure 4 : Preliminary approval procedure and sample screens of the future national registry REDD

24. **DRC welcomes the development of REDD+ initiatives and projects provided that** they i) meet internationally recognized carbon and socio-environmental standards as well as standards under development by the national civil society, (ii) use an inclusive approach that allows the simultaneous mobilization and capacity building of local stakeholders, including civil society, local communities and indigenous peoples, (iii) establish a full monitoring and evaluation system that really allows feeding the thinking processes at the local, national and international levels, and (iv) demonstrate a high level of transparency to ensure data access and control by stakeholders and an open dialogue on any alerts, ensuring that the pilot initiatives and projects have a positive social impact and that the future national scheme will be perfectly adequate and efficient.

25. **Social and Environmental Standards**. Regulations are being developed requiring that projects and initiatives publicly notify the social and environmental standards to be used. In the case of REDD+ projects aiming at generating "emission reductions/removal" for the voluntary market and/or carbon funds (e.g. FCPF Carbon Fund), the DRC will recognize initially existing internationally recognized socio-environmental standards (e.g. CCB). Eventually the government will use its own national socio-environmental standards developed by stakeholders (a process is currently underway). Once standardized methodology and protocols are operational and once the institutions with certification capacity are in place, these standards could be applied to projects.

26. **Implementation of the FIP in DRC will strongly benefit from the broader national preparation process for REDD +.** Many other key elements that need to be defined or clarified in the implementation of REDD+ programs and projects (benefit sharing mechanism, analysis of the legal framework, MRV, etc), including FIP, will therefore be dealt with outside the FIP preparation process (investment plan and programs). These key elements are presented in a table in Appendix 4. A description of the national monitoring and MRV system is presented in Appendix 10.

1.3. Forest governance mechanisms

27. **Under the forest tenure system instituted by the 2002 Code**, which stipulates that all land is the inalienable property of the State, forests fall into one of the following three categories: public land comprising (i) *reserved forests* (areas protected under various statutes and managed by a public entity, the ICCN [Congolese Institute for Nature Conservation], which can conclude contracts for the delegated management of these areas); and private land, which is composed of (ii) *permanent production forests*, the management of which has been turned over to industrial production by means of 25-year renewable forest concessions; and (iii) *protected forests*, a default category subject to customary management (local community forests), from which the other two are derived using a preliminary survey mechanism aimed at rendering them free and clear of all rights. Customary user rights are strictly limited in reserved forests and are recognized in forest concessions (with the exception of agricultural use).

28. **A number of institutional innovations** provided for in the Forest Code seek to promote the sustainable and inclusive management of land and forest resources. It (i) provides for the general application of mandatory forest inventory and management; (ii) introduces competitive bidding for the awarding of concessions (sole source awards are an exception that must be justified); (iii) requires the establishment and country-wide deployment of, and free access to, the forest register; (iv) provides for the implementation of forest advisory councils at the national and provincial levels, bringing together all stakeholders; (v) establishes a specific tax system, which includes an obligation to retrocede a share of the revenue to a national forest fund for inventory and reforestation missions, and to decentralized entities for the construction of infrastructure for local communities; and, lastly, (vi) introduces the possibility for local communities to be granted, free of charge, concessions in protected forests.

29. **Since 2002, the Congolese forest sector has undertaken three review processes:** (i) an economic review (culminating in the reform of the taxation system for the wood industry in 2004); (ii) a legal review for the conversion of forest titles into forest concession contracts, which was completed in early 2011 (26 enterprises now hold 80 concessions totaling 12 million hectares compared to 25 million hectares prior to the review and 40 million hectares in 2001); and (iii) an institutional review leading to the reorganization of the Ministry of the Environment, which has responsibility for the forests, and the launch of a retirement and capacity-building process for employees. Approximately 30 implementing regulations for the Code were adopted and some 10 others are under consideration. The Ministry has also prepared several draft laws, including on the environment and biodiversity (a sweeping revision of the 1969 law on nature conservation). Also under review is a draft agriculture code that provides, inter alia, for the establishment of Rural Agricultural Management Councils (CARG) in territorial entities (deployment under way) and proposes the creation of land management committees.

30. **Civil society organizations were stakeholders** in the process to draft implementing regulations for the Forest Code and were invited to play a major role in assisting local communities with respect to the negotiation of the social clauses in the terms and conditions attached to future forest concession contracts as well as in the development of the future forest concessions for local communities. To become full partners in forest management, they must be registered at the Ministry, and the Forest Code recognizes their right to legally represent the interests of the environment and local communities.

2. Inventory of greenhouse gas reduction possibilities

31. **The preliminary study on REDD+ potential in the DRC conducted by the McKinsey firm.** Based on very aggressive policy scenarios, the study identifies 10 levers for obtaining cumulative emissions reductions of up to 2.5 Gt_{CO2e} between 2010 and 2030. The portion of the emissions that cannot be reduced to enable these sectors to develop could be offset by the effects of afforestation and reforestation projects aimed at carbon sequestration, with a cumulative potential of

up to 1.4 Gt_{CO2e} over the same period. By 2030, the combined effect of the mitigation and sequestration levers could offset the total estimated emissions of up to 410 $Mt_{CO2e,}$ based on a business-as-usual reference scenario, and create a carbon sink of 20 Mt_{CO2e}. These preliminary estimates will be revised as new data are provided in thematic studies conducted by the Government or various domestic and international partners, either directly as part of the REDD+ process or through other relevant programs or projects.

32. **The 10 identified levers are organized into 4 components and 14 programs in the R-PP**. The first component, which is cross-cutting in nature, targets the implementation of key reforms to facilitate the coordination, implementation, financing, and monitoring-evaluation of emission reduction or sequestration activities. This component lays the solid institutional, strategic, logistical, and technical foundations for the development of the REDD strategy. The other three are sectoral and territorial components. These 14 programs were only proposed in a preliminary fashion to inform the discussion on the future National REDD+ Strategy, which is ongoing in the Thematic Coordination Groups, as indicated above.

Transverse section
Program 1 : Reinforcement of the National REDD Coordination and of its executive steering mechanisms
Program 2 : Refinement of REDD+ strategy and launch of legal and institutional reforms and of national participative process
Module 2.1 : Development and update of REDD+ strategy and definition of a national territory utilization (zoning) policy
Module 2.2 : Pursuit and reinforcement of legal and institutional reform, in accordance with the objectives of REDD+ strategy
Module 2.3 : Establishment and stimulation of national participative process
Program 3 : Establishment of transparent national MRV (measure, report, verification) system
Program 4 : Definition of a national mechanism for the transparent repartition of revenues and establishment of payment systems throughout the territory
Section I : Management, sustainable extraction and increase in forest cover, under the responsability of the MECNT
Program 5 : Management of activities in the « Permanent production forests » around sustainable industrial and artisanal extraction, and fight against illegal logging
Program 6 : Management, recovery, and extension of « classified forests », and preservation of their biodiversity through the development of public private partnerships (PPP)
Program 7 : Afforestation and reforestation
Program 8 : Identification of ''Protected Forests'' and progressive transfer of their management to local communities
Section II : Accelerated development of a more performant agriculture in the rural-forested milieu, through coordination between the MECNT and Ministry of Agriculture
Program 9 : Increase in productivity and sedentarization of subsistence farmers around a range of social agriculture programs
Program 10 : Increase in yields and increase in value added for smallholder commercial agriculture, based on aggregation and methods with low impact on the forest, including agroforestry
Program 11 : Controlled development of intensive agriculture (including export-oriented production), through the rehabilitation of abandoned plantations and creation of new plantations / ranches in the savannah
Section III : Limitation of the impact of urban growth and industrial sectors on the Forest, achievable through strong interministerial coordination
Program 12 : Reduction in demand for fuelwood and increase in supply through sustainable afforestation / reforestation, within the context of a coherent national energy strategy
Program 13 : Limitation of direct and indirect impact of extractive and industrial sectors on the forest
Program 14 : Rural and urban integrated socio-economic development creating alternative sources of revenue

Figure 5 : Preliminary proposal of programs for the REDD+ national strategy in DRC's R-PP

33. **Three sectoral levers were identified as being the least expensive to implement,** owing to the low opportunity costs to be offset, and **as priorities for early implementation,** as they address the main drivers of deforestation in the DRC: (i) Reduction of the impact of subsistence agriculture on the forest; (iii) the provision of improved stoves. But only limited data are available on implementation, institutional and transaction costs. These costs should however be taken into account in the implementation of such field activities, particularly in the context of non- or poorly monetized activities such as subsistence agriculture[10]. In this respect, DRC has been consulting for several months with the World Bank, the World Bank Institute and other partners such as the World Agroforestry Center in order to become a pilot country for a program aiming at studying and assessing actual costs of REDD+.

34. **Feedback on initiatives to tackle deforestation** organized by the REDD National Coordination, shows that the most advanced projects relate to afforestation activities conducted in the areas surrounding Kinshasa. Two project models based on agroforestry systems oriented toward combined food crop and charcoal production are under implementation. Technical packages adapted to the village context are still in the pilot phase. Several approaches are under review in the food security and agricultural rehabilitation projects, but the latter include only a very marginal reference to the environmental impact factor, as envisaged in the REDD. In all cases, access to land, management of the value chain, and compliance with an MRV standard are the critical issues.

3. Compatibility of the political and regulatory framework with the REDD+ programs

3.1. The land management framework

35. **Congolese land laws do not recognize private ownership of land,** as the State only grants possession in the form of concessions to domestic or foreign individuals or legal entities. This principle is nonetheless tempered by the right of Congolese individuals to be granted a perpetual concession. Ordinary concessions (such as emphyteusis, which is most commonly used for the acquisition of agricultural land) are granted on a temporary basis (25 years renewable, with the obligation to develop the land), but may be subject to transfers and changes of ownership. A new category of perpetual concessions could, however, be introduced shortly in the context of community forestry.

36. **The forest tenure system does not conflict with the land tenure system with regard to recognition of customary user rights**. While customary user rights are recognized in all Congolese laws, no titles have been issued or registered under this customary management system, as the presidential order envisaged to define and organize these rights (Art. 389 of the Land Tenure Code) was never enacted. The Forest Code and its implementing regulations are nevertheless breaking new ground by seeking to recognize them in substantive law, through the direct transfer of resources (compensation for waiving user rights, with the social clauses in the terms and conditions attached to the forest concession contracts) or the direct transfer of management (community concession).

37. **Combination of the various concessionary and customary systems is a source of legal uncertainty**. For rural communities, the bodies tasked with its implementation are beyond their reach, from a cognitive (lack of knowledge of procedures), physical (inaccessibility of land agencies), and financial (costs of the procedures) standpoint. At the same time, in a number of regions, surface areas—in some cases extensive—have been taken over by prominent individuals, to the detriment of small farmers, in collusion with traditional chiefs and the administration, with the latter often issuing titles without adhering to the "*bona vacantia*" procedure, a distortion that does not guarantee the tenure security of the holders, leading to a situation where several titles may be issued for one plot of land (multiple sales). Moreover, in order to circumvent the particularly cumbersome legal obligation

[10] Dyer et al, 2010

of applying the law for all concessions above 2,000 hectares, it has become commonplace to prepare several files for smaller plots of land.

38. **The absence of a land use plan, the inadequacy or nonexistence of land registers, as well as the failure to conduct, and the poor quality of, public surveys** for the determination of rights prior to granting of the concession or classification lead to overlaps among land, forest, and mining titles, as well as to the existence of protected areas adversely affected by poor administrative demarcation and the absence of approved mechanisms to manage this contentious matter. The land registry for the mining department is the only computerized national land register. The registry for the forestry department will be deployed under the World Bank-financed Forest and Nature Conservation Project (FNCP), while plans to establish a land registry for the agricultural department that the draft law on agriculture is seeking to create are facing opposition from the land department, which has pointed to the need for a single register.

39. **In the forest sector**, two categories of conflicts are now taking shape in the local communities: (i) with the forest concessionaires regarding the issue of the social component of the terms and conditions set forth in the Code, which raises the issue of the limitations of the social responsibility of enterprises with respect to the financing of socioeconomic infrastructure, while incentives for certification increase[11]; and (ii) with the Congolese Institute for Nature Conservation (ICCN) on the demarcation of protected areas in a political context aiming at expanding the protected areas network[12] (although some NGOs intend to develop community conservation models moving away from existing models and emphasizing community forestry).

3.2. The Biomass energy value-chain framework

40. **An extremely broad definition of the forests in the Forest Code**. This definition is based on land suitability for forestry, beyond currently forested land. Thus, deforestation does not automatically lead to a change in land use designation, thereby obviating the need to modify land use designation because of illegal land clearing or a fire. At the same time, non-forested land set aside by the administration for wood production, forest regeneration, or soil conservation is also considered to be forest land. A land use planning policy to translate such forest land use designations into a plan is, however, lacking.

41. **The Forest Code seeks to encourage reforestation practices** by local communities and private individuals with a land concession, as well as decentralized entities. It stipulates that concessionaires may harvest products from afforestation activities carried out on land concessions, according to the forestry legislation, as may decentralized entities from afforestation efforts they have undertaken. While the door remains thus open to a private forestry system, it falls under the land tenure system established for agricultural concessions (with the definition of land development standards), and not the forest tenure system, which establishes the forest management plan as the management standard.

42. **The 2002 Forest Code introduces a specific tax system** based on the issuance of titles (concession tax) and licenses (permits to cut timber, charcoal-making, and harvesting of NTFPs), as well as on the volumes removed (timber tax) and marketed (reforestation tax and export duties). The deforestation tax which formalizes modifications to land-use designation is the only tax that forest sector operators are not required to pay. Unlike the mining and oil sectors, the forest sector does not benefit from special arrangements, but is eligible to benefit from preferential terms and conditions set forth in the 2002 Investment Code.

43. **The incentives foreseen in the regulations on deforestation have not yet been implemented**. These incentives are applicable to all land clearing activities outside forest concessions, with the exception of those for agricultural areas covering less than two hectares. The Forest Code

[11] The members of the TCG « Community Forestry » would like to « highlight the limits of industrial logging as a a sustainable development model for the country"

[12] The objective is to increase protected area cover to 17% of the country (CoP 10 of the Convention on Biological Diversity held in Nagoya).

stipulates that the deforestation permit is subject to regulation but has not yet been issued owing to the absence of an inter-ministerial decree establishing the rate. Designed to absorb a portion of the costs relating to the destruction of the wood resource, these incentives could, depending on the rate applied, deter investment in forest areas. At the same time, these incentives could be viewed, in the context of a land use planning process, as an instrument for steering investments toward objectives that are in conformity with REDD+.

44. **With a view to implementing community forestry, regulations governing small-scale production are crucial for overseeing the biomass energy industry**. Limited to the protected forests on which local communities should be able to obtain concessions free of charge, these concessions have become the areas of operation for small-scale or semi-industrial timber and fuelwood energy industries, which are currently largely informal and fragmented. At present the legal framework of community forestry is not yet set, although FORCOM and FORCOL projects have both written a proposal. A harmonized text has been defined, currently awaiting approval. A Community Forestry Division has been established within the Directorate of Forest Management of the Ministry of Environment since October 2010.

3.3. Barriers to public and private investment

45. **Intervention by the authorities in the DRC is constrained by a lack of fiscal credibility** owing especially to (i) limited resources, (ii) inappropriate budget preparation, unrelated to the actual needs and to sectoral planning, which is itself weak, (iii) non-compliance with these budgets during implementation and (iv) a weak control over revenue and expenditure. Operating funds are largely inadequate and investment finance is rarely available, which has an impact on projects requiring counterpart funds from the Government. Regulatory authorities and the various agencies or funds put in place since 2002 fail to secure sufficient allocations to accomplish their missions or ensure the flow from tax proceeds provided for in legislation to fund these missions. In the absence of appropriate fiduciary management standards, most of their resources are thus used by these authorities themselves. This is also the case with the decentralized entities, as the provincial agencies established in the context of decentralization to collect local taxes are often, for example, competing with the three national financial agencies. Most of the investment budget is therefore funded by overseas development aid.

46. **The Congolese tax structure** is characterized by myriad taxes, duties, charges, and fees with multiple rates, with a poorly defined scope and an unstable legal foundation. It is managed by a plethora of stakeholders with weak technical capacity, who are nonetheless able to exploit the lack of transparency of the legal framework in their survival or predatory strategies. Such a complex tax system is counterproductive both from an economic (legal insecurity of operators) and a tax (evasion, under-taxation, corruption, misappropriation) standpoint, which accounts for the gap between budget projections and actual results.

47. **Intervention by private actors in the DRC is hampered by an unconducive business climate,** which puts DRC in a very bad position in the “doing business” classification. This is due to the great legal uncertainty owing primarily to the gaps and inconsistencies in the body of legislation, which provide opportunities for an administration that enjoys complete impunity in the absence of legitimate mediation mechanisms and an effective sanctions system. As a result, economic actors seek to secure their positions as much as possible by favoring discretionary relationships with an administration that is subject to frequent political interference.

48. **The cost and difficulty in accessing credit** is another major obstacle, particularly for the Congolese SME network, which has limited funds, major shortcomings with respect to management, and only a vague understanding of the market’s potential. As a result, the Congolese banking sector steers clear of these economic actors, which it is ill-equipped to monitor and which pose a high risk, especially in light of poor cadastral services, resulting in risky mortgage securities and an unpredictable justice system for debt recovery in the event of default. Hence, there is little interest in long-term operations and none if these activities present a risk, as investments in forestry or

agroforestry do. Besides the virtual absence of long-term loans, banks admit that they do not have the technical capacity to conduct such operations. They are also barely informed about opportunities offered by "green banking" and mechanisms such as the Clean Development Mechanism and REDD+. Bankers question the feasibility of "green" projects in DRC. They have no expertise in carbon finance, and most are suspicious of and show little interest in this sector.

49. **An under-banked economy**: although the number of banks (19 in 2009) and bank accounts (200,000 in 2009) has increased considerably in recent years, the Congolese banking sector is undersized (bank balance sheets account for less than 15 percent of GDP). Banks' stockholders' equity is low and so-called "long-term" resources are virtually nonexistent. At the end of 2010, total banks' capital in the DRC amounted to 355 million USD. Despite robust demand, the microfinance subsector is also highly underdeveloped (0.041 percent of GDP compared to 3.35 percent in Benin), while the nascent insurance subsector has an extremely low market penetration rate (an estimated 0.5 percent compared to a 4.5 percent average in African countries) [13].

50. **In 2009, the DRC established a Steering Committee for the Business and Investment Climate [*Comité de Pilotage du Climat des Affaires et Investissements*]**, responsible for proposing reforms aimed at reducing barriers to investment. Two road maps have already been prepared, resulting in DRC membership in the Organization for the Harmonization of Business Law in Africa (OHADA) in 2010. A third road map, which focuses on the land sector in particular, is currently being developed.

51. **The sectors driving growth in the DRC** are the mining, telecommunications, and public works sectors, which attract foreign direct investment and mobilize a percentage of domestic savings. The latter is, however, primarily channeled toward trade and real estate, which provide quick returns on investments. The processing and commercial agriculture industries, heavily penalized by the cost of energy and transport as well as taxation favoring imports, are struggling to channel investments to meet national and regional demand and be competitive on international markets.

52. **The ongoing processes, namely the revision of all sectoral legislations, the preparation of a land use zoning system, and planning** under the GPRSP-II, based on various long-term plans such as Congo's "2035 Vision" (Ministry of Planning) or the National REDD+ Strategy for 2030, provide a window of opportunity to modernize sectoral legislations by harmonizing them and incorporating production targets for public goods at the local, national, and global levels, with a view to shifting the national development policy from a rent-seeking approach to one promoting sustainable development.

4. Collaboration with Multilateral Development Banks and other partners

53. **The commitment of the World Bank in DRC** is one of the largest in Africa (2.768 billion dollars) which represents approximately 10% of the total. It mainly covers four sectors: infrastructure (60%), private sector development and agriculture (11%), social sector (23%) and governance (6%). The current portfolio (March 2011) includes nineteen projects including six emergency projects and thirteen sectoral projects reflecting the World Bank and the Congolese Government's will to move gradually from the emergency phase, which began with the resumption of cooperation in 2001, to that of sustainable development.

54. **African Development Bank (AfDB) engagement in the DRC** for the 2008–2012 period is based on a two-pillar approach: (i) support for good governance; and (ii) the promotion of pro-poor growth. The strategy for the 2008–2012 period was developed on the basis of a maximum allocation of resources for the African Development Fund XI, in the form of a grant amounting to 177.33 million Units of Accounts[14]. Each of these pillars includes several areas of intervention, which are presented in the table below. All of these areas of intervention are especially relevant to the REDD+ in general and the FIP in particular.

[13] Ministry of Economic Planning, 2011

Pillar	Scope of interventions
Support for good governance	Improvement of public finance management framework through strengthening of expenditure monitoring and mobilization of public revenue
	Transparency in the management of public and natural resources
	Improvement of the business climate, which hampers the competitiveness of the Congolese economy
Promotion of a pro-poor growth	Strengthening of basic infrastructure, including the urban and rural road network
	Sanitation and increased access to potable water in peri-urban and rural areas
	Electrification

55. **The Forest Carbon Partnership Facility** (FCPF) is a World Bank-managed global partnership that has been assisting tropical and subtropical countries since 2008 to develop systems and policies for REDD+ and providing them with performance-based payments for emissions reductions. The FCPF complements UNFCCC negotiations on REDD+ by showing how the REDD+ program can be applied in countries.

56. **The UN-REDD Program** is a UN initiative on REDD+ launched in September 2008 to assist developing countries in preparing to REDD+ and implementing REDD+ strategies. This program draws on the expertise of FAO, UNDP and UNEP.

57. The FCFP and the UN-REDD program are the chief donors for the DRC's REDD+ preparation process, providing financing for the key elements of the process in the coming years. Although all needs aren't covered at present, an active fundraising process is ongoing and additional funding sources have been identified. As a result, DRC wishes to focus the FIP on the start of the investment phase rather than towards preparation activities.

Summary table of some technical and financial partners' interventions relevant to REDD+ in DRC

Acronym	Project/program title	Donor	Start and end dates	Area of activity/intervention	Location	Budget
FORAFAMA	Support to the sustainable management of Congo Basin and Brazilian Amazon Basin forests	FFEM,FCPF, CIFOR, AFD/NPPE REDD, AFD/WWF/WCS/CI	01/2009 – 01/2012	Biodiversity, climate change	Central Africa, Brazil	3.3 M€
PADDL	Support to Decentralization and Local Development project	DFID, UNDP, UNCDF	04/2008 – 12/2012	Decentralization and local development	The whole DRC territory	16.8 M$
FORCOL	Local community forests management project	DFID	01/2009 – 05/2011	Community forestry	Bas-Congo, Bandundu, Equateur and Oriental provinces	7.6 M€
FORCOM	Development and implementation of community forestry project	Belgium	01/2007 – 07/2012	Community forestry	Katanga (Lubumbashi), Oriental (Kisangani), Equateur (Lisala) and Bas-Congo (Luki) provinces	2.7 M€
PASMIF II	Microfinance Sector Support Program, Phase II	Sweden - UNDP - UNCDF - KfW - WB	06/2010 – 12/2014	Microfinance	The whole DRC territory	28.5 M$
PARRSA	Rehabilitation and Recovery of the agricultural sector support Program	World Bank	03/2010 – 12/2015	Agriculture, fishing and forestry (50%) ; Transportation (36%) ; Public Administration, Law and Justice (14%)	Equateur province	120 M$
FNCP	Forest and Nature Conservation Project	IDA, GEF	04/2009 – 06/2015	Agriculture, fishing and forestry (48%); Public Administration, Law and Justice (52%)	Bandundu, Equateur and Oriental provinces	70 M$
	"EcoMakala +" integrated REDD+ Pilot-project	Kingdom of Norway & United Kingdom (Congo Basin Forest Fund -AfDB)	3 years	Reforestation, improved stoves, land tenure security, and law enforcement in Virunga Park	Goma, Nyiragongo and Rutshuru (North-Kivu Province)	2.5 M$
	Luki Biosphere Reserve integrated REDD+ Pilot-project		3 years	Integrated rural development around the Biosphere Reserve	Moanda Territory, Mayombe Forest (Bas Congo Province	2.3 M$
	South-Kwamouth integrated REDD+ Pilot-project		3 years	Industrial and small-scale agroforestry, sustainable fuelwood production, economic diversification and social infrastructure, brush fire control, protection of forest strips, land tenure security	Kwamouth Territory (Bandundu province)	2.5 M$
	Mambasa integrated REDD+ Pilot-project		3 years	Land Use Planning of the Territory and forest concession, control of illegal logging, participatory micro-zoning, agricultural practices improvement, agroforestry, supervision of the development of the cocoa industry		3.0 M$
	Isangi integrated REDD+ Pilot-project		3 years	Land Use Planning, participatory micro-zoning, improvements in agricultural practices, agroforestry, fish farming, and small-scale livestock production	Isangi Territory (Orientale Province)	2.3 M$
	Support project to the civil society and the Government for REDD in the Equateur Province		3 years	Land Use Planning, participatory micro-zoning, improvements in agricultural practices, agroforestry, fish farming, and small-scale livestock production	Equateur province	3.2 M$
Pro-Routes	High-priority roads reopening and maintenance project	DFID, IDA	03/2008 – 09/2013	Public Administration, Law and Justice (18%) ; Public Administration, Law and Justice (17%) ; Transportation (65%)	Oriental, Sud-Kivu and Katanga provinces	122.6 M$
Makala	Sustainable management of wood energy resource project	European Commission	02/2009 – 02/2013	Reforestation, wood energy, agroforestry	Kinshasa, Bas-Congo, Oriental and Kasaï-Oriental provinces	3 M€
EcoMakala	Projet d'approvisionnement durable de la ville de Goma en bois-énergie	European Commission	11/2007 – 10/2012	Reforestation, wood energy	Nord-Kivu province	2.4 M€

PARSAR	Rehabilitation of agriculture and rural support project	AfDB	05/2004 – 03/2012	Food security and rural infrastructure	Bas-Congo and Bandundu provinces	25 MUC
PRESAR	Rural and agricultural rehabilitation project	AfDB	02/2006 – 01/2013	Food security and rural infrastructure	Kasaï-Oriental, Kasaï-Occidantal and Katanga provinces	35 MUC
PRODAP	Lake Tanganyika integrated management Support project	AfDB	02/2005 – 01/2012	Food security, fishing and environmental management and rural infrastructure	coastal Tanganyika lake (Sud-Kivu and Katanga provinces)	6.79 MUC
ESA	agricultural sector study	AfDB	10/2006 – 06/2011	Agricultural sector documentation	All DRC	1.85 MUC
PACEBCo	Congo Basin ecosystems conservation support project	AfDB	02/2009 – 03/2015	Sustainable forest management, biodiversity and climate change adaptation, capacity building and well-being promotion	Protected areas including Virunga, Maringa-Lopori-Wamba (Equateur) ; Maiko-Tayna-Kahuzi-Biega (Sud-Kivu) ; Télé lake - Tumba lake	32 MUC
	Protected Areas network support project	Germany (BMU)	01/2011 – 12/2013	Protected areas, biodiversity, regional planning	All DRC	2,2 M€
	Seed sector support project	Belgium	2007 – 2012	Agriculture	Bas-Congo, Bandundu, Kasaï Oriental and Katanga provinces	5.03 M€
PAIDECO	Community Development Initiatives Support Project	Belgium	2007 – 2012	Governance	Tshopo (Oriental Province)	10 M€
	Projet d'Appui aux Initiatives de Développement Communautaire	Belgium	2009 – 2012	Governance	Kananga (Kasaï Occidental province)	4.5 M€
	REDD and civil society in the DRC Project	Rainforest Foundation Norway	2009 - 2012	Capacity building and participation of civil society in the planning and implementation of national and provincial REDD strategies in DRC	All DRC	1 M$
	Grant for forests protection	Japan	2011– 2012	MRV, MECNT and three provincial coordinations capacity building	Kinshasa, Bandundu, Equateur and Oriental provinces	11 M$
	National forest inventory support project	Japan	2011– 2015	MRV (technical and operational support to the national forest inventory for sustainable management of forests and REDD +)	Bandundu province	Pending
CARPE III	Central African Regional Program for the Environment [The current CARPE II phase will end in September 2011.]	USAID	2012-2020	1. Sustainable management of landscapes, conservation of biodiversity (CBD), regional planning, national and local capacity building for natural resource management (NRM) and the CBD; macro and micro-zoning, forest inventory, Community-based NRM; climate change. 2. Governance, NGOs capacity building 3. Monitoring of forests (Extent and loss of forest cover in the DRC measured by remote sensing; cover and land use, atlas.	1. Landscapes : (1) Tele lake-Tumba lake ; (2)Salonga-Lukenie & Sankuru ; (3)Maiko-Lutunguru, Tayna, Kahuzi & Biega ; (4) Ituri, Epilu & Aru ; (5) Mariga, Lopori & Wamba ; (6) Virunga. (implemented by WWF, WCS, CI, AWF et U.S. Forest Service) 2. Kinshasa (implemented by par IUCN) 3. Kinshasa (implemented by OSFAC, WRI, NASA)	≈ 80 M$
	Production, processing and marketing of agricultural in DRC support Project	USAID	2011 - 2015	Improving agricultural productivity and market efficiency, capacity building to respond to market opportunities	Bandundu, Bas-Congo and Kinshasa provinces	32,5 M$
	Agricultural Credit project	USAID	2011 - 2015	Credit for businesses small and medium size in the agricultural sector	All territory of the DRC	2,5 M$

PBF	Biodiversity conservation and forest resources sustainable management in DRC Program	Germany (GIZ et KfW)	01/2005 – 12/2017 (including the current phase: 01/2008 06/2012)	Support to ICCN and MECNT in institutional reform, capacity building, forestry and environmental policy, forest management, protected area management including support for wood energy in Sud-Kivu and support to the artisanal timber industry in Maniema	Kinshasa (MECNT et ICCN), Sud-Kivu and Maniema provinces	20 M€ for current phase
	Road rehabilitation project	DFID			Sud-Kivu and Nord-Kivu provinces	4.4 M£
	Project for the production of an inter-ministerial decree and an operational manual on environmental and social management impacts in the road sector	DFID				500.000 £

Figure 6 : Summary table of some technical and financial partners' interventions relevant to REDD+ in DRC

5. Identification and justification of the Programs to be co-financed by the FIP

5.1. Context

58. **Based on an integrated approach for the National REDD+ Strategy preparation process, the DRC is seeking to enter progressively in an investment phase** in order to, inter alia, (i) put in place the structural conditions for larger scale investments in the future; (ii) launch the first sector transformational programs. See diagram below.

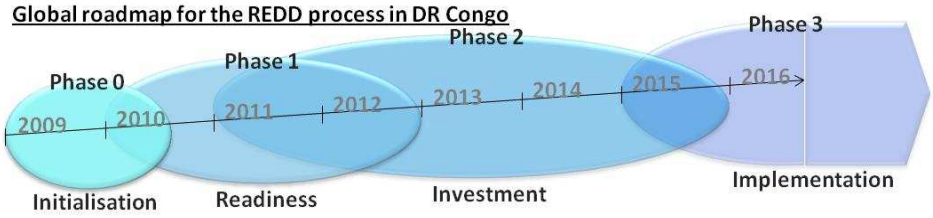


Figure 7 : Global roadmap for the REDD process in DRC

59. **In mid-2010, discussions were launched with the relevant ministries around six selected thematic issues that might lead to national programs**. These thematic areas were identified on the basis of preliminary data from the analysis of the causes of deforestation and forest degradation in the DRC, their technical feasibility, the relative consensus around them, and opportunities for mobilization of actors.

60. **These thematic issues were divided into "sectoral" and "enabling" issues.** The **sectoral issues** comprise those activities aiming to address the direct causes of deforestation and lead to measurable emission reductions, whereas the **enabling issues** comprise those activities aiming to address the underlying causes of deforestation, and to prepare the ground for the successful implementation of sectoral activities.

61. **Three sectoral issues** are focused on the two main drivers of deforestation in the DRC: the biomass energy supply (charcoal and wood) and slash-and-burn farming. These sectoral issues are: i) reduction of agriculture impact on forests; ii) afforestation and reforestation around the supply areas to large urban centers; iii) increasing energy efficiency by disseminating improved cook stoves. These reflections were carried out respectively with the i) Ministry of Agriculture; ii) Ministry of Environment; iii) Ministry of Environment and Energy. **Two enabling issues** were considered particularly important: i) modernization of land issues and land tenure securitization; ii) implementation of a national policy of land management. Finally, it was proposed **an integrated program (sectoral and enabling activities) in an administrative jurisdiction** (Lake Maï Ndombe District)**,** similar to with the approach adopted in Acre, Brazil or in Chiapas, Mexico.

62. This exercise has led to reflections on the key issues relevant for REDD+ in DRC, and the results were summarized into "Guidance Notes" presented at COP 16 in Cancun. These documents present a summary of the context of each issue in DRC and its importance to REDD, discuss the national and international experiences, and identify the next steps for tackling the issues.

63. These reflections are continued by the **Thematic Coordination Groups (TCGs)** in the context of the preparation of the National REDD Strategy (*see 1.2 above*). These Groups have also been involved in the preparation of the FIP Investment Plan and Programs (see *Appendix 2*).

64. **The transformational effect sought by FIP will result in DRC from the combination of enabling and sectoral activities within a specific geographic area**, as approved by the joint mission conducted in February 2011.

65. **Achieving balance between enabling activities and sectoral activities is necessary** to ensure compliance with the general FIP principles, in particular "*the promotion of measurable outcomes and results-based support*," with sectoral activities ensuring measurable outcomes in terms of reduced emissions caused by deforestation and forest degradation, conservation, or carbon stock

enhancement. In this regard, **a balance must also be struck between experimental activities that facilitate testing of new approaches and activities that guarantee these measurable results**.

66. **In order to define the programs proposed in this Plan**, the following should be identified first:

- The enabling and sectoral activities most important for REDD+ in DRC and most apt to respond to the criteria set out by the FIP;
- The geographical areas most appropriate for the implementation of the activities.

5.2. Selection of activities

67. **The full FIP envelope for DRC, although relatively substantial, is still limited in the face of the enormous needs in DRC**. Therefore, the financial resources should not be spread over a too large number of activities.

68. **The FIP financing will target the main drivers of deforestation and forest degradation** indentified in Section 1, by supporting consensual activities in whose domain DRC has some experience.

5.2.1. Sectoral activities[15]

69. As indicated earlier, and based on the literature and the preliminary results from the study on drivers of deforestation and forest degradation, the main drivers of deforestation and forest degradation in DRC are slash and burn agriculture and artisanal wood collection for fuel wood and timber.

Driver of deforestation "wood collection for fuelwood/ charcoal"

70. **The demand for fuelwood energy also poses a major problem in the DRC for the REDD+ program.** While it is essential to work toward diversifying the national energy pool, wood energy will nonetheless continue to feature prominently in the DRC in the years ahead, which will be reinforced by rapid population growth in the DRC in general and in cities in particular, and increase in purchase power.

71. **An intervention in this area requires the implementation of activities aimed at** (i) increasing the sustainable supply, including afforestation/reforestation (forestry and agroforestry models) of degraded land or savannas, sustainable forest management, improvements in charcoal making yields, etc.; and (ii) reducing demand, including through the deployment of improved stoves, the development of alternative fuels such as biomass briquettes, chardust (briquettes produced from charcoal dust), and, more generally, alternatives to biomass (gas, etc.).

72. **A number of particularly valuable pilot experiences in this area, which should be tailored and replicated, are being conducted in the DRC**.

73. Hence, in the area of afforestation / reforestation, including agroforestry and assisted natural regeneration, **many interesting and innovative initiatives exist in the savanna zones**, such as those of Mampu, Ibi Bateke, Makala, all of which use different models and target different stakeholders.

a. Targeted at producing sustainable charcoal to the Kinshasa urban center, the Mampu agroforestry project, located on the Bateke plateau, East of Kinshasa, is based on a model of improved fallows. Through reforestation with acacias, which are adapted to the sandy and acid soils in this zone, each member of the Mampu Group of Charcoal Producers may slash 2 hectares of reforested surface for the production of charcoal, followed by burning of the area

[15] "Sectoral" activities are defined as activities that aim to address the direct causes of deforestation and lead to measurable emission reductions

to break the dormancy state of acacia seeds in the soil. This surface is then cultivated with agriculture crops (consortium of corn and cassava), for two years, after which the growth of the acacias do not allow agriculture any more. This area is then left in fallow for 10 years, during which the nitrogen-fixing acacias refertilize the soils. Activities were diversified in 2004, with introduction of apiculture and small-scale livestock. The project has been under implementation for over 20 years and involve 309 landholders over 8,000 hectares. This model has demonstrated the productivity gains resulting from an agroforestry system on the Bateke Plateau. An independent evaluation was conducted in 2008 (Ducenne 2009) looking into the profitability of the small scale producers (considered rural SMEs) and into the social and environmental impacts of this agroforestry system. Based on estimates concerning production, self-consumption, transformation and commercialization of charcoal, cassava, corn and honey over three years (2005-2007), the evaluation budgeted a series of scenarios for replicating the initiative at various scales, which provides useful data for the FIP interventions.

b. Inspired by the Mampu experience and adopting the same agroforestry technical model, the **Ibi Bateke Carbon Sink** is led by NOVACEL, a local Congolese private firm led by a traditional chief (*chef coutumier*) from the Bateke Plateau zone. The project is reforesting an area of around 4,200 hectares, owned by the head of NOVACEL, with acacias (over 60%), eucalyptus and pines. 85% of the reforestation is carried out under an agroforestry model, with a cassava cropping cycle followed by timber cutting between 5 and 21 years (depending on the end use of the timber) for charcoal and planks. A surface of 230 hectare is under assisted natural regeneration. Three sources of financing make the project feasible: cassava planting and transformation, carbon credits and charcoal production. This is an innovative project in that it explores the carbon sequestration potential of the activity and sells carbon credits to international buyers, under the Clean Development Mechanism and the Voluntary Carbon Standard. In the initial phases, the cassava revenue stream allows the project entity to finance the transaction costs, but not the investment costs. Hence, the project entity needed to leverage resources from other sources, which was possible as the expected revenues from carbon credits (deals signed with the World Bank BioCarbon Fund, ORBEO, and recently with Danone) could used as guarantees international private equity. This is the first CMD project in Central Africa, and demonstrated the feasibility of this type of investment and the interest from private sector entities.

c. The **Makala Project** is an applied research project dealing with the supply of sustainable fuelwood energy in DRC. It is coordinated by CIRAD and aims to develop and validate technical models that bring back trees into rural population's traditional cropping methods. It is structured around a socio-economic and institutional model, three experimentation models (natural forests, planted forests and charcoal-making), and a capacity building model, targeting activities around Kinshasa (savanna lands) and Kisangani (forest zone). The module on management of degraded natural forests around urban centers aims to implement simplified management plans that would lead to forest cover restoration for energy production through assisted natural regeneration and other techniques. The module on village plantation for energy needs tests the feasibility of different approaches (acacias on fallow lands, others) according to the local context of various places (Bateke plateau, Bas Congo, urban area around Mbuji-Mayi and Kisangani).

d. **These initiatives have demonstrated the feasibility of reforestation and afforestation activities in savanna lands, around large urban centers, both with local communities and the private sector.** All these models have in common the integration of trees into an agricultural production system, key factor for the sustainability of the system (*see below on agriculture, for more details*), especially in a context of proximity to urban centers. These models can be adapted to various zones in the country, depending on specific opportunities and barriers of the local environment and targeted population. The promotion of assisted natural regeneration models could be promoted in every model under a landscape approach.

e. **The main barriers to the spontaneous uptake of these models, both for local populations and the private sector,** are access to financing, limited technical knowledge, barriers to securing land tenure on the long-term[16], and the long time frame for investment returns.

74. **The activities on sustainable management of forests** will be discussed under the section on timber production, below**.**

75. **The improved charcoal-making techniques also have an interesting potential¸ both for local communities and the private sector.** Local communities would be trained in new practices for charcoal making (drying, placement of wood, etc.) which can improve substantially the productivity, rather than imposing more modern techniques that have a higher cost and are less simple and flexible to be implemented. The Mampu and Makala projects have experiences in this regard, as well as the NGO IFDC, in Eastern DRC. On the other hand, private sector would be encouraged to produce using more modern systems, fixed or mobile, including possible electricity co-generation coupled with charcoal making.

76. **Dissemination of improved cook stoves** seems also particularly relevant in DRC, where it current use by local population does not reach 5%. A study of the Kinshasa market has been carried out by the PROBEC project and it highlights an existing market, made up of households and large consumers (restaurants, hospitals, schools, bakeries, etc.). While some initiatives are being implemented in DRC, their scale is still relatively small and they often promote obsolete production and marketing models, as the technology has evolved substantially and experience has been gained in the past years, such as that used by the *Paradigm* project in Kenya, which could be adapted and experimented in DRC:

a. The **Paradigm Project** is a social business promoting projects able to improve people's livelihoods in a sustainable way, valuing the local social and environmental capital as much as economic capital. It is promoting an improved cook stoves project in Kenya and Haiti. The project in Kenya aims to disseminate 400 000 improved cook stoves in two years. However, after only two years of activity, demand exceeded by a factor of four the projections, hence the project now aims to disseminate over 1 million stoves. The model used combines industrial production (small & medium industries) with technology transfer in order to ensure the supply of the stoves and the quantity in demand, and to reduce the sale price of the stoves. This can maximize demand and job creation in the marketing and distribution sectors. A carbon finance component attracts private and public sectors financing, accelerates program implementation and strengthen the economical feasibility of the firms. The Kenya project entails an initial investment of USD 3 million that should allow the production of around 1 million cook stoves, as well as its dissemination and training on its use. In the absence of the carbon finance component, the necessary investment would have been USD 9.7 million. The invested funds are shared across production and commercialization (37%), awareness raising (30%), the generation of carbon credits (23%) and monitoring and evaluation (20%).

b. **This model of dissemination seems to respond well to the barriers identified in the past in Kinshasa by the CATEB project, including**: i) difficulty in the organization of a supply chain capable of responding to the demand, in relation to the choice of working with artisanal producers; ii) importance of ensuring acceptability of the models being promoted by the users, but also by the producers; iii) importance of holding the producers responsible for the supply of raw material.

c. **It is important to highlight the well-document co-benefits** on health, household budgets (savings from less energy need) and security arising from the adoption of the improved cook stoves.

77. **Various options exist for the development of alternative sources of energy to fuelwood.** The production of biomass briquettes (mainly from agricultural waste) and *chardust* (compressed charcoal dust) are being tested using community-based models in Eastern DRC, and is considered by

[16] Although tree planting is in the customary system a strong mean to secure tenure, which then constitutes a strong motivation for afforestation/reforestation, but sometimes also a barrier for the same reason.

some logging concession holders (using saw waste). If these initiatives show positive results, it would be interesting to test them through different models (industrial, semi-industrial and artisanal). There is limited experience with biogas in DRC, and this could also be promoted, especially with institutional consumers in urban centers (prisons, for instance).

78. **Although activities linked to the reform of the institutional framework around fuelwood in DRC and support to the formalization of the production chain could be important activities to achieve REDD+,** due to the very weak level of public administration capacity at the national and provincial levels, such work would likely be inefficient under current circumstances, with potential negative impact on small-scale stakeholders. Hence, it is suggested that at this stage the FIP will support the dissemination of best practices, and identify the constraints and opportunities for future policy change.

79. The pilot experiences in DRC, as well as internationally, demonstrate the potential success of such activities, as well as their potential for mitigating climate change. The activities in the fuelwood domain presented here can be adapted to various zones in DRC (replicability). Depending on the model to be promoted, both local communities and the private sector can be involved, and important co-benefits can be promoted. Hence, targeting this driver of deforestation is particularly important for the FIP in DRC.

80. In the biomass energy domain, the main Ministries to be involved are the Ministry of Environment and the Ministry of Energy. The Ministry of Agriculture and Ministry of Rural Development are also important actors.

Driver of deforestation "agriculture"

81. As mentioned in Section 1, **slash and burn agriculture is a major driver of deforestation in DRC. International experience demonstrate, however, the complexity of interventions in the area of slash and burn agriculture in forest zones with a REDD+ objective:** regardless of eventual success in terms of agricultural productivity, interventions incorrectly targeted present an important risk of leading to increased deforestation from, for instance, increased revenues being reinvested in extending areas under cultivation.

82. **Even though industrial agriculture is not a major driver of deforestation in DRC at present, its expansion is important to ensure food security in DRC**. If this expansion is not well planned in the space, its impact on forests could be important, as it is seen in south-east Asia and in Latin America. This expansion should happen as much as possible outside forest areas, with the co-advantages of avoiding pressure on forests, creating jobs outside forests and valorization of space not productive at present.

83. The **dissemination of agroforestry in savanna lands,** discussed above in the context of biomass energy production, makes agriculture on these poor and under-exploited lands possible and productive, both on large (semi-industrial) and small scales (small landholders). It also creates alternatives to the exploitation of riparian forests, which is traditionally exploited by local communities for agricultural and biomass energy production. In the case of projects led by the private sector, models of '*nucleus farms*' or '*outgrower schemes*' can also be promoted. This model has the advantage of associating local rural communities to the development of a plantation, whose core is made up of an industrial-type plantation and a transformation facility owned by a firm or a cooperative. Contractual relations link the firm to the small landholders for the purchase of products, technical assistance, supply of inputs and access to credit. This type of model benefits the two parts, as the private sector can increase its production capacity without further investment in plantations, and local landholders benefit from a demand for their products at a fixed price, while still maintaining their independence[17]. The high value of this type of agroforestry investment (e.g. Makala project & in some

[17] Tollens E., 2004

ways Mampu[18]) in the context of REDD+, is that it aligns the interests of private sector operators with that of local communities for the creation of a sustainable economy providing formal job opportunities and independent income generation alternatives that are sufficient for communities to switch away from traditional reliance on riparian forests. In the long run, to be successful in curbing deforestation, agroforestry models will need to capitalize on the transformational opportunity created by the introduction of these new economic perspectives so as local communities move away from the current subsistence rationale towards an investment rationale conducive to the sustainable management of their natural capital in the context of REDD+ permanence requirements/incentives.

84. It is suggested that the FIP investments in the agricultural sector are going to be focused on the promotion of agroforestry in savanna lands, in synergy with activities for the promotion of sustainable biomass energy. In parallel, the role of agriculture in the national REDD+ strategy is being considered. Four Thematic Coordination Groups are focused on the issue and the National REDD Coordination will continue to seek funds for further activity in this domain.

Deforestation driver "timber production"

85. **Industrial & small-scale, formal or informal wood production from natural forests** is another important lever in the context of the REDD+ program in the DRC. Given the poor state of infrastructure for transportation, barriers to access to energy, poor governance (including corruption at different levels), industrial output is relatively weak at present, and the introduction of FLEGT (Forest Law Enforcement, Governance and Trade) legislation is grounds for securing FSC-type certification, which must be encouraged. The informal, artisanal production or at relatively large scale, notably to supply the East African markets, is quite significant and requires important control measures. The government has hired the SGS firm to support these measures, but the situation highlights the important of involving local communities in the management of forest resources.

86. **The Forest Code strengthens the role of local populations in sustainable forest resource management**, particularly through "local community concessions." Despite progress made as a result of the FORCOM (Forest Management and Community Support Project), FORCOL, and FNCP pilot projects, community forestry is not yet operational in the DRC; more work is therefore needed in this area. Assuming that the legal framework for the promotion of community forestry will have been adopted by the launch of the FIP investment, the activities to be promoted include awareness building and training of local populations and authorities, capacity strengthening of targeted local and indigenous populations (including the creation of community-led Small and Medium Enterprises, similar to the Mexican model), support with the awarding of community concessions, and the provision of technical support to these communities, including the preparation of forest management plans. Although much remains to be done, community forestry, in synergy with existing programs, shows tremendous promise in terms of its climate change mitigation potential, demonstration potential at scale, cost effectiveness, implementation potential, and co-benefits, and should be included in FIP. These activities are fully in line with the PNFoCo roadmap, as well as with the community forestry promotion project to be financed by the Congo Basin Forest Fund.

87. **Promotion of community forestry is a cross-sectoral issue and can lead to synergies** in the forest zones with the other biomass energy and timber production activities proposed under the FIP.

88. The selection of community forestry as an intervention domain for the FIP has important implications for **strengthening the forest governance in the country**, both in terms of land tenure and at the level of the sector (biomass energy). The promotion of community forestry can give responsibilities to local communities for forest management (by securing their rights over forest lands) and encourage the formalization of some artisanal activities linked to biomass energy.

[18] As farmers in the Mampu project were not originally from the local community, it has a more limited value in showing the creation of alternatives for local communities. This model has nevertheless proven its value and may be reproduced involving only or in a great proportion local communities.

89. Taking into account DRC's will to progressively embark on an investment phase for REDD+ by focusing on those sectors in which: i) the country has previous experience; ii) can lead to measurable results; iii) can be implemented in the short term; the activities proposed are:

- **Afforestation and reforestation (including agroforestry and assisted natural regeneration)**
- **dissemination of energy-efficient stoves;**
- **dissemination of improved charcoal-making techniques;**
- **development of other sources of energy;**
- **community forestry**

5.2.2. Enabling activities[19]

90. **In order to ensure the development of the aforementioned sectoral activities**, by either the local communities and indigenous peoples or the private sector, a number of activities aimed at improving the investment climate must be implemented. These activities will not lead directly to measurable reduced emissions, but they are necessary to address the underlying causes of deforestation, and they contribute to ensure the sustainability of those sectoral activities being implemented, especially by solving and avoiding conflicts and securing local, national and international investments.

91. **Enabling activities must be implemented at two complementary levels:** (i) at the country level, in order to launch far-reaching reforms that will last over several years, thereby initiating a comprehensive transformation of the DRC context; and (ii) at the local level, to provide solid support for the development of private sector and local community projects, through facilitation measures on the ground and testing of possible interim measures while awaiting reform of the law and investment securitization.

92. **Enabling activities at the local level** will be implemented by national or international NGOs to be selected based on their capacity, competence and area of action, though performance-based contracts following national methodologies and standards.

93. **Ongoing insecure land tenure and land tenure conflicts** contribute to the country's low investment rate for local populations and the private sector alike (see *section 3*). This issue was raised by various stakeholders during the consultations, especially those in the Provinces. Interventions in the area of land tenure are essential, and would focus (i) at the national level, on initiating the revision of the Land Tenure Code through diagnostic studies on the land situation in the DRC as well as analysis of current legal framework, then proposing TORs for the launch of a reform process of land management in the DRC using best practices, while (ii) at the local level interventions could involve authentication, following due consultation of all parties concerned, of recognized rights, whether they relate to substantive law or customary land management, based on the Rural Tenure Plans model and the early establishment of tenure desks (*Guichet Fonciers*), in support of the land-based sectoral activities (community forestry, A/R). The Ministry of Land Affairs has been actively involved for several months in the REDD+ process, including in the preparation of this Investment Plan.

94. **Land management** is essential to the REDD+ mechanism: this tool must in effect facilitate the promotion and monitoring of efficient and consistent use of space, while also taking the value of forest carbon and other co-benefits into account in decision making. Despite some partial initiatives (draft of a national land management plan and some provincial plans), DRC has never had a clear and coherent policy for land management. Such a policy and the implementation of its tools are needed to best guide the spatial organization of people, their activities and infrastructures. The development of transportation network is particularly sensitive, as demonstrated by the rehabilitation of roads in the Eastern part of the country. The World Bank Forest and Nature Conservation Project finances the participatory macro-zoning of forest lands in three pilot provinces (Bandundu, Equateur and Oriental),

[19] Enabling activities are activities aiming to address the underlying causes of deforestation, and to prepare the ground for the successful implementation of sectoral activities

encompassing around 120 million hectares. A National Zoning Committee has been created to lead this process. This exercise is an advance towards the national and provincial land management plans. The African Development Bank is also supporting the national land use planning process by currently developing TORs in order to develop a full national land use plan, liaising with the REDD National Coordination and the REDD+ process for several months, and synergies are being sought with the FIP activities. At the **local level**, FIP could support micro-zoning in the areas to be targeted by the investments. It should be noted that the Ministry of Decentralization and Land Use Planning has been actively involved for several months in the REDD+ process, including in the preparation of this Investment Plan.

95. **The land tenure and land management aspects are closely related and a coordinated / joint implementation of the activities in this domain will be assured**

96. **Lastly, there is a need to support the emergence of high-quality projects by the private sector and local civil society.** This requires: i) capacity strengthening of national actors: service firms (business plan development, environmental and social studies, carbon finance) and ii) support to the development of private sector and local communities projects through service firms (private sector) and the FIP coordination units. Capacity building to all actors (public administration, local communities and indigenous peoples and private sector) is a key cross-cutting activity for this Investment Plan, and should be carried out as part of the broader REDD Readiness process and in synergy with ongoing initiatives such as the Forest and Nature Conservation Project. During Program preparation, templates of some models of project (biomass energy, cook stoves production) will be prepared, to support private sector and local communities in designing feasible and adapted projects.

97. **By supporting enabling activities** towards land tenure securitization and land management clarification, the FIP is directly addressing some of the major forest governance issues identified by most analysts. By creating incentives for promoting politically sensitive reforms over well-defined geographical zones, the FIP would contribute not only to better understanding the barriers to the reforms, but also experiment methodologies of intervention adapted to the local realities (by clarifying responsibilities in the present context of decentralization) and inform, in the medium-term, the national process of sectoral reforms.

98. The overall proposed activities are therefore as follows:

		National level	Local level
Enabling Activities	Modernizing land tenure & securing land rights	- Evaluation of land tenure issues in the Country - Definition of the methodology for a future land tenure reform - Capacity building	-Rural tenure plans - Participatory enumeration - land offices
	Land Use Planning	- Support to National Land Use Plan development - Capacity building	- Micro-zoning
	Support to project development	- Capacity building of service companies, administration & civil society	- Support to project development

		Local level
Sectoral Activities	Biomass-energy	- Agroforestry (incl. afforestation/reforestation, assisted natural regeneration) - Dissemination of energy-efficient stoves; Improved charcoal-making; Energy alternatives
	Community Forestry	-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

Figure 8 : Summary of sectoral & enabling activities proposed for the FIP

99. Activities identified in the above illustration will be detailed during the preparation of the Programs. They are proposed here with the goal of demonstrating those activities that seem relevant, and to allow for an exercise of analysis of expected emission reduction potential and co-benefits analysis. All these activities are in line with the PRSP II, under finalization by the Ministry of Plan, as well as with the guidelines of the National Program on Forest Conservation (PNFoCo) and other government plans.

5.3. Selection of Geographic Areas

100. **The FIP seeks to co-finance projects concentrated in smaller geographic areas rather than to provide co-financing spread throughout the entire country**, in order to maximize their impact and lessons learned, and allow the country and national actors to benefit from performance-based payments linked to those measurable results, while developing a replicable model for other areas in the country. This is in keeping with DRC's desire to pilot the implementation of actions at the subnational level, drawing on the *nested approach.*" [20]

101. **Three priority geographic areas were selected using a multi-criteria matrix listing the six FIP investment criteria** that have been broken down into sub-criteria relevant at the geographic level. This matrix is presented in *Appendix 5*. These areas encompass challenges and opportunities for the private sector and local communities (strong pressure on forest resources, availability of land for forestry and agroforestry activities, proximity to markets, infrastructure, etc.) and include at least the entire supply area of the major cities.

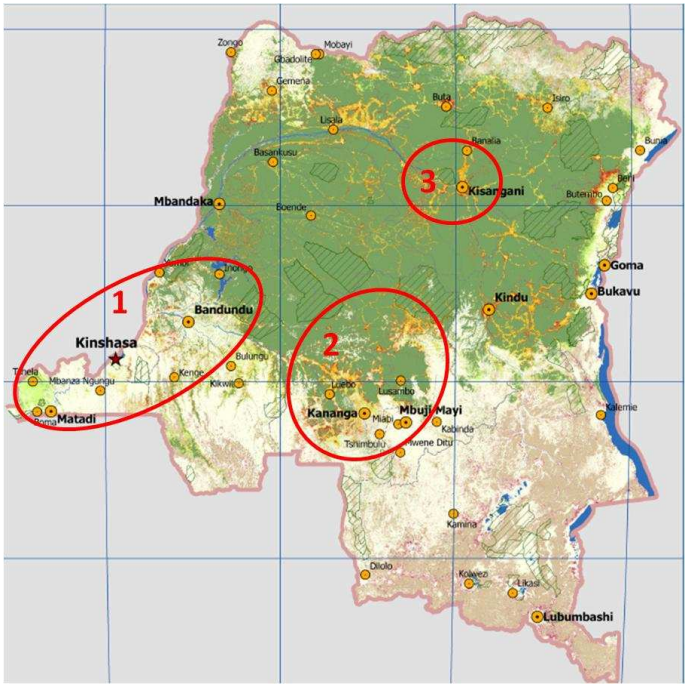


Figure 9 : Map of the deforestation "hotspots" in DRC and priority areas for the FIP[21]

102. **A logic of 'supply areas to large urban centers' has been used,** which allow the development a wide array of activities, all designed to reduce demand and increase the sustainable supply over various types of landscapes, forested and non forested. These areas, in all likelihood, also possess the best potential for land use intensification (around cities) and the development of private

[20] Forest Trends & Climate Focus, 2011.
[21] OSFAC, 2010

sector and local community projects (marketing opportunities). However, these areas should not be demarcated in too strict a manner so as to allow for flexibility in project development, where necessary, and to encompass the widening of the supply area in the future. So as to ensure the appropriate relations to local political authorities during the implementation of the Programs, the zones of intervention will clarify the administrative entities that they cover, at the level of the *Territoire*.

103. The three supply areas present roughly three main types of landscapes, namely: i) urban zones; ii) savanna lands; iii) forest zones.

104. It is possible to reach a large segment of the Congolese population **in the major urban centers, which, by definition, have high concentrations of population**. They therefore represent a significant potential for the distribution of energy-efficient stoves. Past experiences have shown that the urban population is interested in this type of stove. These pilot experiences must therefore be developed on a broader scale, using best practices since developed in other countries (Kenya, in particular). The development of biomass energy alternatives, such as briquettes or chardust (compressed charcoal dust), coupled with pilot initiatives under way in the eastern part of the country, as well as other types of initiatives such as biogas or gas, could be encouraged.

105. **The savanna areas generally have low population densities, limited land development, a slightly less complex land tenure situation** (at least in areas beyond the cities' close periphery)**, the potential for roads improvement in the future and the creation of production activities and jobs outside the forest areas** (need to create alternative sources of income). This may of course vary considerably from one area to the next. There is great potential for afforestation/reforestation activities in these areas, depending on forestry, agroforestry, or even agro-sylvo-pastoral models, on a large scale (patterned on forestry or agroforestry *nucleus estate*-type models that link several small farmers to a large estate) or through micro-afforestation activities carried out by local communities. In general, large scale plantation projects should follow a landscape approach. Improved charcoal-making activities could be conducted in the savanna areas as well, either by using modern techniques (mobile stoves, for example) for industrial agroforestry projects, or training professional charcoal producers in improved traditional charcoal-making techniques, in local populations that currently have low yields in charcoal-making.

106. **Forest areas provide opportunities for community forestry** for the production of fuelwood energy, timber, NTFPs, and so forth, through sustainable production, afforestation/ reforestation, and improved charcoal-making activities. Targeted forests could be forests that are currently under stress, with the aim of improving sustainability, as well as forests located a little further away from the urban center responsible for demand, in order to prepare and experiment in the prospect of the extension of the supply area in the relatively near future.

Types of environment	Most relevant activities
Main urban centers	- Energy-efficient stoves - Energy alternatives : biomass briquettes, chardust, biogas
Savannah areas	- Afforestation/Reforestation (A/R), small or big-scale agroforestry, Assisted Natural Regeneration (ANR) - Improved charcoal-making techniques
Forest areas	Community Forestry (including A/R activities, ANR, Improved charcoal-making)

Figure 10 : Relevance of activities proposed for the FIP depending of the type of environment

107. **The three geographic areas identified are:** (i) the supply area for the city of Kinshasa; (ii) the supply area for the cities of Kananga and Mbuji Mayi; and (iii) the supply area for the city of Kisangani. In addition to FIP criteria, these three areas presented a particularly valuable and representative diversity of a large section of the country (respectively: primarily savanna area with patches of forest; savanna-forest transition area; forest area).

Data from 2010 in ha	**Non-forest land**	**Forest land (all types)**
ZI Kinshasa	74%	26%
ZI Kasai	44%	56%
ZI Kisangani	11%	89%

Figure 11 : Percentage of forest cover in each area of intervention

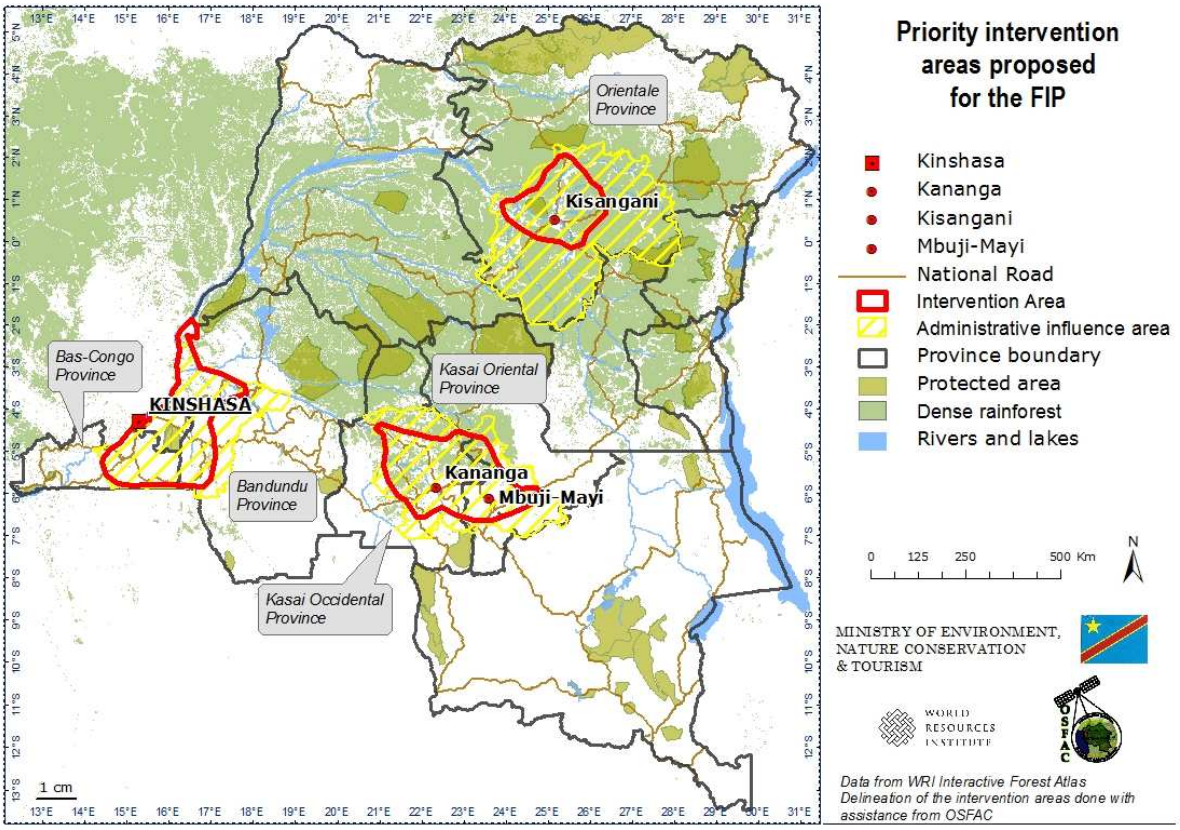


Figure 12 : Map of priority areas of intervention (including supply areas)

108. **Although the identification of priority intervention areas allow for a targeting of the investments to more manageable surfaces, these are still very large surfaces (17.5 million hectares).** Hence, it will be necessary during the preparation of the Programs, to identify mechanisms allowing project developers to aggregate. This would allow for economies of scales, notably in terms of: i) implementation of enabling activities; ii) demonstrating results in a particular area and monitoring those (*nested approach*); iii) logistics of project implementation.

5.4. Programs proposed

109. **The DRC is therefore seeking to present five programs for a total budget of USD 60 million:** three geographically integrated programs in which various combinations of sectoral and enabling activities are proposed, as well as two cross cutting programs: one geared towards support to private sector activities in the FIP priority areas and managed through specific structures (see section 7) and a second aimed at securing support for projects deemed innovative and delivering many co-benefits, but located outside three priority areas selected for the integrated programs.

110. This division in five programs as well as activities included can be illustrated as follows:

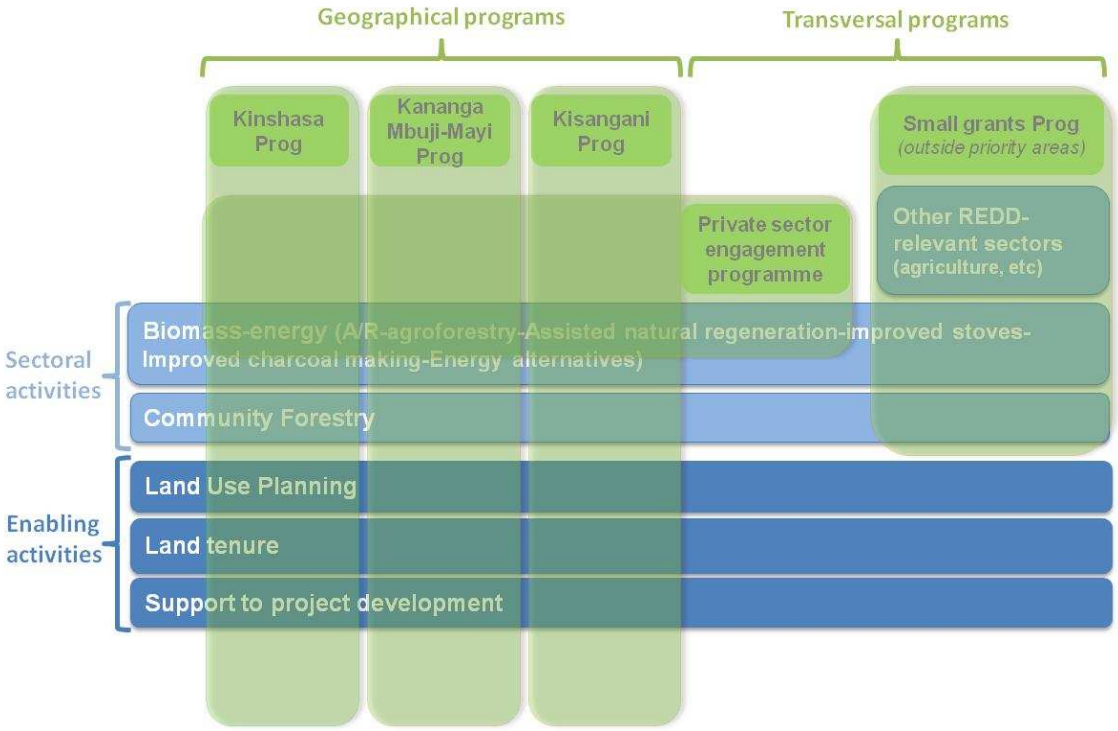


Figure 13 : Presentation of the division in programs around activities and geographical areas

5.4.1. The Kinshasa Supply Area Program

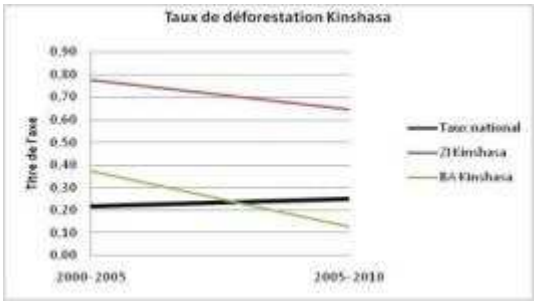
111. **The city of Kinshasa alone has around 8 million people out of a total of 65 million in the DRC.** It lies in a hot and humid tropical climate with average temperature between 22.5°C to 25°C, with two main seasons: rainy and dry seasons. Soils in the area are mainly sandy with a low to medium agricultural potential. The vegetation of the proposed intervention area includes mostly degraded savannas with forest remnants (especially on the slopes along the rivers), but also an area of savanna-forest mosaic in the Bandundu province further north. The total proposed intervention area is nearly 7 million hectares, with a forest area estimated at 1.8 million hectares in 2010 (26% forest cover), of which 600,000 ha of primary forest

112. **With such a high population Kinshasa represents a major market for consumption of all sorts of good**, namely fuelwood and agricultural products. Under CIRAD's Makala project, CIFOR has conducted an analysis of the wood energy sector in Kinshasa, which will be available in September 2011. Wood energy accounts for over 87% of cooking energy used by households in the capital, 87% in the form of charcoal and 12% in the form of firewood. With this large urban population and the presence of communication supply routes such as the Congo River from the central basin (24% of supply), as well as roads such as the N1 towards the port of Matadi (34%) and the N2 towards the Bateke plateau (43%), the charcoal and wood energy supply area of Kinshasa is particularly extensive[22], covering, in addition to the City-Province of Kinshasa, parts of Bandundu and Bas-Congo Provinces. Currently the supply of wood energy in Kinshasa is not sustainable and the deforestation belt around Kinshasa continues to grow alarmingly. Without an ambitious intervention, the environment will continue to deteriorate, exposing both producers and consumers to an ever-increasing state of vulnerability. Deforestation rates in the intervention area are well above the national average[23], confirming the importance of intervention in this area:

[22] Average supply distance is 102km for fuelwood and 135km for charcoal (Schure et al 2011)
[23] OSFAC, 2010

	Annual deforestation rates (%)		
	2000- 2010	2000- 2005	2005- 2010
IA Kinshasa	**0,70**	0,78	0,65
SB Kinshasa	**0,25**	0,37	0,13

Figure 14 : Annual deforestation rates in Kinshasa intervention area



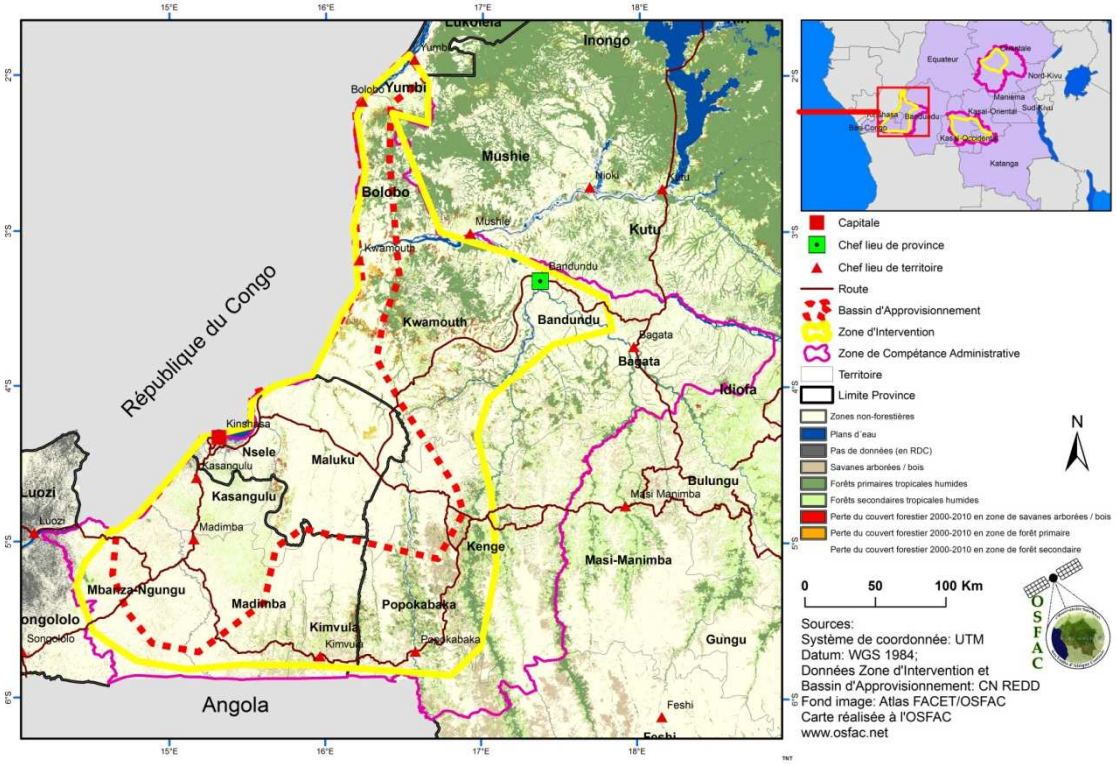


Figure 15 : Estimate of Kinshasa supply area and proposition of intervention area

113. **The proposed intervention zone would include all or part of the following Provinces and Territories** (i) Province of Bas-Congo : Mbanza-Ngungu, Madimba, Kimvula, Kasangulu, (ii) Province of Bandundu : Popokabaka, Kenge, Bagata, Kwamouth, Bolobo, Yumbi, (iii) the City-Province of Kinshasa and its many "*Communes*".

114. **Due to low access to electricity** and other alternatives to biomass, the population of Kinshasa (households and large consumers) is highly dependent on wood and charcoal for domestic purposes, and the potential for deployment of improved stoves and the development of alternative energy is very high. Market research on improved stoves conducted in 2010 in Kinshasa confirmed this potential[24]. It would also be interesting to test the production of biogas, especially for large institutional consumers such as prisons, as well as the production of biomass briquettes.

115. **Kinshasa is surrounded by vast expanses of degraded savannas** with very little area used for productive purposes, despite a strong pressure on lands in the suburbs, with many homeowners living in Kinshasa or part of the Congolese diaspora. These savanna areas have a relatively low agricultural potential, the local practice consist mainly of shifting cultivation in forest galleries and transforming the residual biomass into charcoal for the Kinshasa market[25]. Thus most of the charcoal

[24] CREFES, 2010

[25] About 280 000 producers, 900 transporters & 21 000 traders involved, for a financial volume estimated at 118 billion CF (USD 143 million) (Schure et al, 2011).

production currently comes from forest fragments of this type in this type of environment. There are very promising agro-forestry initiatives (Mampu, Ibi Makala) on which to build but many more similar initiatives are required to move towards a sustainable supply of food and charcoal for Kinshasa. In this regard support for zoning and land tenure is essential. A CBFF-funded REDD+ pilot project is also present in this area (Kwamouth Territory).

116. **Although the forest area is relatively limited in the supply area of Kinshasa**, support to community forestry could also be considered, especially along the Congo River, North of Kinshasa, towards Mai Ndombe District. In that area, WWF and the Government of the DRC are working on developing an integrated initiative, in which the FIP could participate to support community forestry and enabling activities at the local level (micro-zoning and clarification of land rights).

117. **The following table gives a preliminary budget allocation proposal** for this program, the expected emission reductions generated and the estimated price per ton of carbon.

PROGRAM	FIP Budget (MUSD)	Grant share (MUSD)	Credit share (MUSD)	% FIP budget	Cofinancing Budget (MUSD)	Total investment	Emissions reductions (MtCO2e)	FIP Carbon price (USD/tCO2e)	Total Carbon price (USD/tCO2e)
Kinshasa	14,0	14,0	0	23%	5,1	19,1	2,2	6,3	8,6

Figure 16 : Proposed FIP budget du FIP for Kinshasa program

118. Nearly one fourth of the total budget allocated to FIP would thus be for enabling and sectoral activities implemented in the intervention area of Kinshasa and aiming to engage local communities and indigenous people (14 million USD). Emission reductions and carbon sequestrations expected through the implementation of these activities are estimated at about 2.2 million tons of $CO2_{eq}$. The program could lead to the direct creation of many jobs in the various sectoral activities planned (A/R, ANR) and decreased energy expenditure (household, and improved charcoal-making, energy alternatives). The cost of a ton of $CO2_{eq}$ is approximately USD 6.3. These proposed allocations and estimates are preliminary and will be detailed during the definition of programs.

119. All the activities proposed for this program will lead to the generation of emission reductions and carbon sequestration as well as important co-benefits, whether quantifiable or not. These estimates were made using assumptions based on existing models[26].

KINSHASA	Enhancement of Carbon sinks potential		Potential of reducing deforestation / forest degradation / emissions				
Activities	A/R (planted area in ha)	RNA (planted area in ha)	Community forestry (allocated area in ha)	Improved charcoal-making	Improved stoves	Energy alternatives : BIOGAS	Total
Target	3200	250	20 000	250 equipment ; 100 training	1 adaptation test lot ; 1 sensitization set ; 4 000 IS for institution	30 institution compact biogas ; 5 institution waste biogas ; 60 private compact biogas	
Expected emission reduction (tCO2e)	1 267 200	49 500	835 152	29 246	0	33 783	2 208 639

[26] Assumptions used to evaluate the budget & the emission reduction/removal potential for each activity in each program:
- Afforestation/Reforestation: cost of USD 1,500/ha; 30-year period; Sequestration of 13.2 t_{CO2e}/ha/year (Ibi Bateke model)
- Assisted natural regeneration: cost of USD 1,000/ha; 30-year period; Sequestration of 6.6 t_{CO2e}/ha/year (conservative estimate)
- Community forestry: 30-year period; Budget estimated using FORCOM model (CBFF) as a basis, but increasing budgets required for a more thorough community support; Reference level: OSFAC's (FACET, 2010) rates of deforestation; Assumption in reduction of deforestation: 0%, 10%, 20%, 40%, 60% the 1st, 2d, 3d, 4th & then 5th to 30th year.
- Improved charcoal-making: 10-year period; cost of a semi-industrial kiln: USD 40,000; GHG emission of 641 g_{CO2eq}/kg of charcoal produced (TZ policy note, 2009); Improvement in efficiency: 20%;Charcoal price: USD 200/ton (Source: PADDI).
- Energy-efficient stoves: emission of 140g_{CO} per use (TZ policy note, 2009); cost of production centers (SMIs) USD 200 000 to 300 000 depending on the region; Cost of 1 test of suitability of the stoves models: USD 20 000 to 50 000 depending on the region; Cost of 1 sensitization campaign: USD 300 000 to 700 000 depending on the region; Cost of institutional stoves: USD 2 000
- Biogas: methane emission of 0,3 t_{CO2e}/$t_{organic\ matter}$; Cost of 1 compact biogas digestor: USD 5 000 à 10 000; Cost of 1 waste biogas digestor: USD 100 000.

5.4.2. *The Kananga & Mbuji-Mayi supply area program*

120. **The cities of Kananga and Mbuji-Mayi, close to one another, are among the 10 largest cities in the country** and represent a population of 1.5 million and 3 million respectively. Kananga is the administrative center of the province of Kasai Occidental and Mbuji-Mayi, the administrative center of the province of Kasai Oriental. Their population is composed mostly of Bantu and a small pygmy minority. With significant mineral resources (diamonds, gold) mined using mainly artisanal techniques, agriculture remains the main activity, mostly subsistence-oriented with the exception of a few poorly developed industrial crops (coffee, palm oil, cotton, rubber). These provinces are covered primarily by two vegetation types: forest in the north and savannah to the south, Kananga and Mbuji-Mayi are situated in the savanna zone, near the forest edge. The total area of the project area is 6.7 million hectares, with an estimated 3.8 million hectares of forest in 2010 (56% forest cover), including 2.5 million hectares of primary forest (FACET 2010).

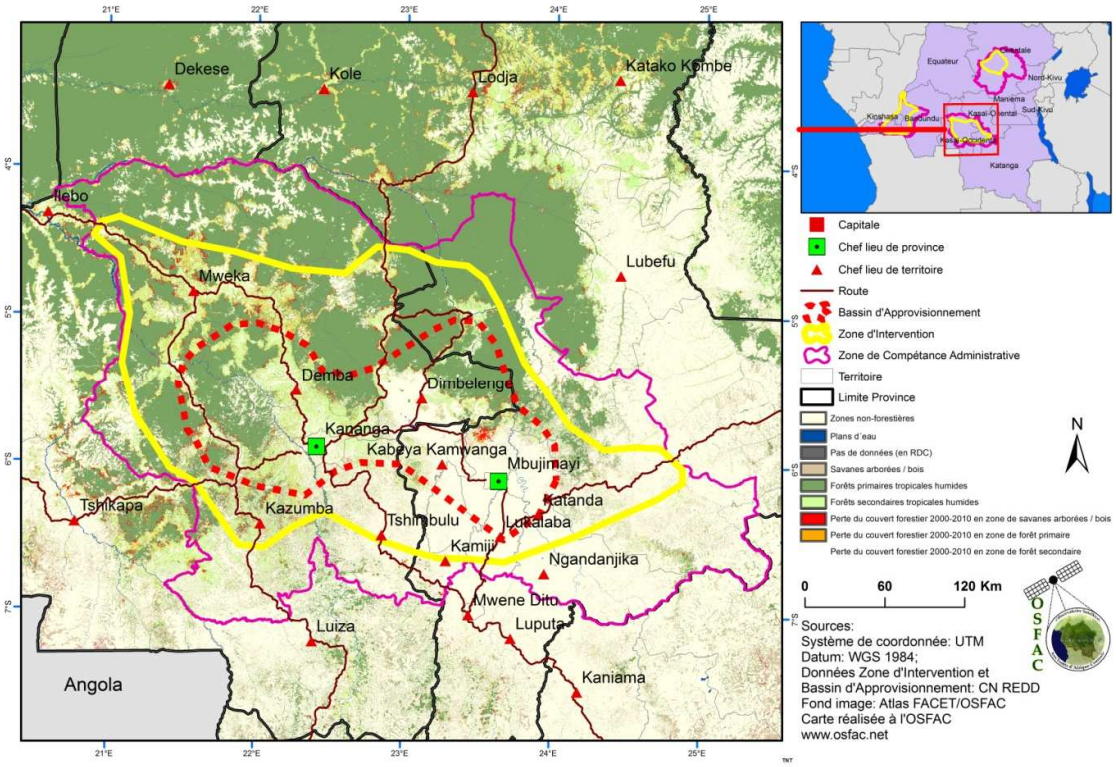
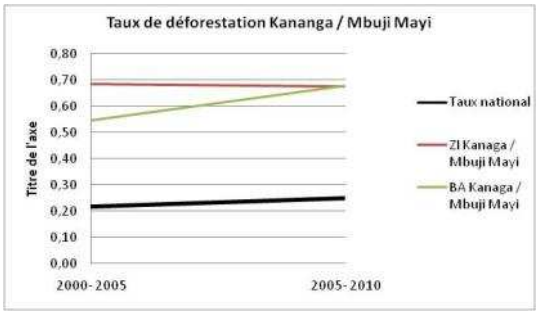


Figure 17 : Estimate of Kananga & Mbuji-Mayi supply area and proposition of intervention area

121. **The fuelwood supply chains for the cities of Kananga and Mbuji-Mayi have never been studied**, contrary to Kinshasa, Kisangani and Lubumbashi. But this region is a hotspot of deforestation in the DRC, as shown in the table below[27], and considering their respective populations fuelwood consumption is an important driver.

	Annual deforestation rates (%)		
	2000- 2010	2000- 2005	2005- 2010
IA Kan/Mbuji	**0,67**	0,68	0,68
SB Kan/Mbuji	**0,60**	0,55	0,68

Figure 18 : Annual deforestation rates in Kananga & &Mbuji-Mayi intervention areas



[27] OSFAC, 2010

122. The proposed project area would include all or part of the following Provinces and Territories (i) province of Kasai Oriental: Kamiji, Miabi, Kabeya, Kamwanga, Lupatapata, Tshilenge, Katanda, Ngandajika, Kabinda, Lusambo and the Commune of Mbuji-Mayi (ii) province of Kasai Occidental: Mweka, Luebo, Demba, Kazumba, Dibaya, Dimbelenge and the Commune of Kananga.

123. With a low rate of access to electricity and very few alternatives to biomass energy[28], the potential deployment of improved stoves and alternative energy is very important for both Kananga and Mbuji-Mayi.

124. Large areas of savanna under very little productive use offer potential for afforestation/reforestation (agro-forestry models) but this requires, as in Kinshasa's case, strong support for land tenure clarification and zoning. The improved charcoal-making techniques also seem very relevant in this type of environment. The Makala project has recently begun community reforestation work in this area, generating interesting experiences on which to build.

125. With vast areas of rainforest in the north, the potential of community forestry is far greater than in the supply area of Kinshasa. Capacity building for land tenure and zoning also seems important in this field.

126. The following table gives a preliminary proposal for allocating the FIP budget and the expected emission reductions as well as the estimated price per ton of carbon:

PROGRAM	**FIP Budget (MUSD)**	Grant share (MUSD)	Credit share (MUSD)	**% FIP budget**	**Cofinancing Budget (MUSD)**	**Total investment**	**Emissions reductions (MtCO2e)**	**FIP Carbon price (USD/tCO2e)**	**Total Carbon price (USD/tCO2e)**
Kananga/Mbuji-Mayi	12,1	*12,1*	*0*	20%	5,7	17,8	3,9	3,1	4,6

Figure 19 : Proposed FIP Budget Allocation for the Kananga & Mbuji-Mayi program

127. The FIP budget allocated to sectoral and enabling activities targeting local communities and indigenous peoples implemented in the Kananga & Mbuji-Mayi intervention area is 12 million USD, and represents 20% of the total FIP. Emission reductions and carbon sequestrations expected through the implementation of these activities are estimated at about 3.9 million tons of CO2eq. The program could lead to the direct creation of many jobs in the various sectoral activities planned (A/R, ANR) and decreased energy expenditure (energy-efficient stoves, improved charcoal-making, and energy alternatives). The cost of a ton of CO2eq is estimated at approximately USD 3.1. These proposed allocations and estimates are preliminary and a detailed assessment will be conducted during the definition of the programs.

128. All the activities envisaged for this program will make it possible to generate emission reductions and carbon sequestration as well as important co-benefits. These estimates were made using assumptions based on relevant existing models[29].

Kananga Mbuji-Mayi	Enhancement of Carbon sinks potential		Reducing deforestation / forest degradation / emissions				
Activities	A/R	RNA	Community forestry (allocated area in ha)	Improved charcoal-making	Improved stoves	Energy alternatives : BIOGAS	Total
Target	2 500 ha planted area	70 000 ha planted area	70 000	363 equipment 100 training	1 adaptation test lot ; 1 sensitization set ; 4 000 IS for institution	10 institution compact biogas ; 3 institution waste biogas ; 22 private compact biogas	
Expected emission reduction (tCO2e)	990 000	49 500	2 798 066	42 465	0	18 009	3 884 816

[28] Bushabu et al, 2002.

[29] Assumptions for calculation have been given in section 5.4.1 above

5.4.3. The Kisangani Supply Area Program

129. **The city of Kisangani, administrative center of the Orientale Province, has more than one million inhabitants.** It is located along the Congo River in the forest zone of the central basin, and has a continental equatorial climate without dry season, with average temperatures ranging from 19°C to 30°C. Bantus as well as Pygmy minorities are found in the Kisangani area. It is also one of the richest provinces in mineral resources (gold, diamond, iron and oil), but slash and burn subsistence agriculture remains the main activity for households (cassava, plantain, sweet potato and rice). Permanent agriculture, although declining, is also practiced (coffee, cocoa, rubber and palm oil). Fishing is also an important activity of the population. The total area of the proposed intervention zone is 4 million hectares, with an estimated 3.5 million hectares forest area in 2010 (89% forest cover), including 3.1 million hectares of Primary rainforest (FACET 2010).

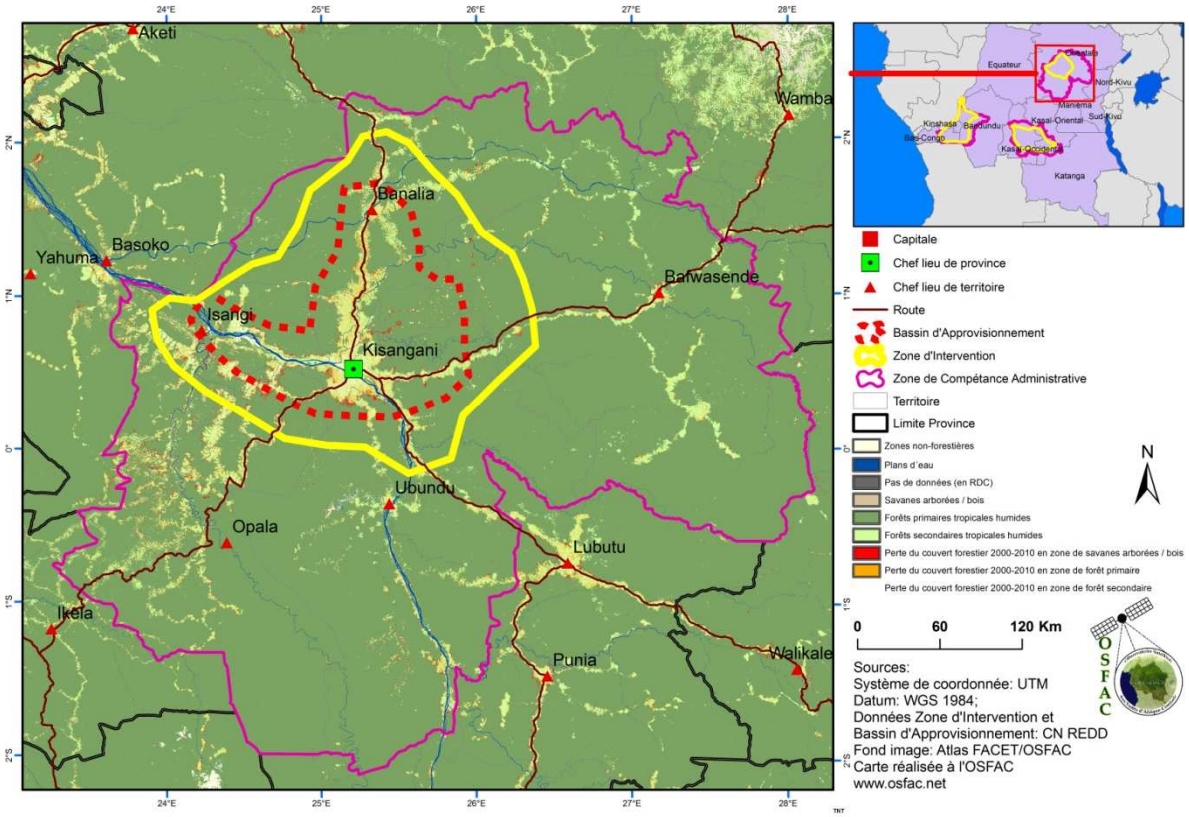


Figure 20 : Estimate of Kisangani supply area and proposition of intervention area

130. **The preliminary proposed project area includes all or part of the following territories of the Orientale Province: Banalia, Ubundu, Opala, Bafwasende Isangi and the Municipality of Kisangani.**

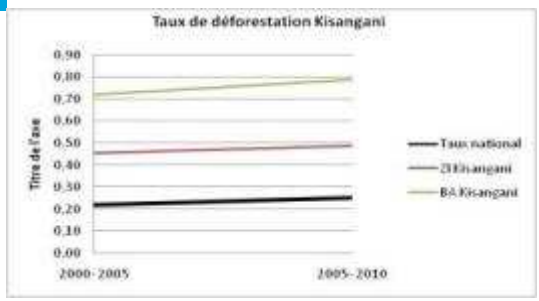
131. **Because of the abundance of timber resources in the region, the supply area is relatively small**[30], using predominantly the Congo River waterway. Under the Makala project, CIFOR has in fact conducted an analysis of the wood energy sector in Kisangani, which will be available in September 2011. Deforestation rates in the intervention area are well above the national average, confirming the importance of intervention in this area[31] :

[30] Originating from a 50km radius, with an average of 37 km for charcoal & 25 km for fuelwood (Jolien et al, 2011)

[31] OSFAC, 2010

	Annual deforestation rates (%)		
	2000- 2010	2000- 2005	2005- 2010
IA Kisangani	**0,47**	0,45	0,49
SB Kisangani	**0,74**	0,72	0,79

Figure 21 : Annual deforestation rates in Kisangani intervention area



132. **Despite a large urban population, abundant timber resources greatly reduce the chances of a successful deployment of improved stoves or alternative energies.**

133. **For similar reasons, the potential for Afforestation / Reforestation is less important than the for the other two geographical areas,** although it is interesting to support some locally adapted models in the context of alternatives to slash and burn agriculture, such as those agricultural practices tested by the University of Kisangani and disseminated by the NGO GEAF, as well as Assisted Natural Regeneration tested under the CIRAD's Makala project.

134. **Because it concerns mainly forest areas, community forestry on the other hand offers great potential.** Furthermore the study on wood energy produced by the Makala project (CIFOR, 2010) indicates that the sustainable management of old rubber plantations also seems a promising option, but subject to approval by various Ministries, including the Ministry of land affairs. This fact highlights the value of integrated action in this area and sector. Support on land tenure clarification and zoning is also required.

135. **The following table comprises a preliminary proposal for allocating the budget of the FIP for this program** and the expected emission reductions generated and the estimated price of a ton of carbon:

PROGRAM	FIP Budget (MUSD)	Grant share (MUSD)	Credit share (MUSD)	% FIP budget	Cofinancing Budget (MUSD)	Total investment	Emissions reductions (MtCO2e)	FIP Carbon price (USD/tCO2e)	Total Carbon price (USD/tCO2e)
Kisangani	10,2	10,2	0	17%	7,0	17,2	3,2	3,2	5,4

Figure 22 : Proposed FIP budget for Kisangani program

136. The FIP budget allocated to sectoral and enabling activities implemented in the intervention area of Kisangani, targeting local communities and indigenous peoples, represents 17% of the total FIP budget (10.2 million USD). Emission reductions and carbon sequestrations expected through the implementation of these activities are estimated at about 3.2 million tons of CO2eq. The program could lead to the direct creation of many jobs in the various sectoral activities planned (including A/R & ANR) and decreased energy expenditure (improved charcoal-making and alternative energies). The cost of a ton of CO2eq is estimated at approximately USD 3.2. These proposed allocations and estimates are preliminary and will be detailed during the definition of the programs

137. All the activities envisaged for this program will lead to the generation of emission reductions and carbon sequestration as well as important co-benefits, quantifiable or not. These estimates were made using assumptions based on relevant existing models[32].

[32] Assumptions for calculation have been given in section 5.4.1 above

Kisangani	Enhancement of Carbon sinks potential		Potential of reducing deforestation / forest degradation / emissions				
Activities	A/R	RNA (planted area in ha)	Community forestry	Improved charcoal-making	Improved stoves	Energy alternatives : BIOGAS	Total
Target	500 ha planted	1000 ha planted	100 000 ha allocated	250 equipment 100 training	1 adaptation test lot 1 sensitization set 4 000 IS for institution	10 institution compact biogas ; 2 institution waste biogas ; 21 private compact biogas	
Expected emission reduction (tCO2e)	198 000	198 000	2 782 715	5 849	0	6 073	3 190 637

5.4.4. The program for engaging private sector in REDD+

138. **FIP aims to engage the private sector** to implement actions and projects relevant to REDD+ on the ground and to mobilize additional resources through leverage effects by co-financing and other complex mechanisms, including by engaging Congolese and international banks.

139. **However, to engage the private sector sustainably several constraints and risks must be taken into account**. Besides the barriers to investment described in *section 3.3*, the following constraints should be considered: (i) in the DRC, the culture of collaboration between private sector, government and MDBs is very low. Indeed there is mutual distrust, fueled in the case of the administration by an unfavorable business climate, and in the case of MDBs by the existence of frustration, the private sector feeling neglected and sometimes excluded from markets by procedures and requirements that companies emerging from a long period of inactivity cannot comply with, (ii) Project management units set up at the MDBs' request have sometimes been severely criticized by the private sector, including the Federation of Congolese Enterprises (iii) The opportunities in "green business" and the interest that the international community - including business – have demonstrated for the Congolese forests are still poorly understood by the private sector in the DRC.

140. **Support for private sector initiatives involve more complex arrangements** than for local communities and indigenous peoples, combining grants and loans at concessional rates with the personal contributions of the project developer and support from national or international investors. The FIP will therefore require an entity with the skills, the legal identity and the appropriate credibility with the private sector. Solutions are proposed in *Sections 7 and 8*.

141. **With such specific financial arrangements and actors, a specific program for private sector** is therefore necessary, although the priority intervention areas and sectors are the same.

142. **In addition to setting up a management entity adapted to the needs of the private sector** and with the relevant expertise in financial engineering and carbon finance, the private sector involvement program will include a series of measures to manage the main risks described in *Appendix 6*, to reduce barriers to investment and provide incentives.

143. **A strategy for promoting the FIP and REDD+ should be developed as part of the preparation of the Programs**, including: (i) preparing the elements (the product) to be promoted in the form of template projects models and / or activities, starting from a thorough SWOT analysis (ii) show how these models can be integrated into corporate strategies (iii) specify the benefits and financial packages that can be offered (iv) develop and implement a promotion strategy for these activities and associated benefits. Other promotional activities are planned and described in *Section 8*.

144. **This program will promote special collaborative models that will create close synergies between the projects of the private sector and local communities**. In the case of afforestation /

reforestation, this could for example correspond to the "nucleus estate", model mentioned previously. In the case of improved stoves systems, subcontracting and collaboration will also be promoted.

145. **The following table gives a preliminary proposal for allocating the budget of the FIP for this program** (with the share of grant and loan) and the expected emission reductions and the estimated price per ton of carbon. **The "loan share" shown in the table below is requested as a grant from the FIP to the DRC but will be disbursed to the private sector as a loan**. Reimbursements made in this framework will fund the Development Finance Corporation proposed (see *Section 8*) or the national REDD+ fund.

PROGRAM	FIP Budget (MUSD)	Grant share (MUSD)	Credit share (MUSD)	% FIP budget	Cofinancing Budget (MUSD)	Total investment	Emissions reductions (MtCO2e)	FIP Carbon price (USD/tCO2e)	Total Carbon price (USD/tCO2e)
Private sector	18,4	9,3	9,1	31%	18,2	36,6	8,8	2,1	4,2

Figure 23 : Proposed FIP budget for the program for engaging private sector

146. FIP budget allocated to sectoral activities implemented under the program for private sector engagement in REDD+ is thus 31% of the total FIP (20.4 million USD). Emission reductions and carbon sequestrations expected through the implementation of these activities are estimated at about 8.8 million tons of CO2eq. The program could lead to the direct creation of many jobs in the various sectoral activities planned (A/R, ANR) and decreased energy expenditure (energy-efficient stoves, improved charcoal-making, and energy alternatives). The cost of a ton of CO2eq is estimated at approximately USD 2.1. These proposed allocations and estimates are preliminary and will be detailed under the definition of programs.

147. All the activities envisaged for this program will lead to the generation of emission reductions and carbon sequestration as well as important co-benefits, quantifiable or not. These estimates were made using assumptions based on relevant existing models[33].

Private sector	Enhancement of Carbon sinks potential		Potential of reducing deforestation / forest degradation				
Activities	A/R (planted area in ha)	RNA (planted area in ha)	Community forestry (allocated area in ha)	Improved charcoal-making	Improved stoves	Energy alternatives : Pellet	Total
Target	20500	1800	0	100 semi-industrial kilns	1 adaptation testing campaign 1 sensitization campaign 4 000 FA pour institutions	500 installations 500 training	
Expected emission reduction (tCO2e)	7 722 000	257 400	0	8 189	490 560	291 270	8 769 419

5.4.5. Small grants program supporting innovating initiatives with strong co-benefits

148. **Although aiming at maximizing the impact of the FIP by financing projects concentrated in small areas** rather than dispersing them throughout the country, the private sector and civil society will surely have project proposals relevant for REDD+ outside these priority areas.

149. **Such projects could present a particularly interesting learning value** (innovative models proposed, ingenious combination of integrated actions, areas of particularly high pressure in terms of

[33] Assumptions for calculation have been given in section 5.4.1 above

deforestation and degradation, strong environmental and social co-benefits, etc.) and the DRC would forego important opportunities should it choose not to support them.

150. **The DRC therefore wishes to retain the possibility of supporting particularly interesting projects located outside the three priority areas** identified. This is also related to concerns of geographical equity in terms of access to technical and financial support, particularly important to the government of the DRC.

151. **This mechanism will be managed like a Small Grants Program**. This program will be piloted at the national level and its management could be outsourced to a service company.

152. **This program will support innovative initiatives adapted to local needs and priorities, generating significant impacts in terms of social and environmental benefits, thus acting as a project incubator**. It will be open to both civil society and the private sector in all areas of activities relevant to the REDD+ (energy, forestry, agriculture, etc.), with lesser obligations in terms of financing taking into account the requirements in terms of innovation and co-benefits. A funding limit will be imposed on initiatives, which could vary depending on the type of actor involved.

153. **The FIP budget allocated to this program is USD 5 million, entirely as a grant**. Being unable to presume of the types of projects which will be selected under this program, it seems impossible at this stage to estimate the emission reductions and co-benefits expected.

154. T**he following tables summarize the various interventions proposed in the 3 priority areas for the FIP**, either through interventions targeting local communities and indigenous peoples or the private sector:

Intervention area	Characteristics of the area	Identification of priority activities
Kinshasa	- 1 huge urban center - Vast areas of degraded savannah with receding forest remnants - Limited area of forest-savannah mosaic	- Energy-efficient stoves & energy alternatives: +++ - Afforestation/Reforestation (agroforestry, assisted natural regeneration): +++ - Community Forestry + - Enabling activities (land tenure, land use planning, support to project development): +++
Kananga / Mbuji-Mayi	- 2 big urban centers (transition savannah/forest area) - Vast areas of savannah in the South with strongly receding forest remnants - Vast areas of forest in the North	- Energy-efficient stoves & energy alternatives: ++ - Afforestation/Reforestation (agroforestry, assisted natural regeneration): ++ - Community Forestry:++ - Enabling activities (land tenure, land use planning, support to project development): +++
Kisangani	- 1 relatively big urban center (but abundant wood resource) - Small enthropized areas around the town & along the roads - Very vast forest areas (Congo Basin dense rainforest)	- Energy-efficient stoves & energy alternatives: Ø - Afforestation/Reforestation (agroforestry, assisted natural regeneration): + - Community Forestry (incl. Management of old plantations) : +++ - Enabling activities (land tenure, land use planning, support to project development): +++

Legend (+): relevant, (++): very relevant, (+++): extremely relevant, Ø: not relevant

Figure 24: Main characteristics and proposed activities for each intervention area

5.5. Compliance with the objectives of the FIP

155. The table below shows the objectives of the FIP as described in the FIP design document and summarizes how the present FIP's investment Plan in DRC intends to comply with them.

FIP objectives	Relevant elements of the FIP's investment plan in DRC
Global objective: support funding to initiatives aiming at eliminating the causes of deforestation and forest degradation and at overcoming obstacles that have prevented this so far	FIP co-funding will in DRC pave the way for the entry of the REDD process into the investment phase, through integrated geographical programs where sectoral activities will be undertaken to address the direct causes of deforestation, in conjunction with enabling activities that participate in removing some barriers to investment (business support) and address some underlying causes of deforestation.
Initiate and facilitate measures aiming at transforming policies and practices related to forestry in developing countries	The integration of sectoral and enabling activities in defined areas should provide a significant transformative effect on activities linked to the forest sector. Sectoral activities can demonstrate the feasibility of productive projects, various models and tools. Enabling activities can initiate fundamental reforms at the national level as well as test transitional facilitation measures or mechanisms at the local level
Pilot replicable models so as to better understand the correlation between investment, policies and measures related to forests and viable emission reductions, conservation and sustainable management of forests as well as forest carbon stocks enhancement in developing countries	Selection of 3 areas that are strategic in terms of challenges and opportunities for REDD, through a multi-criteria matrix based on the FIP criteria. These priority areas should be different enough to represent a wide range of situations in the DRC
Facilitate the mobilization of new financial resources to the benefit of the REDD+ program, which will effectively and sustainably reduce deforestation and forest degradation, and thus improve the sustainable management of forests	Necessity to leverage from the private sector (loans from banks and MFI, investors' capital)
	Co-funding dynamic with MDBs and other donors and synergies with projects / programs that already exist or that are being designed
	More generally, creation of enabling conditions to stimulate investments from the national and international private sector
Provide useful feedback to the UNFCCC deliberations on REDD +	Feedbacks from DRC's experiences to UNFCCC shall be systematic, especially using the carbon and social & environmental monitoring and MRV systems and the public REDD+ registry and through DRC's REDD partners, the UN-REDD and FCPF programs.

6. Expected co-benefits from FIP investments

156. **In order to ensure that social as well as environmental co-benefits are realized,** the interventions selected for the FIP will focus on (i) employing "win-win" approaches that allow reducing emissions from deforestation and forest degradation and maintenance or enhancement of carbon stocks, while maximizing opportunities for economic development (creation of jobs and income generation from sustainable forest management or alternatives), (ii) developing alternatives that initiate a structural transition towards low carbon development, and (iii) improving land tenure security for local communities as well as potential private investors.

157. **The programs identified in a preliminary way in section two of this document have many potential social and environmental co-benefits.** These include, among others: the protection of water resources, biodiversity, forest resources used by local communities (medicinal plants, food, firewood), pollination processes, soil, as well as the creation of jobs, health improvement, etc

158. **The implementation of the activities included in the programs will generate many social and environmental co-benefits**. Quantified estimates will depend on the models used as well as budget allocations for the various activities, and of course especially on the actual projects that will emerge and be supported by the FIP. However, expected co-benefits from the various activities identified within each program may be summarized as follows:

Components	Direct co-benefits
Enabling activities	
Land Use Planning	E1, E6, S1, S3, S5, S7, B5, S6, B1
Tenure	E1, S1
Support to the development of projects	B2, B5
Sectoral activities	
Biomass energy	
Afforestation / Reforestation	E1, E5, E6, E7, S1, B1, B3
Assisted Natural Regeneration	E1, E2, E3, E4, E5, E6, S4, B1
Improved charcoal making (kilns)	E1, E7, B3
Energy-efficient stoves	E1, E7, E8, S2, B1, B2, B4
Energy alternatives	*E1, E7, S2, B1, B4*
Community Forestry	E1 , E2, S1, S3, S4, S5, S6
Others	
Total	

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				

Figure 25 : Different types of co-benefits generated by the FIP Investment Plan in DRC

Gender in the investment plan

159. **Strategies for implementing FIP activities are elaborated taking into account the themes related to Gender.** Each proposed activity may include aspects of equity among males, females and children regarding the tasks, roles, benefit sharing, improvement of economic conditions (income, expenditure), work, life, cohesion and social equity. These aspects will be taken into account thoroughly during the next phase of program design.

160. More specifically, activities related to agroforestry (A/R, ANR, some community forestry activities) implemented as part of the FIP may decrease the severity of working conditions for women, including firewood collection from plantations (dead wood, wastes) rather than from the secondary forests traditionally visited. Moreover, the distribution of tasks could be more easily harmonized in the context of agroforestry where women and men would perform well-framed and defined tasks (sowing of crops, plantation of seedlings, harvesting, cutting, etc.).

161. **Regarding measures to improve energy efficiency in kitchens** (energy-efficient stoves), health benefits for the family (including decreased carbon monoxide and carbon dioxide emissions) as well as savings from the energy budget contribute particularly to those most exposed in the household, namely women and children.

162. The use of biomass briquettes as well as new energy sources such as biogas save time for women and children from fuelwood collection, a strenuous task.

7. Implementation potential and evaluation of risks

7.1. Evaluation of risks

163. **The main environmental, social and economic risks** that the proposed interventions may present or face are presented in the table in *Appendix 6*. Suggestions of risk management measures are also proposed in order to guide the thinking process in the subsequent phase of defining the programs.

164. **A Strategic Environmental and Social Assessment (SESA)** is planned as part of DRC's REDD+ preparation process. This study aims firstly at (i) identifying opportunities for maximizing the positive social and environmental impacts and mitigating and/or compensating for adverse impacts from the implementation of REDD+, and secondly at (ii) establishing a framework for environmental and social management in the implementation of the national REDD+ strategy. The SESA will also carry out an analysis of DRC's Investment Plan for FIP, including all proposed activities (see TORs presented in *Appendix 7*).

165. **Risk management and institutional arrangements.** The institutional arrangements, the nature of management structures put in place, in combination with the principles and procedures defined in their operation manuals will reduce most of the risks identified. Indeed, the proposed institutional arrangements result from an analysis of the objectives and nature of the planned programs, and the environmental constraints and risks identified. Each element of the proposed institutional arrangements will initiate specific actions under its sphere of operation, role and responsibilities.

The Steering Committee and the Ministry will intervene when regulatory and legislative provisions are required. The REDD National Coordination or its equivalent will ensure consideration of the risks identified during the preparation of the Plan and programs, particularly the environmental and social risks. The risks and other concerns presented by the civil society, including the interests of local communities and their capacity building needs will be taken into account in the REDD+ strategy and the FIP. In practice, relations with government and civil society will be assigned to a suitable existing structure, namely the Ministry of environment's project management unit, which has a proven track record in this regard. The challenges posed by the intention of the FIP to engage with the private sector using complex financial arrangements, will be addressed by entrusting the management of relations with the private sector to an entity adapted to the private sector's specific needs and having the required skills in financial engineering. Specific functions and modus operandi are proposed for these management entities, which will be detailed in operational manuals and specific procedures in order to face anticipated challenges.

7.2. Implementation potential

166. **The project management unit (PMU)**. In DRC, the majority of projects funded by MDBs are implemented by conventional Project Management Units (PMU), supported as necessary by technical assistance (TA). It is an entity without legal status, akin to a government office with the benefits that this entails but without the constraints, operating with its own procedures, with contractors hired according to the procedures of the IFI financing the project and submitted to the financial supervision of the Ministry of Finance and the technical supervision of the relevant Sector Ministry. For activities related to the administration, civil society, NGOs and local communities - through grants, purchases of goods and services, the PMU supported by an appropriate TA is a suitable system. But it is not appropriate for some other aspects of the FIP.

167. **PMU weaknesses**. The FIP is an innovative program in terms of proposed activities and in the financial mechanisms required for mobilizing private sector resources and conducting complex financial arrangements. Moreover it proposes to engage with private sector organizations as operators and as recipients of funding. Under these conditions, the PMUs are not the most appropriate system. The AfDB managing the Congo Basin Forest Fund (CBFF) has been facing a similar problem recently and opted for the establishment of a "Financial Management Agency" through a service contract with a **"Multipurpose International Consulting Firm" (MICF)**, namely an international auditing and consulting firm.

168. **Development Finance Company (DFC)** For investments in support of national development and involving financial transactions like investment credit to the private sector and complex financial arrangements, the Development Finance Companies (DFC) seem the most appropriate channel. DRC had a success story in this area in the 1970s with an institution called Congolese Development Financing Company (SOCOFIDE), which became SOFIDE. It stopped its funding activities following the financial crises.

169. **The International Finance Corporation (IFC)** has followed the development of the FIP Investment Strategy with great interest. IFC will continue to let the World Bank take the lead in the coordination of FIP in DRC and will through the World Bank remain informed of progress. IFC will consider more active involvement in a particular FIP project or program in DRC, if and when conditions for such engagement become appropriate.

170. **Comparison of three systems.** The three management systems described above (PMU, MICF and DFC) have been compared given the principles and objectives of the FIP finance-wise as well as constraints and risks:

	PME types		
Criteria/required capacity	PMU	MICF	DFC
Credibility with the private sector	-	+	+
Grant management	+	+	+
Credit management	-	+	+
Assessment of the projects economic & financial viability	-	+	+
Assessment of the project developer technical & financial capacity	-	+	+
Technical assistance to the project developers	-	+	+
Financial engineering capability : co-funding, joint ventures & PPP management, financial instruments set up	-	+ (consulting)	+
National & international financial resources mobilization. Capacity to mobilize local & international banks	-	+ (consulting)	+
Skills in green banking : carbon markets know-how	-	+ (consulting)	+
FIP promotion, partnerships development	-	+ (consulting)	+
Technical skills : forestry, agroforestry, MRV, etc	-	+	+
Cross-cutting skills	-	+	+
Costs	+	-	+
Making result-based formula durable	-	-	+

Figure 26 : Comparison between 3 types of arrangements

171. **Management system options.** The above comparison leads to three options:

Proposition 1: *Two bodies are responsible for project management: a DFC, to be created, and the PMU, which already exists within the MECNT equipped with a TA (MECNT-Coordination Unit).*

- The DFC will be responsible for operations with the private sector: it would be a Public-Private Partnership (PPP) with a shareholding consisting of government, MDBs, local and international banks and financial institutions specializing in green banking, and civil society representatives. FIP funding allocated to the private sector can be used as equity, grants and loans according to agreed schemes.

-The MECNT-Coordination Unit will be responsible for operations with the administration, civil society, NGOs and microfinance institutions. A sub-unit with a separate account will be created for this purpose.

Proposition 2*: Two bodies are responsible for project management: A MICF assisted by a bank and the PMU which exists within the MECNT equipped with a TA (MECNT-Coordination Unit).*

The MICF will be responsible for operations with the private sector under a service contract. For some financial transactions a specialized bank could be selected.

-The MECNT-Coordination Unit will be responsible for operations with the administration, the civil society, NGOs and microfinance institutions. A sub-unit with a separate account will be created for this purpose.

Proposal 3*: A single body is responsible for the overall management of the project: the MECNT-Coordination Unit.*

In this case we must provide assistance by two entities: (i) a MICF to provide the required TA to the MECNT Coordination Unit and to deal with the transactions with the private sector (ii) a specialized bank for some financial transactions.

172. **Favored option**. At present the option favored by the DRC is the first one: a combination of a PMU with a DFC

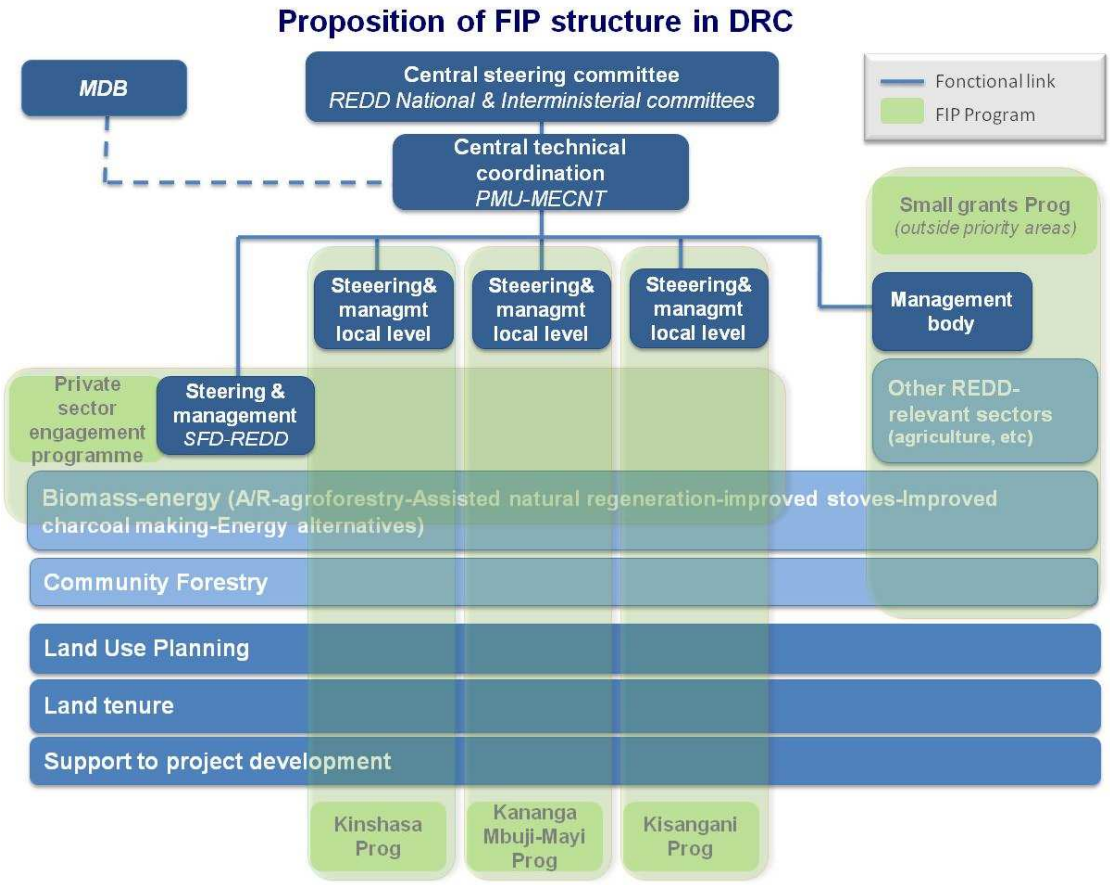


Figure 27 : Institutional arrangement proposed for the FIP in DRC

173. The bodies of the proposed institutional arrangements are as follows:

The FIP national steering committee*'s role* will be carried out by the National REDD Committee, which is the decision-making body for REDD in DRC, so as not to duplicate structures. This committee will assume the role of guidance and program oversight. It will guide, support and advise the FIP implementation bodies. It will ensure a close link between the national REDD+ preparation process and FIP activities. It will review and approve annual work plans and review technical, financial and performance audits. It will ensure the coordination between the FIP and relevant national sectoral programs and related ODA. It will decide on the need for adaptations of the legal and regulatory framework as required. It will also monitor the activities of the provincial steering committees. Its role and responsibilities regarding the FIP will be clearly defined in the FIP operations manual.

The provincial steering committees. The provincial authorities will be involved in the preparation and implementation of FIP in their provinces. For this purpose, a steering committee will be created for each of the three priority areas of intervention. These committees will include, for example, ministers in charge of the sectors relevant to the FIP, the representative of the MECNT-PMU in the provinces, a representative of civil society and one from the private sector and the provincial REDD coordinators. Their role and responsibilities will be similar to that of the national steering committee, except for a closer monitoring of field activities.

The MECNT Project Management Unit (MECNT-PMU). The MECNT-PMU role and responsibilities will be specified in the FIP operations manual and may include the following duties:

- Initiate and coordinate all activities of the three geographic programs related to the administration, civil society and particularly the NGOs involved in the implementation of some activities and those representing the local communities and indigenous peoples.
- In collaboration with the MDBs involved, design the geographic programs according to the agreed procedures and prepare annual workplans to be submitted to the Steering Committee, as well as budgets and procurement plans according to the MDB procedures
- Provide the overall coordination of all activities in each geographic program in close collaboration with provincial branches.
- Take responsibility for the procurement of goods and services required and monitor implementation.
- Design and implement a risk management strategy.
- Design and implement a strategy for resource mobilization.
- Manage grant attribution (though the small-grants program may be managed by a MICF): identify and evaluate projects and their developers, write grant contracts and manage them.
- Monitor & Evaluate FIP activities in close collaboration with the National REDD Coordination or its equivalent.
- Disseminate and communicate results of the FIP at the local, regional, national and international levels and ensure that all information is available in the national REDD+ registry.
- Provide an interface with the MDBs

The MECNT-PMU regional branches. While the steering committee will only meet periodically it will be necessary to ensure a permanent presence on the ground to liaise with the implementing bodies of the FIP, local authorities and civil society. The local offices will also ensure close monitoring of the daily performance of the FIP.

The REDD-Development Finance Company (REDD-DFC). The REDD-DFC will be responsible for all activities related to the private sector and for all complex financial arrangements. The DFC will form a Public-Private Partnership involving the private sector, government, civil society and the BMDs. With the legal status of a private company, the partners will be represented on the

board. Its role and responsibilities, as well as special arrangements, will be clearly set out in a legal agreement with the government and an operations manual complying with the FIP and the national REDD+ process objectives and procedures.
Its core duties are as follows:

a) Design and implement a promotion strategy for the FIP and the REDD+ national strategy targeting:
   - National and international private sector: companies, financial institutions, private investors;
   - ODA providers;
   - Foundations and specialized NGOs;
b) Design and implement a fund mobilization strategy targeting:
   - National and international private sector: companies, financial institutions, private investors;
   - ODA providers;
   - Foundations and specialized NGOs;
c) Propose funding using various financial arrangements composed of:
   - grants ;
   - Long- and medium-term loans
   - temporary participations
   - co-founding as PPP and joint-ventures
   - complex and structured funding vehicles
   - carbon finance opportunities

A management body for the small grant programs, as the management of such program can be particularly burdensome and requires adequate monitoring and support. The management of this program could be outsourced to a service company (MICF, mentioned above)

174. **The collection and centralization of experiences and lessons learned *(Information Sharing and Lessons Learned – ISL)*** will be ensured through the projects and programs monitoring mechanism. Centralization and sharing of information will be provided partly through the open web-based national REDD+ registry (see presentation in section 1-2), and partly through workshops and their reports. Close links will be ensured in this area with the UN-REDD and FCPF programs that have similar learning objectives as well as with the Global Environment Facility REDD+ regional project managed by the World Bank. The Central African Forests Commission (COMIFAC), to which DRC belongs, will be a key partner in sharing information and experiences with other Central African countries. The budget for M&E and ISL has been included in the central management and coordination budget of the FIP, itself divided between the various programs.

8. Plan and financing instruments

175. **The funding strategy** will include three main elements: (i) a strategy for promoting the FIP and REDD+ in DRC to potential funding sources and the private sector in DRC (ii) a strategy for mobilizing funding from funding sources; (iii) financial instruments combining several funding modalities.

176. **Promotion strategy.** Given the characteristics of the context, constraints and risks identified, a promotion strategy for the FIP and the REDD+, well funded and effective, must be planned for the two entities responsible for program management. To ensure the involvement of civil society and local communities, the consultations and communication started in the direction of these key partners will be continued. Regarding private sector it shall be necessary to define the sectors and types of projects to be promoted, according to the private sector's areas of interest. Various project templates and business plans should be developed: for some investors the financial viability must be demonstrated while for others projects must comply with their social and environmental corporate responsibility policy or allow them to offset their carbon footprint. In many cases, the communication potential that

the investment may present will be an important factor in their evaluation. A national forum targeting the national and international private sector involvement in REDD+ and FIP will be organized around October 2011. A more detailed discussion on engaging with the private sector is included in *Appendix 8*.

177. **Resource mobilization strategy.** During the promotion of FIP and REDD+, presentations of project templates will have been developed in order to better target private investors and financial institutions that could provide financial resources

178. The potential funding sources are:

Main sources of investment / ***contributions*** (***equity)***

- Banks: local and international
- Development Finance Companies: IFC, BEI, etc
- Specialized funds such as the FIP
- Pension funds: more and more devote a percentage of their portfolios to social and environmental related investments
- Sovereign funds: show an interest in the formulas with an agricultural component
- Businesses: increasing trend of SRI (Socially Responsible Investments), often related to their communication strategy
- Banks specializing in "ethical" investments
- Groups specializing in managing alternative, diversified funds
- Forestry and agroforestry Funds: Invest in Canada, USA, Australia, but also in Malaysia, Thailand, Guyana and Latin America. Often rely on more or less standardized models, including income from timber, agricultural products and carbon credits.
- Investment Fund for Agriculture in Africa (IAAF).
- Risk capital such as “Venture capital” including the VC4S: Venture Capital for Sustainability: a type of Venture Capital which has sustainability goals in addition to the profit motive.
- HHNVI (High net value individuals= Wealthy individuals).
- Financial institutions specialized in carbon finance.
- Private foundations interested in the protection of forests;
- Private companies wishing to develop communication activities based on forest protection;
- New products to be created, like “green bonds” with guarantees and a first class rating

Main loan providers (debt)

- Banks: local and international
- Development Finance Companies: IFC, BEI, etc
- Specialized funds such as the FIP
- ODA suppliers: IFIs, MDBs, bilateral donors
- Businesses (CSR: Corporate Social Responsibility)

179. The main potential funding instruments are

- Direct subsidies
- Direct long-term loans
- Establishment of credit lines and guarantee funds for banks
- Direct contributions
- Intermediation of grants, loans and participations by foreign organizations
- Combined financing (portfolio financing)
- Various funding modes related to carbon finance
- Combination of various instruments

180. **Implementation of the instruments.** The implementation of these instruments may vary depending on the nature of the project and the developer:

Type of project developer	Modalities
Private business	All financing instruments and combinations are possible. The DFC will have the capacity to implement them directly or through some local banks if the capacity assessment and due-diligence are satisfactory. Possibility to activate the carbon finance lever
International NGOs	Grant will be the most common instrument. In some cases if the type of project is included in the project portfolio or in planned projects, grant co-financing + contribution from the NGOs can be considered. Most large NGOs are prohibited from taking loans. Opportunities to activate the carbon finance lever
Local NGOs	Grants will also be the most common instrument. Co-financing will be exceptional, but contributions in kind may be accepted. Intermediation can be done by a large NGO specialized in working in rural areas
Local communities	Contributions in kind are possible: work, materials, and products. The implementation will be supervised by NGOs specializing in rural development.

181. **The availability of these various potential funding sources** will depend on the nature of the institution proposing to raise them:

Administration or PMU:
- Co-financing with existing funds on some existing REDD+ projects that meet the FIP criteria: (CARPE), CBFF, EU, etc.
- Mobilization of ODA from the MDBs, bilateral donors and other public funds

Private sector:
- Finance MDBs: IFC, BEI, AfDB / private sector desk,
- National and international banks,
- Institutions specialized in carbon finance,
- Investment funds, sovereign funds, companies, individuals

182. **Types of co-financing**. The propositions of financial instruments used in the FIP (grants and concessional loans) and the requirements of co-financing (grants from the MDBs, donors or dedicated grant mechanism for local communities and indigenous peoples, but also private investment) could follow the model below:

	Local communities and indigenous peoples	Private sector
Enabling activities	75 to 100% FIP grant 0 to 25% grant cofinancings (MDB, donors, NGO, dedicated grant mecanism, etc)	
Sectoral Activities *Biomass-energy*	75% FIP grant 25% grant cofinancing (MDB, donors, NGO, dedicated grant mecanism, etc)	50% FIP (25% grant, 25% loan) 50% investment(25% perso, 25% others)
Sectoral Activities C*ommunity Forestry*	- 75 to 100% FIP grant - 0 to 25% grant cofinancings (MDB, donors, NGO, dedicated grant mecanism, etc)	-

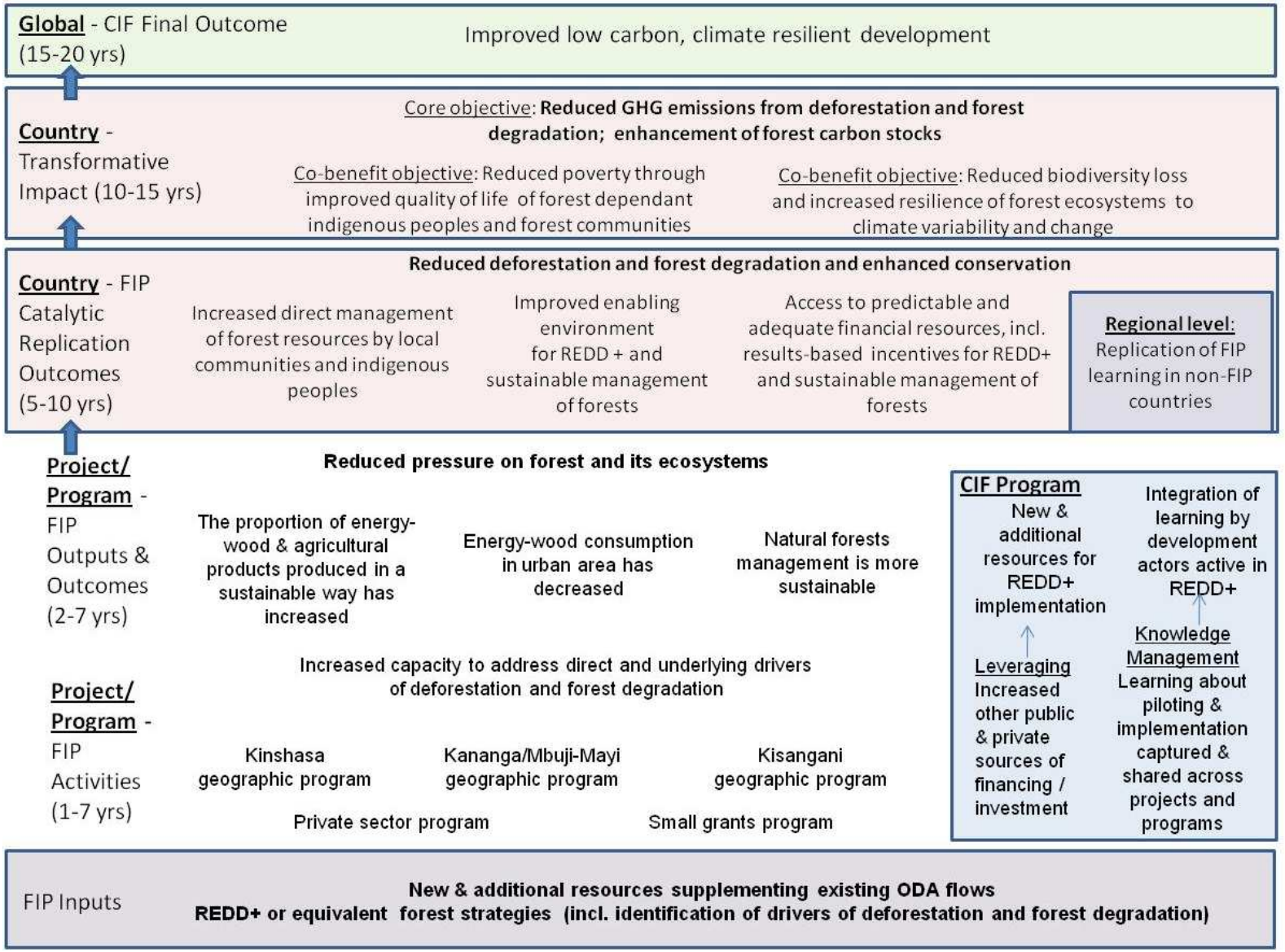
Figure 28 : Preliminary proposition of categorization of co-financing requested in the FIP

9. Preliminary result framework

Results	Indicators	Baseline	Targets	Data source
D1 The proportion of woodfuels & agricultural products produced in a sustainable way has increased	a) Nb of ha of afforestation/reforestation (forestry/agroforestry models) planted (Local communities & indigenous peoples/private sector b) Nb of tons CO_{2eq} sequestrated c) Total amount of private sector investment mobilized d) Nb of investors/projects from private sector set up e) Nb of tons of charcoal produced from the plantations f) Nb of artisanal charcoal producers that received training/adopted improved traditional charcoal making techniques g) Nb of modern kilns set up (private sector) h) Nb of tons charcoal produced from modern kilns i) Nb of ha of savannah where property rights have been clarified j) Nb of ha of savannah where micro-zoning was done/simple management plans developed j) Quantity (tons) of agricultural products produced in a sustainable way for self-consumption/supply of cities k) Nb of local jobs created in alternative to slash & burn agriculture		To be defined during the second phase of program design	Programs monitoring system (reports) National monitoring/MRV systems
D2 : Woodfuel consumption in urban area has decreased	a) Estimate of the nb of tons of charcoal saved by energy-efficient stoves/energy alternatives b) Nb of energy-efficient stoves produced/sold c) % use of energy-efficient stoves d) Nb of biogas digesters set up (for each type) e) Nb of tons of biomass briquettes produced/sold (tons eq charcoal)		To be defined during the second phase of program design	Programs monitoring system (reports) National monitoring/MRV systems

D3 : Natural forests management is more sustainable	a) Nb titles/area of local communities concessions granted b) Nb of people (men/women/children ; local communities/indigenous peoples) involved in community forestry c) % deforestation & degradation in/around local communities concessions (in comparison with a wider or similar reference area) d) Nb of small & medium enterprises set up by local communities & indigenous peoples e) Nb of m³ of bois produced by local communities & indigenous peoples following sustainable management practices		To be defined during the second phase of program design	Programs monitoring system (reports) National monitoring/MRV systems

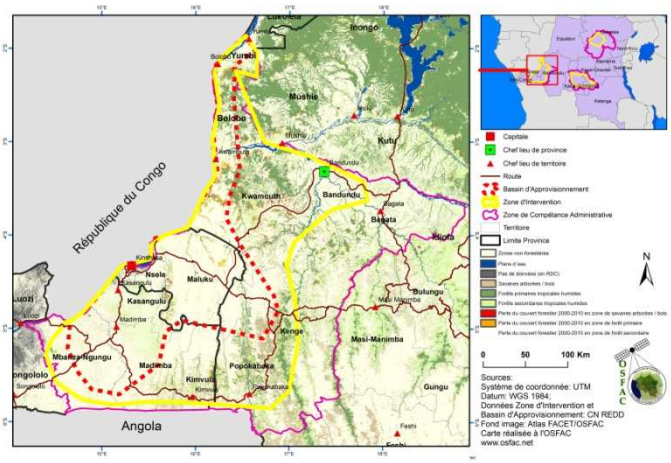
Logic model


Global - CIF Final Outcome (15-20 yrs)
Improved low carbon, climate resilient development
Country - Transformative Impact (10-15 yrs)
Core objective: Reduced GHG emissions from deforestation and forest degradation; enhancement of forest carbon stocks
Co-benefit objective: Reduced poverty through improved quality of life of forest dependant indigenous peoples and forest communities
Co-benefit objective: Reduced biodiversity loss and increased resilience of forest ecosystems to climate variability and change
Country - FIP Catalytic Replication Outcomes (5-10 yrs)
Reduced deforestation and forest degradation and enhanced conservation
Increased direct management of forest resources by local communities and indigenous peoples
Improved enabling environment for REDD + and sustainable management of forests
Access to predictable and adequate financial resources, incl. results-based incentives for REDD+ and sustainable management of forests
Regional level: Replication of FIP learning in non-FIP countries
Project/ Program - FIP Outputs & Outcomes (2-7 yrs)
Reduced pressure on forest and its ecosystems
The proportion of energy-wood & agricultural products produced in a sustainable way has increased
Energy-wood consumption in urban area has decreased
Natural forests management is more sustainable
Project/ Program - FIP Activities (1-7 yrs)
Increased capacity to address direct and underlying drivers of deforestation and forest degradation
Kinshasa geographic program
Kananga/Mbuji-Mayi geographic program
Kisangani geographic program
Private sector program
Small grants program
CIF Program
New & additional resources for REDD+ implementation
Integration of learning by development actors active in REDD+
Leveraging Increased other public & private sources of financing / investment
Knowledge Management Learning about piloting & implementation captured & shared across projects and programs
FIP Inputs
New & additional resources supplementing existing ODA flows
REDD+ or equivalent forest strategies (incl. identification of drivers of deforestation and forest degradation)

Appendix 1: Proposed programs

See the following page

Program 1 (geographic): Kinshasa supply area



Approximate delineation of the Kinshasa supply area and proposed intervention zone

1. MDBs and Public institutions involved

MDBs and public institutions involved in the FIP Program	
MDB	World Bank
Public Institutions	National REDD Committee Ministry of Environment, Nature Conservation & Tourism Ministry of Decentralization & Land Use Planning Ministry of Land Affairs Ministry of Energy Ministry of Agriculture Ministry of Rural Development

2. Issue

The city of Kinshasa alone has nearly 8 million people out of a total 65 million in the DRC, and as such represents a major consumption center in the DRC, namely for fuelwood and agricultural products. Currently the supply of wood energy in Kinshasa is not sustainable and the deforestation belt around Kinshasa continues to grow alarmingly. Without ambitious intervention, the environment will continue to deteriorate, plunging both producers and consumers in ever-increasing vulnerability. The annual deforestation rate in the intervention area is well above the national average[34], confirming the importance of intervention in this area.

The characteristics of the area and selected activities for this Investment Plan, as well as proposals for action are the following:

Intervention area	Characteristics of the area	Identification of priority activities
Kinshasa	- 1 huge urban center - Vast areas of degraded savannah with receding forest remnants - Limited area of forest-savannah mosaic	- Energy-efficient stoves & energy alternatives: +++ - Afforestation/Reforestation (agroforestry, assisted natural regeneration): +++ - Community Forestry + - Enabling activities (land tenure, land use planning, support to project development): +++

Legend (+): relevant, (++): very relevant, (+++): extremely relevant, Ø: not relevant

[34] 2000-2010: 0.70%. Calculated using the "Forest cover and loss in the Democratic Republic of Congo from 2000 to 2010" (FACET) from the *Observatoire Satellital des Forêts d'Afrique Centrale* (OSFAC, 2010).

3. Transformational Impact and proposed co-benefits

As approved by the joint mission of February 2011, the transformational effect sought by the FIP will result in the DRC from the combination of enabling and sectoral activities within a specific geographical area. The proposed enabling activities (land use planning, land tenure) at the national level aim to launch far-reaching reforms that will last over several years, thereby initiating a comprehensive transformation of the DRC context.

Related benefits generated by the program are:

Components	Direct cobenefits
Enabling activities	
Land Use Planning	E1, E6, S1, S3, S5, S7, B5, S6, B1
Tenure	E1, S1
Support to the development of projects	B2, B5
Sectoral activities	
Biomass energy	
Afforestation / Reforestation	E1, E5, E6, E7, S1, B1, B3
Assisted Natural Regeneration	E1, E2, E3, E4, E5, E6, S4, B1
Improved charcoal making (kilns)	E1, E7, B3
Energy-efficient stoves	E1, E7, E8, S2, B1, B2, B4
Energy alternatives	*E1, E7, S2, B1, B4*
Community Forestry	E1 , E2, S1, S3, S4, S5, S6
Others	
Total	

Cobenefits					
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 the energy bill
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				

The collection and centralization of experiences and lessons learned *(Information Sharing and Lessons Learned – ISL)* will be ensured through the projects and programs monitoring mechanism. Centralization and sharing of information will be provided partly through the open web-based national REDD+ registry (see presentation in section 1-2), and partly through workshops and their reports. Close links will be ensured in this area with the UN-REDD and FCPF programs that have similar learning objectives as well as with the Global Environment Facility REDD+ regional project managed by the World Bank. The Central African Forests Commission (COMIFAC), to which DRC belongs, will be a key partner in sharing information and experiences with other Central African countries. The budget for M&E and ISL has been included in the central management and coordination budget of the FIP, itself divided between the various programs.

4. Preparation of the program

The preparation of the program will be conducted in a very participatory way, inter alia through the Thematic Coordination Groups (TCG), which bring together the various stakeholders (government, civil society, research institutions, etc.) in small working groups, tasked with engaging in more in-depth discussions over an 18-month period, about the potential contribution of an activity sector or a thematic area to the REDD+. 11 TCG can cover the scope of enabling and sectoral activities relevant to this program; they have been mobilized on the FIP since April 2011. These thematic and multi-actor reflections will be complemented by extensive consultations in the areas of intervention as well as workshops and working sessions with various authorities and relevant actors.

5. Potential national and international partners

Several national and international partners will be involved in the preparation and implementation of this program.

Intervention area: KINSHASA	Relevant Projects/Programs with which synergies can be achieved in the intervention zone	Relevant Projects/Programs outside the intervention zone
Provinces : Kinshasa, Bas-Congo, Bandundu **Territories :** Mbanza-Ngungu, Bolobo, Yumbi, Kimvula, Madimba, Kasangulu, Kenge, Bagata, Kwamouth (& communes in Kinshasa)	- FNCP (Agriculture, Fisheries and Forestry, Law, Justice and Public Administration), $70M - REDD Pilot Project Agroforestry South Kwamouth, $ 2.5M - Makala Project (Sustainable wood energy resource in the DRC) 3M € - Support to seed sector (agriculture, 5M € - Grant for the Protection of Forests Japan 2011-2012 (MRV, capacity building and three MECNT provincial coordination), $ 11 million - CARPE (environment), $ 80 million - Project to support agricultural production, processing and marketing in DRC, 32.5 million - Support Programme for the Conservation of Congo Basin Ecosystem (PACEBCo),improvement of living conditions of local communities while ensuring the rational exploitation of biological resources, $ 50M	- FORCOL Community Forestry, 7.6M€ - FORCOM Community Forestry, 2.7M€

6. Justification of FIP funding

FIP Criteria	Justification
Climate Change Mitigation Potential	-Sectoral Activities selected (Afforestation / Reforestation, including agroforestry and assisted natural regeneration, improved charcoal making techniques, improved housing, alternative energy and community forestry) to directly target the main drivers of deforestation in the DRC, especially the supply of wood-energy (but also agriculture and timber production scale) - Enabling activities selected (land use planning, land tenure reform) to create the right environment for the successful implementation of sectoral activities, with on one hand the launching of a long-term national transformational dynamic and on the other hand local measures for direct support to the implementation of projects and securing investment.
Suitability for potential large scale-up	-- Intervention Zone representative of a significant portion of national territory - Proposed activities adaptable to many contexts - Development of techniques and methodologies appropriate to the context of the DRC and capacity building of stakeholders for their subsequent deployment in other areas of the country - Support innovative intervention in all relevant areas for REDD + and the entire national territory through a small grants program
Economic efficiency	- Cost per ton CO2 (FIP budget only): $ 6.3 / t - Cost per ton CO2 (FIP Budget + expected Co-financing): $ 8.6 / t
Likelihood of success (feasibility)	-- Support for economically viable projects (especially with the private sector) - Existence of a large market (large urban center) and communication routes are in an acceptable condition -- Implementation of Enabling Activities (land us planning and land tenure) in preparation and support for projects to create favorable conditions and secure investment
Integration of sustainable development (co-benefits)	-Selected activities for involving the private sector both nationally and internationally that local communities and indigenous peoples, and to create jobs, improve and diversify income, secure rights, reduce household spending, improve health and security, etc. - Reducing emissions and increase removals of greenhouse gas emissions, protecting biodiversity through reduced pressure on resources and their sustainable management.
Safeguards	- Risk identification and proposed mechanisms for managing risks deepening during the program definition - Integration of FIP in the TOR of the Strategic Environmental and Social Assessment (SESA) starting in about two months - Monitoring of safeguard policies of the MDBs and other relevant policies (see Section 6 below)

7. Safeguard Measures

A Strategic Environmental and Social Assessment (SESA) is planned as part of DRC's REDD+ preparation process. This study aims firstly at (i) identifying opportunities for maximizing the positive social and environmental impacts and mitigating and/or compensating for adverse impacts from the implementation of REDD+, and secondly at (ii) establishing a framework for environmental and social management in the implementation of the national REDD+ strategy. The SESA will also carry out ananalysis of DRC's Investment Plan for FIP, including all proposed activities.

In general, REDD+ initiatives will have to comply with i) laws and regulations of the country, (ii) policies and procedures of fiduciary agencies (under the FIP, it will be the World Bank and the African Development Bank's policies and procedures) (iii) The requirements of the UN system in particular the guidelines of UN-REDD Program and the guidelines of the UNDG on Indigenous Peoples (iv) REDD+ safeguards under the UNFCCC as agreed in Cancun (COP 16, LCA Decision, Annex 1, Paragraph 2), and (v) DRC's international commitments including the Convention on Biological Diversity, the UN Declaration on the Rights of Indigenous Peoples.

Regarding REDD+ projects, differing from the broader category of REDD+ initiatives in that they aim to generate "emission reductions/removals" for the voluntary market and/or carbon funds, a specific REDD+ approval process is under development. This regulatory framework for approval of REDD+ project must promote transparency, synergies and learning in the implementation of REDD+.
A registry of REDD+ projects and initiatives in DRC is also being developed to support this approval procedure and to monitor the performance of these projects. It will be accessible to all on the internet from September 2011; a pilot version developed by the REDD National Coordination with the assistance of the computing services of the Observatory for the Forests of Central Africa (OFAC) was actually presented at the COP16 in Cancun. This registry will become a dynamic tool by which the administration can track investments in REDD+ projects and their social and environmental impacts on a regular basis. This registry will also ensure transparency and sharing of data generated by the projects, and allow for monitoring and verification by all stakeholders. (See Section 1.2)

A mechanism for conflict resolution, grievance and appeals will be established. Information concerning the existence and terms of this mechanism will be widely disseminated, including potential plaintive. The Moabi system developed by WWF and implemented by OSFAC could be a part of this mechanism. Moabi is indeed an online tool that combines the principles of social networking with mapping, allowing for tracking and sharing of spatial information through a community of users ranging from local civil society organizations to foreign organization, working together to improve the transparency of the planning process and promote a sustainable use of resources in critical ecosystems.

8. Funding Plan

PROGRAM	FIP Budget (MUSD)	Grant share (MUSD)	Credit share (MUSD)	% FIP budget	Cofinancing Budget (MUSD)	Total investment	Emissions reductions (MtCO2e)	FIP Carbon price (USD/tCO2e)	Total Carbon price (USD/tCO2e)
Kinshasa	14,0	14,0	0	23%	5,1	19,1	2,2	6,3	8,6

9. Program preparation schedule

Stage	steps	Date
Preparation	Reflection inside the TCG and consultations with stakeholders	July –December 2011
	Preliminary program drafting	September-December 2011
Evaluation	Evaluation Mission	December 2011
Refining	Final drafting	December 2011 to April 2012
Approbation	Submission to National REDD Committee	April 2012

10. Grant request for program preparation

FOREST INVESTMENT PROGRAM **Project/Program Preparation Grant Request**[35]			
1. **Country/Region**:	Democratic Republic of Congo/ Africa	2. **CIF Project ID#**:	(Trustee will assign ID)
3. **Project Name:**	*DRCongo, Forest Investment Program, Investment Plan,* "Addressing Deforestation and Degradation in the Kinshasa supply area"		
4. **Tentative FIP Funding Request (in USD million total) for Project**[36] **at the time of Investment Plan submission (concept stage):**:	*Loan:*	*Grant:* ***USD 14 million***	
5. **Preparation Grant Request (in USD):**	*300 000*	*MDB: The World Bank*	
6. **National Project Focal Point**:	*Victor Kabengele – (abckab@gmail.com)* *Ministry of Environment, Nature Conservation and Tourism*		
7. **National Implementing Agency (project/program):**	*Ministry of Environment, Nature Conservation and Tourism*		
8. **MDB FIP Focal Point and Project/Program Task Team Leader (TTL)**:	*Headquarters-FIP Focal Point:* **Gerhard DIETERLE** Forests Adviser, FIP Focal Point World Bank gdieterle@worldbank.org	*TTL:* **Simon RIETBERGEN** Sr. Forestry Specialist srietbergen@worldbank.org	
9. **Description of activities covered by the preparation grant:** - "Human resources and material" including all activities aiming at addressing permanent consultants, temporary expert (technical, financial, strategy experts) and equipment needs. Those needs are required for building strategies, investigate particular maters, provide technology support, all together in the view of smoothing and reinforcing dynamic processes ; - "Capacity building" for staff in charge of Program preparation and for both support officials and partners as well, through training, workshops, seminars, field visits and experimentation (organization, attending,…) ; - "Global management" through administrative and operational activities (travel, transportation, office maintenance, operations,…)			

[35] A separate template needs to be presented for each project and program preparation grant request listed in the Investment Plan.

[36] Including the preparation grant request.

10. **Outputs:**	
Deliverable	**Timeline**
(a) Programme notes	November 2011
(b)	
…	

11. **Budget (indicative):**	
Expenditures[37]	**Amount (USD) -** estimates
Consultants	100 000
Equipment	50 000
Workshops/seminars	50 000
Travel/transportation	50 000
Others (admin costs/operational costs)	50 000
Contingencies (max. 10%)	
Total Cost	**300 000 USD**
Other contributions:	
• Government	
• MDB	
• Private Sector	
• Others (please specify)	

12. **Timeframe** (tentative)

Submission of pre-appraisal document for FIP Sub-Committee Approval: *October 30, 2011*
Expected Board/MDB Management[38] approval date: *November 30, 2012*

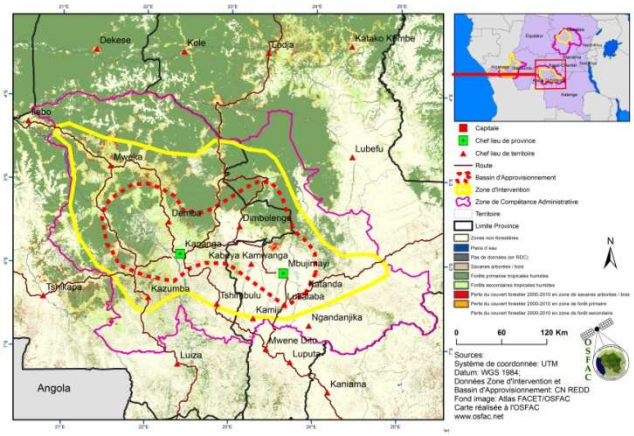
13. **Other Partners involved in project design and implementation**[39]:
Ministry of Energy, Ministry of Land, Ministry of Decentralization and Territory Management, Ministry of Rural Development, USAID, European Commission, GTCR (National Working Group on Climate and REDD), DGPA and LYNAPICO (local Indigenous Peoples organizations).

14. **If applicable, explanation for why the grant is MDB executed:**

15. **Implementation Arrangements** (incl. procurement of goods and services)**:**

[37] These expenditure categories may be adjusted during project preparation according to emerging needs.
[38] In some cases activities will not require MDB Board approval
[39] Other local, national and international partners expected to be involved in design and implementation of the project.

Program 2 (geographic): Kananga & Mbuji-Mayi supply area



Approximate delineation of Kananga and Mbuji-Mayi supply area and proposed intervention zone

1. MDBs and public institutions involved

MDBs and Public institutions involved in the FIP Program	
MDBs	African Development Bank
Public institutions	National REDD Committee Ministry of Environment, Nature Conservation & Tourism Ministry of Decentralization & Land Use Planning Ministry of Land Affairs Ministry of Energy Ministry of Agriculture Ministry of Rural Development

2. Issue

The cities of Kananga and Mbuji-Mayi are both amongst the DRC's 10 largest cities, and as such represents a major consumption center in the DRC, namely for fuelwood and agricultural products. Currently the supply of wood energy and agricultural crops in this supply area of these cities is not sustainable and the deforestation belt around Kananga and Mbuji-Mayi continues to grow alarmingly. Without ambitious intervention, the environment will continue to deteriorate, plunging both producers and consumers in ever-increasing vulnerability. The annual deforestation rate in the intervention area is well above the national average[40] , confirming the importance of intervention in this area.

The characteristics of the area and selected activities for this Investment Plan, as well as proposals for action are the following:

Intervention area	Characteristics of the area	Definition of the priority activities
Kananga / Mbuji-Mayi	- 2 big urban centers (transition savannah/forest area) - Vast areas of savannah in the South with strongly receding forest remnants - Vast areas of forest in the North	- Energy-efficient stoves & energy alternatives: ++ - Afforestation/Reforestation (agroforestry, assisted natural regeneration): ++ - Community Forestry:++ - Enabling activities (land tenure, land use planning, support to project development): +++

Legend (+): relevant, (++): very relevant, (+++): extremely relevant, ∅: not relevant

[40] 2000-2010: 0.70%. Calculated using the "Forest cover and loss in the Democratic Republic of Congo from 2000 to 2010" (FACET) from the Observatoire Satellital des Forêts d'Afrique Centrale (OSFAC, 2010).

3. Transformational Impact and proposed co-benefits

As approved by the joint mission of February 2011, the transformational effect sought by the FIP will result in the DRC from the combination of enabling and sectoral activities within a specific geographical area. The proposed enabling activities (land use planning, land tenure) at the national level aim to launch far-reaching reforms that will last over several years, thereby initiating a comprehensive transformation of the DRC context.

Related benefits generated by the program are:

Components	Direct cobenefits
Enabling activities	
Land Use Planning	E1, E6, S1, S3, S5, S7, B5, S6, B1
Tenure	E1, S1
Support to the development of projects	B2, B5
Sectoral activities	
Biomass energy	
Afforestation / Reforestation	E1, E5, E6, E7, S1, B1, B3
Assisted Natural Regeneration	E1, E2, E3, E4, E5, E6, S4, B1
Improved charcoal making (kilns)	E1, E7, B3
Energy-efficient stoves	E1, E7, E8, S2, B1, B2, B4
Energy alternatives	*E1, E7, S2, B1, B4*
Community Forestry	E1 , E2, S1, S3, S4, S5, S6
Others	
Total	

Cobenefits					
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 the energy bill
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				

The collection and centralization of experiences and lessons learned *(Information Sharing and Lessons Learned – ISL)* will be ensured through the projects and programs monitoring mechanism. Centralization and sharing of information will be provided partly through the open web-based national REDD+ registry (see presentation in section 1-2), and partly through workshops and their reports. Close links will be ensured in this area with the UN-REDD and FCPF programs that have similar learning objectives as well as with the Global Environment Facility REDD+ regional project managed by the World Bank. The Central African Forests Commission (COMIFAC), to which DRC belongs, will be a key partner in sharing information and experiences with other Central African countries. The budget for M&E and ISL has been included in the central management and coordination budget of the FIP, itself divided between the various programs.

4. Preparation of the program

The preparation of the program will be conducted in a very participatory way, inter alia through the Thematic Coordination Groups (TCG), which bring together the various stakeholders (government, civil society, research institutions, etc.) in small working groups, tasked with engaging in more in-depth discussions over an 18-month period, about the potential contribution of an activity sector or a thematic area to the REDD+. 11 TCG can cover the scope of enabling and sectoral activities relevant to this program; they have been mobilized on the FIP since April 2011. These thematic and multi-actor reflections will be complemented by extensive consultations in the areas of intervention as well as workshops and working sessions with various authorities and relevant actors.

5. Potential national and international partners

Several national and international partners will be involved in the preparation and implementation of this program.

Intervention area: KANANGA & MBUJI MAYI	Relevant Projects/Programs with which synergies can be achieved in the intervention zone	Relevant Projects/Programs outside the intervention zone
Provinces : KASAI oriental, occidental **Territories :** Kabeya-Kamwanga, Kamiji, Lusambo, Dimbelenge, Miabi, Kazumba, Demba, Luebo, Mweka, Lupatapata, Dibaya, Katanda, Tshilenge, Kabinda, Ngandajika	- PRESAR: Rehabilitation of agricultural and rural sectors (food security, rural infrastructure), 35 M - Support to seed sector, Belgium, (Agriculture), 5.03 M € - Support Project for Development Initiatives, Community, 5 M € - Support Programme for the Conservation of Congo Basin Ecosystem (PACEBCo), improvement of living conditions of local communities while ensuring the rational exploitation of biological resources, $ 50M	- FORCOL community forestry, 7.6 M€ - FORCOM community forestry, 2.7 M€

6. Justification of FIP funding

FIP Criteria	Justification
Climate Change Mitigation Potential	-Sectoral Activities selected (Afforestation / Reforestation, including agroforestry and assisted natural regeneration, improved charcoal making techniques, improved housing, alternative energy and community forestry) to directly target the main drivers of deforestation in the DRC, especially the supply of wood-energy (but also agriculture and timber production scale) - Enabling activities selected (land use planning, land tenure reform) to create the right environment for the successful implementation of sectoral activities, with on one hand the launching of a long-term national transformational dynamic and on the other hand local measures for direct support to the implementation of projects and securing investment.
Suitability for potential large scale-up	-- Intervention Zone representative of a significant portion of national territory - Proposed activities adaptable to many contexts - Development of techniques and methodologies appropriate to the context of the DRC and capacity building of stakeholders for their subsequent deployment in other areas of the country - Support innovative intervention in all relevant areas for REDD + and the entire national territory through a small grants program
Economic efficiency	-- Cost per tonne CO2 (FIP budget only): $ 3.1 / t - Cost per tonne CO2 (FIP Budget + expected Co-financing): $ 4.6 / t
Likelihood of success (feasibility)	-- Support for economically viable projects (especially with the private sector) - Existence of a large market (large urban center) and communication routes are in an acceptable condition -- Implementation of Enabling Activities (land us planning and land tenure) in preparation and support for projects to create favorable conditions and secure investment
Integration of sustainable development (co-benefits)	-Selected activities for involving the private sector both nationally and internationally that local communities and indigenous peoples, and to create jobs, improve and diversify income, secure rights, reduce household spending, improve health and security, etc. - Reducing emissions and increase removals of greenhouse gas emissions, protecting biodiversity through reduced pressure on resources and their sustainable management.
Safeguards	- Risk identification and proposed mechanisms for managing risks deepening during the program definition - Integration of FIP in the TOR of the Strategic Environmental and Social Assessment (SESA) starting in about two months - Monitoring of safeguard policies of the MDBs and other relevant policies (see Section 6 below)

7. Safeguard Measures

A Strategic Environmental and Social Assessment (SESA) is planned as part of DRC's REDD+ preparation process. This study aims firstly at (i) identifying opportunities for maximizing the positive social and environmental impacts and mitigating and/or compensating for adverse impacts from the implementation of REDD+, and secondly at (ii) establishing a framework for environmental and social management in the implementation of the national REDD+ strategy. The SESA will also carry out an analysis of DRC's Investment Plan for FIP, including all proposed activities.

In general, REDD+ initiatives will have to comply with i) laws and regulations of the country, (ii) policies and procedures of fiduciary agencies (under the FIP, it will be the World Bank and the African Development Bank's policies and procedures) (iii) The requirements of the UN system in particular the guidelines of UN-REDD Program and the guidelines of the UNDG on Indigenous Peoples (iv) REDD+ safeguards under the UNFCCC as agreed in Cancun (COP 16, LCA Decision, Annex 1, Paragraph 2), and (v) DRC's international commitments including the Convention on Biological Diversity, the UN Declaration on the Rights of Indigenous Peoples.

Regarding REDD+ projects, differing from the broader category of REDD+ initiatives in that they aim to generate "emission reductions/removals" for the voluntary market and/or carbon funds, a specific REDD+ approval process is under development. This regulatory framework for approval of REDD+ project must promote transparency, synergies and learning in the implementation of REDD+.
A registry of REDD+ projects and initiatives in DRC is also being developed to support this approval procedure and to monitor the performance of these projects. It will be accessible to all on the internet from September 2011; a pilot version developed by the REDD National Coordination with the assistance of the computing services of the Observatory for the Forests of Central Africa (OFAC) was actually presented at the COP16 in Cancun. This registry will become a dynamic tool by which the administration can track investments in REDD+ projects and their social and environmental impacts on a regular basis. This registry will also ensure transparency and sharing of data generated by the projects, and allow for monitoring and verification by all stakeholders. (See Section 1.2)

A mechanism for conflict resolution, grievance and appeals will be established. Information concerning the existence and terms of this mechanism will be widely disseminated, including potential plaintive. The Moabi system developed by WWF and implemented by OSFAC could be a part of this mechanism. Moabi is indeed an online tool that combines the principles of social networking with mapping, allowing for tracking and sharing of spatial information through a community of users ranging from local civil society organizations to foreign organization, working together to improve the transparency of the planning process and promote a sustainable use of resources in critical ecosystems.

8. Funding Plan

PROGRAM	FIP Budget (MUSD)	Grant share (MUSD)	Credit share (MUSD)	% FIP budget	Cofinancing Budget (MUSD)	Total investment	Emissions reductions (MtCO2e)	FIP Carbon price (USD/tCO2e)	Total Carbon price (USD/tCO2e)
Kananga/Mbuji-Mayi	12,1	12,1	0	20%	5,7	17,8	3,9	3,1	4,6

9. Program preparation schedule

Stage	steps	Date
Preparation	Reflection inside the TCG and consultations with stakeholders	July –December 2011
	Preliminary program drafting	September-December 2011
Evaluation	Evaluation Mission	December 2011
Refining	Final drafting	December 2011 to April 2012
Approbation	Submission to National REDD Committee	April 2012

10. Grant request for program preparation

<table>
<tr><th colspan="4">FOREST INVESTMENT PROGRAM

Project/Program Preparation Grant Request[41]</th></tr>
<tr><td>16. Country/Region:</td><td>Democratic Republic of Congo/ Africa</td><td>17. CIF Project ID#:</td><td>(Trustee will assign ID)</td></tr>
<tr><td>18. Project Name:</td><td colspan="3">Democratic Republic of Congo, Forest Investment Program, Investment Plan,

“Addressing Deforestation and Degradation in the Kananga Mbuji Mayi supply area”</td></tr>
<tr><td>19. Tentative FIP Funding Request (in USD million total) for Project[42] at the time of Investment Plan submission (concept stage)::</td><td colspan="2">Loan:</td><td>Grant:

USD 12,1 million</td></tr>
<tr><td>20. Preparation Grant Request (in USD):</td><td colspan="2">400 000</td><td>MDB: African Development Bank</td></tr>
<tr><td>21. National Project Focal Point:</td><td colspan="3">Victor Kabengele – (abckab@gmail.com)
Ministry of Environment, Nature Conservation and Tourism</td></tr>
<tr><td>22. National Implementing Agency (project/program):</td><td colspan="3">Ministry of Environment, Nature Conservation and Tourism</td></tr>
<tr><td>23. MDB FIP Focal Point and Project/Program Task Team Leader (TTL):</td><td colspan="2">Headquarters-FIP Focal Point:
Mafalda DUARTE
Principal Climate Change
African Development Bank
m.duarte@afdb.org</td><td>TTL:
Modibo TRAORE
Chief Natural Resource Management Specialist, African Development Bank
d.traore@afdb.org</td></tr>
<tr><td colspan="4">24. Description of activities covered by the preparation grant:
- “Human resources and material” including all activities aiming at addressing permanent consultants, temporary expert (technical, financial, strategy experts) and equipment needs. Those needs are required for building strategies, investigate particular maters, provide technology support, all together in the view of smoothing and reinforcing dynamic processes ;
- “Capacity building” for staff in charge of Program preparation and for both support officials and partners as well, through training, workshops, seminars, field visits and experimentation (organization, attending,…) ;
- “Global management” through administrative and operational activities (travel, transportation, office maintenance, operations,…)</td></tr>
<tr><td colspan="4">25. Outputs:</td></tr>
</table>

[41] A separate template needs to be presented for each project and program preparation grant request listed in the Investment Plan.

[42] Including the preparation grant request.

Deliverable	Timeline
(a) Programme notes	December 2011
(b)	
…	

26. **Budget (indicative):**	
Expenditures[43]	**Amount (USD) -** estimates
Consultants	100 000
Equipment	50 000
Workshops/seminars	50 000
Travel/transportation	150 000
Others (admin costs/operational costs)	50 000
Contingencies (max. 10%)	
Total Cost	**400 000 USD**
Other contributions:	
• Government	
• MDB	
• Private Sector	
• Others (please specify)	

27. **Timeframe** (tentative)

Submission of pre-appraisal document for FIP Sub-Committee Approval: *October 30, 2011*
Expected Board/MDB Management[44] approval date: *November 30, 2012*

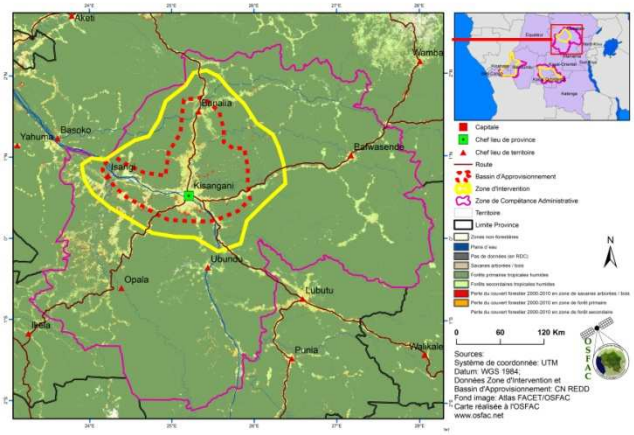
28. **Other Partners involved in project design and implementation**[45]:
Ministry of Energy, Ministry of Land, Ministry of Decentralization and Territory Management, Ministry of Rural Development, USAID, European Commission, GTCR (National Working Group on Climate and REDD), DGPA and LYNAPICO (local Indigenous Peoples organizations).

29. **If applicable, explanation for why the grant is MDB executed:**

30. **Implementation Arrangements** (incl. procurement of goods and services)**:**

[43] These expenditure categories may be adjusted during project preparation according to emerging needs.
[44] In some cases activities will not require MDB Board approval
[45] Other local, national and international partners expected to be involved in design and implementation of the project.

Program 3 (geographic): Kisangani supply area



Approximate delineation of Kisangani supply area and proposed intervention area

1. MDBs and public institutions involved

MDBs and public institutions involved in the FIP Program	
MDB	African Development Bank
Public institutions	National REDD Committee Ministry of Environment, Nature Conservation & Tourism Ministry of Decentralization & Land Use Planning Ministry of Land Affairs Ministry of Energy Ministry of Agriculture Ministry of Rural Development

2. Issue

The city of Kisangani amongst the DRC's 10 largest cities, and as such represents a major consumption center in the DRC, namely for fuelwood and agricultural products. Currently the supply of wood energy and agricultural crops in this supply area of these cities is not sustainable and the deforestation belt around Kisangani continues to grow alarmingly. Without ambitious intervention, the environment will continue to deteriorate, plunging both producers and consumers in ever-increasing vulnerability. The annual deforestation rate in the intervention area is well above the national average, confirming the importance of intervention in this area[46].

In light of the characteristics of the area and chosen activities for the Investment Plan, the proposed interventions are as follows:

Intervention area	Characteristics of the area	Definition of the priority activities
Kisangani	- 1 relatively big urban center (but abundant wood resource) - Small enthropized areas around the town & along the roads - Very vast forest areas (Congo Basin dense rainforest)	- Energy-efficient stoves & energy alternatives: Ø - Afforestation/Reforestation (agroforestry, assisted natural regeneration): + - Community Forestry (incl. Management of old plantations) : +++ - Enabling activities (land tenure, land use planning, support to project development): +++

Legend (+): relevant, (++): very relevant, (+++): extremely relevant, Ø: not relevant

[46] 2000-2010: 0.70%. Calculated using the "Forest cover and loss in the Democratic Republic of Congo from 2000 to 2010" (FACET) from the *Observatoire Satellital des Forêts d'Afrique Centrale* (OSFAC, 2010).

3. Transformational Impact and proposed co-benefits

As approved by the joint mission of February 2011, the transformational effect sought by the FIP will result in the DRC from the combination of enabling and sectoral activities within a specific geographical area. The proposed enabling activities (land use planning, land tenure) at the national level aim to launch far-reaching reforms that will last over several years, thereby initiating a comprehensive transformation of the DRC context.

Related benefits generated by the program are:

Components	Direct cobenefits
Enabling activities	
Land Use Planning	E1, E6, S1, S3, S5, S7, B5, S6, B1
Tenure	E1, S1
Support to the development of projects	B2, B5
Sectoral activities	
Biomass energy	
Afforestation / Reforestation	E1, E5, E6, E7, S1, B1, B3
Assisted Natural Regeneration	E1, E2, E3, E4, E5, E6, S4, B1
Improved charcoal making (kilns)	E1, E7, B3
Energy-efficient stoves	E1, E7, E8, S2, B1, B2, B4
Energy alternatives	*E1, E7, S2, B1, B4*
Community Forestry	E1 , E2, S1, S3, S4, S5, S6
Others	
Total	

Cobenefits					
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 the energy bill
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				

The collection and centralization of experiences and lessons learned *(Information Sharing and Lessons Learned – ISL)* will be ensured through the projects and programs monitoring mechanism. Centralization and sharing of information will be provided partly through the open web-based national REDD+ registry (see presentation in section 1-2), and partly through workshops and their reports. Close links will be ensured in this area with the UN-REDD and FCPF programs that have similar learning objectives as well as with the Global Environment Facility REDD+ regional project managed by the World Bank. The Central African Forests Commission (COMIFAC), to which DRC belongs, will be a key partner in sharing information and experiences with other Central African countries. The budget for M&E and ISL has been included in the central management and coordination budget of the FIP, itself divided between the various programs.

4. Preparation of the program

The preparation of the program will be conducted in a very participatory way, inter alia through the Thematic Coordination Groups (TCG), which bring together the various stakeholders (government, civil society, research institutions, etc.) in small working groups, tasked with engaging in more in-depth discussions over an 18-month period, about the potential contribution of an activity sector or a thematic area to the REDD+. 11 TCG can cover the scope of enabling and sectoral activities relevant to this program; they have been mobilized on the FIP since April 2011. These thematic and multi-actor reflections will be complemented by extensive consultations in the areas of intervention as well as workshops and working sessions with various authorities and relevant actors.

5. Potential national and international partners

Several national and international partners will be involved in the preparation and implementation of this program.

Intervention area: KISANGANI	Relevant Projects/Programs with which synergies can be achieved in the intervention zone	Relevant Projects/Programs outside the intervention zone
Province : Orientale **Territories :** Banalia, Ubundu, Opala, Bafwasende, Isangani, ainsi que la Commune de Kisangani	- FNCP (Agriculture, Fisheries and Forestry, Law, Justice and Public Administration), $70M - Makala Project (Sustainable wood energy resource in the DRC) 3M € - Grant for the Protection of Forests Japan 2011-2012, MRV, capacity building and three provincial coordination MECNT, $ 11 million - Support Programme for the Conservation of Congo Basin Ecosystem (PACEBCo),improvement of living conditions of local communities while ensuring the rational exploitation of biological resources, $ 50M	- FORCOL community forestry,, 7.6 M€ - FORCOM community forestry, 2.7 M€

6. Justification of FIP funding

FIP Criteria	Justification
Climate Change Mitigation Potential	- Sectoral Activities selected (Afforestation / Reforestation, including agroforestry and assisted natural regeneration, improved charcoal making techniques, improved housing, alternative energy and community forestry) to directly target the main drivers of deforestation in the DRC, especially the supply of wood-energy (but also agriculture and timber production scale) - Enabling activities selected (land use planning, land tenure reform) to create the right environment for the successful implementation of sectoral activities, with on one hand the launching of a long-term national transformational dynamic and on the other hand local measures for direct support to the implementation of projects and securing investment.
Suitability for potential large scale-up	- Intervention Zone representative of a significant portion of national territory - Proposed activities adaptable to many contexts - Development of techniques and methodologies appropriate to the context of the DRC and capacity building of stakeholders for their subsequent deployment in other areas of the country - Support innovative intervention in all relevant areas for REDD + and the entire national territory through a small grants program
Economic efficiency	- Cost per tonne CO2 (FIP budget only): $ 3.2 / t - Cost per tonne CO2 (FIP Budget + expected Co-financing): $ 5.4 / t
Likelihood of success (feasibility)	- Support for economically viable projects (especially with the private sector) - Existence of a large market (large urban center) and communication routes are in an acceptable condition - Implementation of Enabling Activities (land us planning and land tenure) in preparation and support for projects to create favorable conditions and secure investment
Integration of sustainable development (co-benefits)	-Selected activities for involving the private sector both nationally and internationally that local communities and indigenous peoples, and to create jobs, improve and diversify income, secure rights, reduce household spending, improve health and security, etc. - Reducing emissions and increase removals of greenhouse gas emissions, protecting biodiversity through reduced pressure on resources and their sustainable management.
Safeguards	- Risk identification and proposed mechanisms for managing risks deepening during the program definition - Integration of FIP in the TOR of the Strategic Environmental and Social Assessment (SESA) starting in about two months - Monitoring of safeguard policies of the MDBs and other relevant policies (see Section 6 below)

7. Safeguard Measures

A Strategic Environmental and Social Assessment (SESA) is planned as part of DRC's REDD+ preparation process. This study aims firstly at (i) identifying opportunities for maximizing the positive social and environmental impacts and mitigating and/or compensating for adverse impacts from the implementation of REDD+, and secondly at (ii) establishing a framework for environmental and social management in the implementation of the national REDD+ strategy. The SESA will also carry out an analysis of DRC's Investment Plan for FIP, including all proposed activities.

In general, REDD+ initiatives will have to comply with i) laws and regulations of the country, (ii) policies and procedures of fiduciary agencies (under the FIP, it will be the World Bank and the African Development Bank's policies and procedures) (iii) The requirements of the UN system in particular the guidelines of UN-REDD Program and the guidelines of the UNDG on Indigenous Peoples (iv) REDD+ safeguards under the UNFCCC as agreed in Cancun (COP 16, LCA Decision, Annex 1, Paragraph 2), and (v) DRC's international commitments including the Convention on Biological Diversity, the UN Declaration on the Rights of Indigenous Peoples.

Regarding REDD+ projects, differing from the broader category of REDD+ initiatives in that they aim to generate "emission reductions/removals" for the voluntary market and/or carbon funds, a specific REDD+ approval process is under development. This regulatory framework for approval of REDD+ project must promote transparency, synergies and learning in the implementation of REDD+.
A registry of REDD+ projects and initiatives in DRC is also being developed to support this approval procedure and to monitor the performance of these projects. It will be accessible to all on the internet from September 2011; a pilot version developed by the REDD National Coordination with the assistance of the computing services of the Observatory for the Forests of Central Africa (OFAC) was actually presented at the COP16 in Cancun. This registry will become a dynamic tool by which the administration can track investments in REDD+ projects and their social and environmental impacts on a regular basis. This registry will also ensure transparency and sharing of data generated by the projects, and allow for monitoring and verification by all stakeholders. (See Section 1.2)

A mechanism for conflict resolution, grievance and appeals will be established. Information concerning the existence and terms of this mechanism will be widely disseminated, including potential plaintive. The Moabi system developed by WWF and implemented by OSFAC could be a part of this mechanism. Moabi is indeed an online tool that combines the principles of social networking with mapping, allowing for tracking and sharing of spatial information through a community of users ranging from local civil society organizations to foreign organization, working together to improve the transparency of the planning process and promote a sustainable use of resources in critical ecosystems.

8. Funding Plan

PROGRAM	FIP Budget (MUSD)	Grant share (MUSD)	Credit share (MUSD)	% FIP budget	Cofinancing Budget (MUSD)	Total investment	Emissions reductions (MtCO2e)	FIP Carbon price (USD/tCO2e)	Total Carbon price (USD/tCO2e)
Kisangani	10,2	10,2	0	17%	7,0	17,2	3,2	3,2	5,4

9. Program preparation schedule

Stage	steps	Date
Preparation	Reflection inside the TCG and consultations with stakeholders	July –December 2011
	Preliminary programme drafting	September-December 2011
Evaluation	Evaluation Mission	December 2011
Refining	Final drafting	December 2011 to April 2012
Approbation	Submission to National REDD Committee	April 2012

10. Grant request for the preparation of the program

FOREST INVESTMENT PROGRAM **Project/Program Preparation Grant Request**[47]			
31. **Country/Region**:	Democratic Republic of Congo/ Africa	32. **CIF Project ID#**:	(Trustee will assign ID)
33. **Project Name:**	Democratic Republic of Congo, *Forest Investment Program, Investment Plan,* "Addressing Deforestation and Degradation in the Kisangani supply area"		
34. **Tentative FIP Funding Request (in USD million total) for Project**[48] **at the time of Investment Plan submission (concept stage):**:	*Loan:*	*Grant:* ***USD 10,2 million***	
35. **Preparation Grant Request (in USD):**	*400 000*	*MDB:* African Development Bank	
36. **National Project Focal Point**:	*Victor Kabengele – (abckab@gmail.com)* *Ministry of Environment, Nature Conservation and Tourism*		
37. **National Implementing Agency (project/program):**	*Ministry of Environment, Nature Conservation and Tourism*		
38. **MDB FIP Focal Point and Project/Program Task Team Leader (TTL)**:	*Headquarters-FIP Focal Point:* **Mafalda DUARTE** Principal Climate Change African Development Bank m.duarte@afdb.org	*TTL:* **Modibo TRAORE** Chief Natural Resource Management Specialist, African Development Bank d.traore@afdb.org	

39. **Description of activities covered by the preparation grant:**

- "Human resources and material" including all activities aiming at addressing permanent consultants, temporary expert (technical, financial, strategy experts) and equipment needs. Those needs are required for building strategies, investigate particular maters, provide technology support, all together in the view of smoothing and reinforcing dynamic processes ;
- "Capacity building" for staff in charge of Program preparation and for both support officials and partners as well, through training, workshops, seminars, field visits and experimentation (organization, attending,…) ;
- "Global management" through administrative and operational activities (travel, transportation, office maintenance, operations,…)

40. **Outputs:**

Deliverable	**Timeline**
(a) Programme notes	December 2011

[47] A separate template needs to be presented for each project and program preparation grant request listed in the Investment Plan.

[48] Including the preparation grant request.

(b)	
…	
41. **Budget (indicative):**	
Expenditures[49]	**Amount (USD) -** estimates
Consultants	100 000
Equipment	50 000
Workshops/seminars	50 000
Travel/transportation	150 000
Others (admin costs/operational costs)	50 000
Contingencies (max. 10%)	
Total Cost	**400 000 USD**
Other contributions:	
• Government	
• MDB	
• Private Sector	
• Others (please specify)	
42. **Timeframe** (tentative) Submission of pre-appraisal document for FIP Sub-Committee Approval: *June 30, 2011* Expected Board/MDB Management[50] approval date: *November 2012*	
43. **Other Partners involved in project design and implementation**[51]: Ministry of Energy, Ministry of Land, Ministry of Decentralization and Territory Management, Ministry of Rural Development, USAID, European Commission, GTCR (National Working Group on Climate and REDD), DGPA and LYNAPICO (local Indigenous Peoples organizations).	
44. **If applicable, explanation for why the grant is MDB executed:**	
45. **Implementation Arrangements** (incl. procurement of goods and services)**:**	

[49] These expenditure categories may be adjusted during project preparation according to emerging needs.
[50] In some cases activities will not require MDB Board approval
[51] Other local, national and international partners expected to be involved in design and implementation of the project.

Program 4: Engaging Private Sector in REDD+

1. MDBs and Public Institutions involved

MDBs and Public Institutions involved in the FIP Program	
MDB	World Bank
Public institutions	National REDD Committee Ministry of Environment, Nature Conservation & Tourism Ministry of Decentralization & Land Use Planning Ministry of Land Affairs Ministry of Energy Ministry of Agriculture Ministry of Rural Development Ministry of Industry Ministry of Trade, Small & Medium Enterprises

2. Issue

Support for private sector projects involve more complex organizational set-ups than for local communities and indigenous peoples, combining grants and loans at concessional rates with the personal contributions of the project sponsor and support for any national or international investors. The FIP will therefore have an entity with the skills, and the appropriate legal status as well as credibility with the private sector. Solutions are proposed in Sections 7 and 8. With such specific financial mechanisms and actors, a specific private sector program is therefore necessary, although the priority areas for intervention and sectors are the same. In addition to setting up a management entity adapted to the needs of the private sector and with relevant expertise in financial engineering and carbon finance, the private sector involvement program will include a series of measures to manage the main risks described in *Appendix 6*, to reduce barriers to investment and provide incentives.

This program will promote special collaborative models that will create synergies between the projects of the private sector and local communities. In the case of afforestation / reforestation, this could for example correspond to models such as the "nucleus estate", mentioned above. In the case of improved stoves, systems of specialization and collaboration will also be offered.

3. Transformational Impact and proposed co-benefits

As approved by the joint mission of February 2011, the transformational effect sought by the FIP will result in the DRC from the combination of enabling and sectoral activities within a specific geographical area. The proposed enabling activities (land use planning, land tenure) at the national level aim to launch far-reaching reforms that will last over several years, thereby initiating a comprehensive transformation of the DRC context.

Related benefits generated by the program are:

Components	Direct cobenefits
Enabling activities	
Land Use Planning	E1, E6, S1, S3, S5, S7, B5, S6, B1
Tenure	E1, S1
Support to the development of projects	B2, B5
Sectoral activities	
Biomass energy	
Afforestation / Reforestation	E1, E5, E6, E7, S1, B1, B3
Assisted Natural Regeneration	E1, E2, E3, E4, E5, E6, S4, B1
Improved charcoal making (kilns)	E1, E7, B3
Energy-efficient stoves	E1, E7, E8, S2, B1, B2, B4
Energy alternatives	*E1, E7, S2, B1, B4*
Community Forestry	E1 , E2, S1, S3, S4, S5, S6
Others	
Total	

Cobenefits					
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 the energy bill
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				

The collection and centralization of experiences and lessons learned *(Information Sharing and Lessons Learned – ISL)* will be ensured through the projects and programs monitoring mechanism. Centralization and sharing of information will be provided partly through the open web-based national REDD+ registry (see presentation in section 1-2), and partly through workshops and their reports. Close links will be ensured in this area with the UN-REDD and FCPF programs that have similar learning objectives as well as with the Global Environment Facility REDD+ regional project managed by the World Bank. The Central African Forests Commission (COMIFAC), to which DRC belongs, will be a key partner in sharing information and experiences with other Central African countries. The budget for M&E and ISL has been included in the central management and coordination budget of the FIP, itself divided between the various programs.

4. Preparation of the program

The preparation of the program will be conducted in a very participatory way, inter alia through the Thematic Coordination Groups (TCG), which bring together the various stakeholders (government, civil society, research institutions, etc.) in small working groups, tasked with engaging in more in-depth discussions over an 18-month period, about the potential contribution of an activity sector or a thematic area to the REDD+. 11 TCG can cover the scope of enabling and sectoral activities relevant to this program; they have been mobilized on the FIP since April 2011. These thematic and multi-actor reflections will be complemented by extensive consultations in the areas of intervention as well as workshops and working sessions with various authorities and relevant actors.

5. Potential national and international partners

Several national and international partners will be involved in the preparation and implementation of this program. The proposed activities under the program involving the private sector include all those related to biomass energy (wood, energy alternatives, improved stoves, and improved charcoal-making). Thus all the projects identified in Section 4 are potential partners. However, the projects and programs presented in the table below may be more specifically related to private sector development or involvement in FIP activities.

Intervention area "Engaging private sector"	**Relevant Projects/Programs with which synergies can be achieved in the intervention zone**
In the three geographical areas (Kinshasa, Kananga and Mbuji Mayi, Kisangani)	- PADDL, Decentralization and Local Development, 16.8 million, - PASMIF II, supporting the microfinance sector, 28.5 million - Improved agricultural productivity and market efficiency, strengthening capacity to respond to market opportunities, 32.5 million - Draft Agricultural Credit program : Credit for businesses small and medium size in the agricultural sector, $ 2.5 million

6. Justification of FIP Funding

FIP Criteria	Justification
Climate Change Mitigation Potential	-Sectoral Activities selected (Afforestation / Reforestation, including agroforestry and assisted natural regeneration, improved charcoal making techniques, improved housing, alternative energy and community forestry) to directly target the main drivers of deforestation in the DRC, especially the supply of wood-energy (but also agriculture and timber production scale) - Enabling activities selected (land use planning, land tenure reform) to create the right environment for the successful implementation of sectoral activities, with on one hand the launching of a long-term national transformational dynamic and on the other hand local measures for direct support to the implementation of projects and securing investment.
Suitability for potential large scale-up	- Intervention Zone representative of a significant portion of national territory - Proposed activities adaptable to many contexts - Development of techniques and methodologies appropriate to the context of the DRC and capacity building of stakeholders for their subsequent deployment in other areas of the country - Support innovative intervention in all relevant areas for REDD + and the entire national territory through a small grants program
Economic efficiency	- Cost per tonne CO2 (FIP budget only): $ 2.1 / t - Cost per tonne CO2 (FIP Budget + expected Co-financing): $ 4.2 / t
Likelihood of success (feasibility)	- Support for economically viable projects (especially with the private sector) - Existence of a large market (large urban center) and communication routes are in an acceptable condition - Implementation of Enabling Activities (land us planning and land tenure) in preparation and support for projects to create favorable conditions and secure investment
Integration of sustainable development (co-benefits)	-Selected activities for involving the private sector both nationally and internationally that local communities and indigenous peoples, and to create jobs, improve and diversify income, secure rights, reduce household spending, improve health and security, etc. - Reducing emissions and increase removals of greenhouse gas emissions, protecting biodiversity through reduced pressure on resources and their sustainable management.
Safeguards	- Risk identification and proposed mechanisms for managing risks deepening during the program definition - Integration of FIP in the TOR of the Strategic Environmental and Social Assessment (SESA) starting in about two months - Monitoring of safeguard policies of the MDBs and other relevant policies (see Section 6 below)

7. Safeguard Measures

A Strategic Environmental and Social Assessment (SESA) is planned as part of DRC's REDD+ preparation process. This study aims firstly at (i) identifying opportunities for maximizing the positive social and environmental impacts and mitigating and/or compensating for adverse impacts from the implementation of REDD+, and secondly at (ii) establishing a framework for environmental and social management in the implementation of the national REDD+ strategy. The SESA will also carry out an analysis of DRC's Investment Plan for FIP, including all proposed activities.

In general, REDD+ initiatives will have to comply with i) laws and regulations of the country, (ii) policies and procedures of fiduciary agencies (under the FIP, it will be the World Bank and the African Development Bank's policies and procedures) (iii) The requirements of the UN system in particular the guidelines of UN-REDD Program and the guidelines of the UNDG on Indigenous Peoples (iv) REDD+ safeguards under the UNFCCC as agreed in Cancun (COP 16, LCA Decision, Annex 1, Paragraph 2), and (v) DRC's international commitments including the Convention on Biological Diversity, the UN Declaration on the Rights of Indigenous Peoples.

Regarding REDD+ projects, differing from the broader category of REDD+ initiatives in that they aim to generate "emission reductions/removals" for the voluntary market and/or carbon funds, a specific REDD+ approval process is under development. This regulatory framework for approval of REDD+ project must promote transparency, synergies and learning in the implementation of REDD+.
A registry of REDD+ projects and initiatives in DRC is also being developed to support this approval procedure and to monitor the performance of these projects. It will be accessible to all on the internet from September 2011; a pilot version developed by the REDD National Coordination with the assistance of the computing services of the Observatory for the Forests of Central Africa (OFAC) was actually presented at the COP16 in Cancun. This registry will become a dynamic tool by which the

administration can track investments in REDD+ projects and their social and environmental impacts on a regular basis. This registry will also ensure transparency and sharing of data generated by the projects, and allow for monitoring and verification by all stakeholders. (See Section 1.2)

A mechanism for conflict resolution, grievance and appeals will be established. Information concerning the existence and terms of this mechanism will be widely disseminated, including potential plaintive. The Moabi system developed by WWF and implemented by OSFAC could be a part of this mechanism. Moabi is indeed an online tool that combines the principles of social networking with mapping, allowing for tracking and sharing of spatial information through a community of users ranging from local civil society organizations to foreign organization, working together to improve the transparency of the planning process and promote a sustainable use of resources in critical ecosystems.

8. Funding Plan

PROGRAM	FIP Budget (MUSD)	Grant share (MUSD)	Credit share (MUSD)	% FIP budget	Cofinancing Budget (MUSD)	Total investment	Emissions reductions (MtCO2e)	FIP Carbon price (USD/tCO2e)	Total Carbon price (USD/tCO2e)
Engaging private sector	18,4	9,3	9,1	31%	18,2	36,6	8,8	2,1	4,2

9. Program preparation schedule

Stage	steps	Date
Preparation	Reflection inside the TCG and consultations with stakeholders	July –December 2011
	Preliminary programme drafting	September-December 2011
Evaluation	Evaluation Mission	December 2011
Refining	Final drafting	December 2011 to April 2012
Approbation	Submission to National REDD Committee	April 2012

10. Grant request for the preparation of the program

FOREST INVESTMENT PROGRAM **Project/Program Preparation Grant Request**[52]			
46. **Country/Region**:	Democratic Republic of Congo/ Africa	47. **CIF Project ID#**:	(Trustee will assign ID)
48. **Project Name:**	Democratic Republic of Congo, *Forest Investment Program, Investment Plan,* "Engaging private sector in REDD+ in Democratic Republic of Congo"		
49. **Tentative FIP Funding Request (in USD million total) for Project**[53] **at the time of Investment Plan submission (concept stage):**:	*Loan:*	*Grant:* ***USD 18,4 million***	
50. **Preparation Grant Request (in USD):**	*250 000*	*MDB: The World Bank*	
51. **National Project Focal Point**:	*Victor Kabengele – (abckab@gmail.com)* *Ministry of Environment, Nature Conservation and Tourism*		
52. **National Implementing Agency (project/program):**	*Ministry of Environment, Nature Conservation and Tourism*		
53. **MDB FIP Focal Point and Project/Program Task Team Leader (TTL)**:	*Headquarters-FIP Focal Point:* **Gerhard DIETERLE** Forests Adviser, FIP Focal Point World Bank gdieterle@worldbank.org	*TTL:* **Simon RIETBERGEN** Sr. Forestry Specialist srietbergen@worldbank.org	

54. **Description of activities covered by the preparation grant:**

- "Human resources and material" including all activities aiming at addressing permanent consultants, temporary expert (technical, financial, strategy experts) and equipment needs. Those needs are required for building strategies, investigate particular maters, provide technology support, all together in the view of smoothing and reinforcing dynamic processes ;
- "Capacity building" for staff in charge of Program preparation and for both support officials and partners as well, through training, workshops, seminars, field visits and experimentation (organization, attending,…) ;
- "Global management" through administrative and operational activities (travel, transportation, office maintenance, operations,…)

55. **Outputs:**

Deliverable	**Timeline**
(a) Programme notes	December 2011
(b)	

[52] A separate template needs to be presented for each project and program preparation grant request listed in the Investment Plan.

[53] Including the preparation grant request.

…	
56. **Budget (indicative):**	
Expenditures[54]	**Amount (USD) -** estimates
Consultants	50 000
Equipment	50 000
Workshops/seminars	50 000
Travel/transportation	50 000
Others (admin costs/operational costs)	50 000
Contingencies (max. 10%)	
Total Cost	**250 000 USD**
Other contributions:	
• Government	
• MDB	
• Private Sector	
• Others (please specify)	

57. **Timeframe** (tentative)

Submission of pre-appraisal document for FIP Sub-Committee Approval: *June 30, 2011*
Expected Board/MDB Management[55] approval date: *December 2013*

58. **Other Partners involved in project design and implementation**[56]:
Ministry of Energy, Ministry of Land, Ministry of Decentralization and Territory Management, Ministry of Rural Development, USAID, European Commission, GTCR (National Working Group on Climate and REDD), DGPA and many Congolese and international banks, different private investors and companies in agro-industrial business.

59. **If applicable, explanation for why the grant is MDB executed:**

60. **Implementation Arrangements** (incl. procurement of goods and services)**:**

[54] These expenditure categories may be adjusted during project preparation according to emerging needs.
[55] In some cases activities will not require MDB Board approval
[56] Other local, national and international partners expected to be involved in design and implementation of the project.

Program 5 (cross cutting): Small grants

1. MDBs and Public Institutions involved

MDBs and Public Institutions involved in the FIP program	
MCD	African Development Bank
Public institutions	National REDD Committee Ministry of Environment, Nature Conservation & Tourism Ministry of Decentralization & Land Use Planning Ministry of Land Affairs Ministry of Energy Ministry of Agriculture Ministry of Rural Development Ministry of Industry Ministry of Trade, Small & Medium Enterprises

2. Issue

Although we aim to maximize the impact of the FIP by concentrating projects in small areas rather than dispersing them throughout the country, the private sector and civil society will have relevant project proposals for REDD + outside these priority areas. Such projects could present a particularly interesting educational value (innovative models, ingenious combination of integrated actions, especially high pressure zones in terms of deforestation and degradation, strong environmental and social co-benefits, etc.) and it would be a shame not to take advantage of these opportunities.

The DRC would therefore retain the ability to support some highly innovative projects that are likely to have significant impacts in terms of social and environmental benefits, although outside the three priority areas identified. This is also linked to fairness in terms of geographical access to technical and financial support; this is particularly dear to the government of the DRC. This mechanism will be managed like a Small Grants Program, at the national level and open to all relevant sectors for REDD+ (energy, forestry, agriculture, etc.).

3. Transformational Impact and proposed co-benefits

As approved by the joint mission of February 2011, the transformational effect sought by the FIP will result in the DRC from the combination of enabling and sectoral activities within a specific geographical area. The proposed enabling activities (land use planning, land tenure) at the national level aim to launch far-reaching reforms that will last over several years, thereby initiating a comprehensive transformation of the DRC context.

Related benefits generated by the program are:

Components	Direct cobenefits
Enabling activities	
Land Use Planning	E1, E6, S1, S3, S5, S7, B5, S6, B1
Tenure	E1, S1
Support to the development of projects	B2, B5
Sectoral activities	
Biomass energy	
Afforestation / Reforestation	E1, E5, E6, E7, S1, B1, B3
Assisted Natural Regeneration	E1, E2, E3, E4, E5, E6, S4, B1
Improved charcoal making (kilns)	E1, E7, B3
Energy-efficient stoves	E1, E7, E8, S2, B1, B2, B4
Energy alternatives	*E1, E7, S2, B1, B4*
Community Forestry	E1 , E2, S1, S3, S4, S5, S6
Others	
Total	

Cobenefits					
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 the energy bill
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				

The collection and centralization of experiences and lessons learned *(Information Sharing and Lessons Learned – ISL)* will be ensured through the projects and programs monitoring mechanism. Centralization and sharing of information will be provided partly through the open web-based national REDD+ registry (see presentation in section 1-2), and partly through workshops and their reports. Close links will be ensured in this area with the UN-REDD and FCPF programs that have similar learning objectives as well as with the Global Environment Facility REDD+ regional project managed by the World Bank. The Central African Forests Commission (COMIFAC), to which DRC belongs, will be a key partner in sharing information and experiences with other Central African countries. The budget for M&E and ISL has been included in the central management and coordination budget of the FIP, itself divided between the various programs.

4. Preparation of the program

The preparation of the program will be conducted in a very participatory way, inter alia through the Thematic Coordination Groups (TCG), which bring together the various stakeholders (government, civil society, research institutions, etc.) in small working groups, tasked with engaging in more in-depth discussions over an 18-month period, about the potential contribution of an activity sector or a thematic area to the REDD+. 11 TCG can cover the scope of enabling and sectoral activities relevant to this program; they have been mobilized on the FIP since April 2011. These thematic and multi-actor reflections will be complemented by extensive consultations in the areas of intervention as well as workshops and working sessions with various authorities and relevant actors.

5. Potential National and International Partners

The range of potential activities under the present program of small grants is very broad. Thus all the projects identified in Part 4 are a priori potential partners.
Programs and projects listed below, however, seem particularly relevant to this program because they are all relevant for REDD + (agriculture, conservation, other aspects of energy, including hydropower, forest, or additional to those in the geographical programs, etc.) and implemented in all or part of the country, including outside the priority areas identified for the FIP.

Intervention area **Small Grants**	**Relevant Projects/Programs with which synergies can be achieved in the intervention zone**
All country	- PADDL, Decentralization and Local Development, 16.8 million - PARRSA, agriculture, fishing and forestry (50%) Physical Infrastructure (36%), Law, Justice and Public Administration (14%), $ 120 million - FNCP, agriculture, fishing and forestry (48%), Law & Justice (52%), $ 70 million - PARSAR, PRESAR, Food security and rural infrastructure, 25 and 35 MUC - PARAP, protected areas, biodiversity, land, 2.2 M € - Support to seed sector, 5.03 M € - Improved agricultural productivity and market efficiency, strengthening capacity to respond to market opportunities, 32.5 million - Support Programme for the Conservation of Congo Basin Ecosystem (PACEBCo),improvement of living conditions of local communities while ensuring the rational exploitation of biological resources, $ 50M

6. Justification of FIP funding

FIP Criteria	Justification
Climate Change Mitigation Potential	- All activites relevant for REDD+ will be eligible (agriculture, energy, etc.).
Suitability for potential large scale-up	- Project Incubator to support and experiment with many different innovative approaches in the various areas and sectors of the DRC, which could be promising if they prove to be replicated on a larger scale and in other areas of Country
Economic efficiency	-To be determined based on innovation, support in the form of small grant to foster this innovation
Likelihood of success (feasibility)	-Risk spread out over a large number small projects carried out by various stakeholders form local communities and indigenous people to private sector.
Integration of sustainable development (co-benefits)	-The selection of projects to be supported under this program will be based on stricter criteria than in the three priority areas for FIP, in terms of innovation but also of strong social and environmental co-benefits
Safeguards	- Risk identification and proposed mechanisms for managing risks deepening during the program definition - Integration of FIP in the TOR of the Strategic Environmental and Social Assessment (SESA) starting in about two months - Monitoring of safeguard policies of the MDBs and other relevant policies (see Section 6 below)

7. Safeguard Measures

A Strategic Environmental and Social Assessment (SESA) is planned as part of DRC's REDD+ preparation process. This study aims firstly at (i) identifying opportunities for maximizing the positive social and environmental impacts and mitigating and/or compensating for adverse impacts from the implementation of REDD+, and secondly at (ii) establishing a framework for environmental and social management in the implementation of the national REDD+ strategy. The SESA will also carry out an analysis of DRC's Investment Plan for FIP, including all proposed activities.

In general, REDD+ initiatives will have to comply with i) laws and regulations of the country, (ii) policies and procedures of fiduciary agencies (under the FIP, it will be the World Bank and the African Development Bank's policies and procedures) (iii) The requirements of the UN system in particular the guidelines of UN-REDD Program and the guidelines of the UNDG on Indigenous Peoples (iv) REDD+ safeguards under the UNFCCC as agreed in Cancun (COP 16, LCA Decision, Annex 1, Paragraph 2), and (v) DRC's international commitments including the Convention on Biological Diversity, the UN Declaration on the Rights of Indigenous Peoples.

Regarding REDD+ projects, differing from the broader category of REDD+ initiatives in that they aim to generate "emission reductions/removals" for the voluntary market and/or carbon funds, a specific REDD+ approval process is under development. This regulatory framework for approval of REDD+ project must promote transparency, synergies and learning in the implementation of REDD+.
A registry of REDD+ projects and initiatives in DRC is also being developed to support this approval procedure and to monitor the performance of these projects. It will be accessible to all on the internet from September 2011; a pilot version developed by the REDD National Coordination with the assistance of the computing services of the Observatory for the Forests of Central Africa (OFAC) was actually presented at the COP16 in Cancun. This registry will become a dynamic tool by which the administration can track investments in REDD+ projects and their social and environmental impacts on a regular basis. This registry will also ensure transparency and sharing of data generated by the projects, and allow for monitoring and verification by all stakeholders. (See Section 1.2)

A mechanism for conflict resolution, grievance and appeals will be established. Information concerning the existence and terms of this mechanism will be widely disseminated, including potential

plaintive. The Moabi system developed by WWF and implemented by OSFAC could be a part of this mechanism. Moabi is indeed an online tool that combines the principles of social networking with mapping, allowing for tracking and sharing of spatial information through a community of users ranging from local civil society organizations to foreign organization, working together to improve the transparency of the planning process and promote a sustainable use of resources in critical ecosystems.

8. Funding Plan

PROGRAM	FIP Budget (MUSD)	Grant share (MUSD)	Credit share (MUSD)	% FIP budget	Cofinancing Budget (MUSD)	Total investment	Emissions reductions (MtCO2e)	FIP Carbon price (USD/tCO2e)	Total Carbon price (USD/tCO2e)
Small grants	5,3	5,3	0	9%	1,7	6,9	-	-	-

9. Program preparation schedule

Stage	steps	Date
Preparation	Reflection inside the TCG and consultations with stakeholders	July –December 2011
	Preliminary programme drafting	September-December 2011
Evaluation	Evaluation Mission	December 2011
Refining	Final drafting	December 2011 to April 2012
Approbation	Submission to National REDD Committee	April 2012

10. Grant request for program preparation

FOREST INVESTMENT PROGRAM **Project/Program Preparation Grant Request**[57]			
61. **Country/Region**:	Democratic Republic of Congo/ Africa	62. **CIF Project ID#**:	(Trustee will assign ID)
63. **Project Name:**	Democratic Republic of Congo*, Forest Investment Program, Investment Plan,* "Small grants program to promising small-scale REDD+ initiatives"		
64. **Tentative FIP Funding Request (in USD million total) for Project**[58] **at the time of Investment Plan submission (concept stage):**:	*Loan:*	*Grant:* ***USD 5,3 million***	
65. **Preparation Grant Request (in USD):**	*250 000*	*MDB: The World Bank*	
66. **National Project Focal Point**:	*Victor Kabengele – (abckab@gmail.com)* *Ministry of Environment, Nature Conservation and Tourism*		
67. **National Implementing Agency (project/program):**	*Ministry of Environment, Nature Conservation and Tourism*		
68. **MDB FIP Focal Point and Project/Program Task Team Leader (TTL)**:	*Headquarters-FIP Focal Point:* **Gerhard DIETERLE** Forests Adviser, FIP Focal Point World Bank gdieterle@worldbank.org	*TTL:* **Simon RIETBERGEN** Sr. Forestry Specialist srietbergen@worldbank.org	
69. **Description of activities covered by the preparation grant:** - "Human resources and material" including all activities aiming at addressing permanent consultants, temporary expert (technical, financial, strategy experts) and equipment needs. Those needs are required for building strategies, investigate particular maters, provide technology support, all together in the view of smoothing and reinforcing dynamic processes ; - "Capacity building" for staff in charge of Program preparation and for both support officials and partners as well, through training, workshops, seminars, field visits and experimentation (organization, attending,…) ; - "Global management" through administrative and operational activities (travel, transportation, office maintenance, operations,…)			
70. **Outputs:**			
Deliverable		**Timeline**	

[57] A separate template needs to be presented for each project and program preparation grant request listed in the Investment Plan.
[58] Including the preparation grant request.

(a) Programme notes	December 2011
(b)	
…	
71. **Budget (indicative):**	
Expenditures[59]	**Amount (USD) -** estimates
Consultants	50 000
Equipment	50 000
Workshops/seminars	50 000
Travel/transportation	50 000
Others (admin costs/operational costs)	50 000
Contingencies (max. 10%)	
Total Cost	**250 000 USD**
Other contributions:	
• Government	
• MDB	
• Private Sector	
• Others (please specify)	
72. **Timeframe** (tentative) Submission of pre-appraisal document for FIP Sub-Committee Approval: *June 30, 2011* Expected Board/MDB Management[60] approval date: *December 2013*	
73. **Other Partners involved in project design and implementation**[61]: Ministry of Energy, Ministry of Land, Ministry of Decentralization and Territory Management, Ministry of Rural Development, USAID, European Commission, GTCR (National Working Group on Climate and REDD), DGPA and LYNAPICO (local Indigenous Peoples organizations).	
74. **If applicable, explanation for why the grant is MDB executed:**	
75. **Implementation Arrangements** (incl. procurement of goods and services)**:**	

[59] These expenditure categories may be adjusted during project preparation according to emerging needs.
[60] In some cases activities will not require MDB Board approval
[61] Other local, national and international partners expected to be involved in design and implementation of the project.

Appendix 2: Stakeholders consultation

The preparation of the FIP Investment Plan and FIP Programs benefits from the consultation process already launched in the context of the REDD+ preparation phase, as well as from the capacity-building activities for all stakeholders.

2.1. Discussion on the FIP among the Thematic Working Groups (multi-stakeholders consultations)

The FIP investment plan is a subset of the National REDD+ strategy under construction. The TCGs, mentioned previously are the most relevant channels for thematic reflections on the anticipated deployment of the national REDD+ strategy in general and the FIP in particular. These TCGs gather various stakeholders around the same theme: public administration, civil society, international NGOs, education and research institutions as well as private sector.

Eleven TCGs were selected from the 30 TCGs, based on the similarity of their themes with priority activities identified for the FIP. Reflection on the FIP Investment Plan and Programs was integrate into their roadmap, and in particular (i) to undertake a critical reading of the draft Investment Plan;, (ii) to make suggestions about the sections of the Investment Plan related to their respective themes, and more generally (iii) to participate in the strategic design of the FIP programs.

<table>
<tr><th>GCT</th><th colspan="2">Réflexions préliminaires
(notes d'orientation)</th><th colspan="2">FIP</th></tr>
<tr><td>Réflexion sur un an et demi pour construire la stratégie nationale REDD à partir de2013</td><td colspan="2">Réflexion pour le développement de potentiels programmes avec un démarrage rapide dans le cadre du « fast-start »</td><td colspan="2">Développement de la Stratégie d'Investissement d'ici juin 2011. Soutien de projets sur environ 3 ans à partir de début 2012</td></tr>
<tr><td>A/R et augmentation des stocks de carbone</td><td rowspan="2">A/R dans les bassins d'approvisionnement de grandes villes</td><td rowspan="11">Programme Mai-Ndombe</td><td rowspan="2">Afforestation/ Reforestation</td><td rowspan="5">Programme Biomasse-Energie</td></tr>
<tr><td>Agroforesterie</td></tr>
<tr><td rowspan="3">Optimisation de la filière bois-énergie</td><td rowspan="3">Amélioration de l'efficacité énergétique</td><td>Foyers améliorés</td></tr>
<tr><td>Carbonisation améliorée</td></tr>
<tr><td rowspan="2">Energies locales alternatives</td><td>Energies alternatives</td></tr>
<tr><td>Gestion communautaire des forêts et exploitation artisanale formelle</td><td></td><td colspan="2">Programme Foresterie communautaire</td></tr>
<tr><td>Aménagement du Territoire</td><td rowspan="2">Aménagement du Territoire</td><td colspan="2" rowspan="2">Programme Aménagement du Territoire</td></tr>
<tr><td>Micro-zonage en zone forestière</td></tr>
<tr><td>Harmonisation et sécurisation foncière</td><td>Harmonisation et sécurisation foncière</td><td colspan="2">Programme Foncier</td></tr>
<tr><td>Filières commerciales et de services en appui REDD+</td><td rowspan="3"></td><td colspan="2" rowspan="2">Programme Appui aux affaires</td></tr>
<tr><td>Gouvernance économique, politique, commerciale et fiscalité</td></tr>
<tr><td>Stratégie de développement des peuples autochtones</td><td colspan="2"></td></tr>
</table>

A workshop involving all members of the 11 TCGs has been held on 1 April 2011 to remind them of the principles, objectives and investment criteria of the FIP. A summary document was distributed and presentations have been made during half a day by the REDD National Coordination in order to best include these groups in the participatory process inherent to the FIP.
A total of 171 people from diverse backgrounds attended the workshop (public institutions, national and international civil society, private companies, universities and scientific research, financial and technical partners).

Each TCG has to reflect further on its theme following steps: analysis of the context, feedback from past national and international experiences, and recommendations for the design of the FIP programs and national REDD+ strategy.
The following TCGs have submitted their contribution to the REDD National Coordination: Afforestation/Reforestation & and carbon stocks increase; Agroforestry; Community forest-based management and formal small-scale production; Land use planning; Micro-zoning in forest areas; Land tenure harmonization and security; Development strategy for indigenous peoples; Commercial industries and support services for the REDD+; Economic governance, commercial policy and taxation.

2.2. Consultation of private sector operators

The private sector involvement will be greater during the phase of program design. At the stage of preparing the investment plan, the activities of consolidating relations between the FIP and investors go through direct meetings with some private companies, meetings through focus groups or even through major events aimed to consolidate and facilitate interactions within the private network

2.2.1. Direct meetings

Five financial institutions were met: Trust Merchant Bank, ProCredit Bank, Citibank, Bank of Africa & Raw Bank.
The following organization representing the interests of Congolese private sector have been met: Congo Enterprises Federation (*Fédération des entreprises du Congo* - FEC); Small & Medium Enterprises Confederation (*Confédérations des petites et moyennes entreprises* - COPEMECO)

2.2.2. Meetings within the TCGs

Some participants of the TCGs belong to private sector are then able to bring opinions, advice and requests from the private sector during the meetings.

2.2.3. Workshop for private sector involvement in REDD+ in (16/02/2011)

2.2.3.1. Objectives

- Inform economic operators on the REDD+ mechanism and current preparation process ;
- Sensitize operators on economic opportunities brought by this process, particularly in the context of the national REDD+ programs;
- Discuss the modalities of participation and support to projects under these programs in general and the preparation of the FIP investment plan in particular

2.2.3.2. Public

28 organisations participated, involved in various fields: Media 5%; Business Network 7% Forest 23% Donors 7%, agriculture 12%, Ministries 12%, Energy 5%, Trade 2%, Finance 12% , Construction 2%, Communication 5%, Environment 2%.

2.2.3.3. Themes discussed

- Climate change and REDD mechanism
- REDD+ preparation process in DRC
- Introduction to carbon finance in the forest sector
- The Forest Investment Program
- Private sector and REDD+

The private sector isn't much involved in REDD+ in DRC yet. It can buy carbon credits, shares (of a project, funds) and lend money as part of REDD +. The private sector can also develop and implement REDD+ initiatives. In addition, the private sector may support the development of local institutions, including adapting and replicating some models in specific sites, support the preparation of projects. It may also play an aggregating role in spreading information, grouping actors or engage in public-private partnerships. Finally, it may frame the market by providing guarantees for reforestation, by buying credits from projects or initiating some projects.

- A REDD+ project in a forest concession in DRC - SAFBOIS – JADORA

The presentation highlighted the link between the public and private approaches developed by the private company SAFBOIS SPRL. This project is located in Isangi (Orientale Province). Activities include pioneer deforestation and degradation reduction, mosaic deforestation and degradation reduction as well as reforestation of degraded areas that would alone on average store 200 000 tCO2e annually during the duration of the project. Results expected by the project developers were estimated at 714 000 t_{CO2eq} annually, about 15.005 million t_{CO2eq} for the entire duration of the project.

- Ibi – Bateke Agroforestry carbon sink - Perspectives

Implemented by Novacel, this initiative aims at sustainable agroforestry management with positive social impacts on a large scale, but also at the creation of a replicable model, and the participation in the Clean Development Mechanism of the Kyoto Protocol. So far Novacel has planted over 6.5 million trees, sequestrated over 1.9 million t_{CO2eq} and produce 1,200 tons of cassava annually. In addition, carbon credits until 2017 (≈ 700,000 CER) are already been sold to ORBEO (VCS registry) and to the BioCarbon Fund (CDM registry). Novacel intends to continue further. It planned an extension of its activities and area under cultivation. The company needs 1.2 million Euros investment to extend plantations by 2,400 ha but also to establish new infrastructures.

2.2.3.4. Discussions

2.2.3.4.1. Questions related to forestry & REDD

- Compatibility between forestry and REDD?
- Role of reforestation in REDD?
- Link between certification and REDD?
- Actual benefits from REDD and carbon markets for the country at present?
- REDD: a real business opportunity for other areas or only for the forest sector?

2.2.3.4.2. Questions on REDD implementation

- Examples of microfinance institutions that have already participated in the carbon market?
- Identification of beneficiaries of carbon credits: private operators, government or local community?
- Equity and justice around the benefit sharing (REDD definition) but not in the existing implementation?
- Legitimacy and legality aspects: what reality?
- Benefit sharing models in REDD?
- Need to develop a conducive legal framework. Shouldn't we set this up before the current preparation process?
- Need to include private sector in the design of the national strategy. In this respect, is there any private sectors operators involved in the process yet or integration is only starting now?
- Structuring the process: the national committee. Did you think about putting all the structures in the committee? Shouldn't there be a separate structure for the implementation of REDD, considering other institutions than MECNT?
- How could the Ministry of Land Use Planning access FIP funding given the importance of land use planning in the protection of forests in DRC?
- Types and contents of documents required in accessing FIP funding?
- May the FIP fund the design and implementation of management plans for the forestry private sector?
- Concrete expectations from the REDD national coordination on private sector involvement?

2.2.3.4.3. Answers from the REDD-NC & World Bank representatives

- Workshop objective: contact with the private sector and identification of needs and expectations from the private sector to engage into the REDD process. No concrete proposal of collaboration with the private sector outside the FIP yet;
- FIP first funds available in order to test large-scale implementation of REDD;

- No decision has yet been made on the way to use the USD40 to 60 million from the FIP: still under discussion and negotiation with the government;
- Conditions to access grants not yet set;
- REDD international carbon markets not yet established, only voluntary carbon market working at present;
- Lack of international legal framework on REDD. But the situation is evolving and REDD+ is gaining more and more weight in the annual international negotiations;
- The FIP cannot be used to fund activities that are a legal requirement for forest industry.
- The implementation of REDD: alternative activities are required because it is not possible demand from people to change their habits without offering alternatives including in agriculture;
- Presentation of activities for local communities alternative to the use of forests: see the "Anticipated Programs";
- REDD is definitely a business opportunity for the forestry sector but not limited to this sector as forest sector represents only a small percentage of what can be achieved as part of REDD+. Numerous activities may be proposed in order to reduce deforestation and forest degradation in the long term. For example: agriculture, ecotourism in protected areas, surveys, audits, consulting (capacity building to finance institutions in project development, etc.).
- Compatibility between logging and REDD+: depending on the compatibility of the activities implemented;
- REDD leading organization in DRC: MECNT is the leader but numerous Ministries are partnering with it (Ministry of agriculture, rural development, decentralization and land use planning, land affairs, etc.) and partnership continues. The management structure of the REDD may change according to the progress in the preparation process.
- Capacity related to carbon in DRC: DRC is a huge carbon sink but it's not the amount of carbon sequestered by the forest that is being paid but efforts based on results.
- Microfinance institutions involvement in the carbon market: example of Ethiopia for the management of BioCarbon fund, a project of natural regeneration with the supervision of World Vision;
- Objective following the workshop: creation of an ongoing dialogue between the private sector and REDD.

2.2.3.4.4. Bottlenecks

For banks:

- Guarantees on short-term profit of activities funded as part of REDD;
- Return on investment;
- Activities carried out over a longer term perspective, while it is difficult for banks to fund projects longer than 1 year (political risk too high)
- Banks do not give credit for agricultural investments in the DRC because of insecurity on land is too high;
- Scarcity of information for investors on credit opportunities by banks
- Inadequate technical skills in the management of funding applications by private investors

For microfinance institutions

- Elements that constitute an obstacle are the same as for banks, and
- Equity less important than banks (no possibility to financing large projects).

2.2.3.4.5. Fears

- Current data too theoretical. Few concrete elements allowing private operators to go forward.
- Carbon on the international market (fluctuation? Price remaining stable even in the long term?);
- Profitability of activities to be undertaken as part of REDD: time required for a return on investment considering that the activities mentioned in the presentations are rather long-term;
- What assurance on project profitability in the long-term (especially in a "fragile state") and

- Current information too theoretical. Little concrete evidence allowing private operators to move forward.

2.2.3.4.6. Recommendations

- The FIP should provide financial institutions with "guarantee fund" in order to grant loans with lower interest rates than those currently provided by these institutions (between 36 and 45% for banks and even 60% for microfinance institutions) and on the longer term;
- Projects that may contribute to REDD are not necessarily large-scale projects. Each sector can contribute to REDD in its own way;
- Increased private sector involvement in the REDD process so that it isn't prevented from business opportunities that arise (other than the forest sector which is already heavily involved in the process in the country)

2.3. Consultations in the Provinces by the civil society (multi-stakeholders consultations)

Consultations in the Provinces have been conducted by two civil society organizations (CODELT and DGPA)

2.3.1 Consultation steps

The main consultation steps followed were as follows:

2.3.1.1. Preparation step

- Preparation of the ToR by the MECNT for the provincial and national consultations, TORs submitted to the civil society in order to develop a technical proposal and a financial proposal;
- Submission by CODELT & DGPA of two Technical and Financial Proposals and approval by the supervisor; signature dated March 21, 2011 of two contracts for the implementation of the Mission by the civil society organizations following the TORs and Technical proposals.

2.3.1.2. Structuration step

- Development of a common methodological guide, adopted by the two consultants, submitted for peer review and internal public consultation, and its approval by the supervisor;
- Held in two sessions (02 and April 4, 2011) a training workshop for facilitators on the methodological tools developed (an interview guide used during the consultations, and a summary results sheet). A total of 60 facilitators were trained.

2.3.1.3. Field work

- During the second half of April 2011, teams were deployed in six provinces that are part of the three priority areas for intervention to seek the views of local stakeholders, especially indigenous peoples and local communities
- Provinces consulted: Kasaï Oriental, Kasaï Occidental, Province Orientale, Bandundu, Bas-Congo et Kinshasa ;
- Average of three local consultations per province, 25 participants per consultation, 35 participants in each provincial workshop. 18 local consultations with 25 participants per consultation (450 people), and 6 provincial workshops with 35 participants per workshop or 210 participants were conducted. In total, 660 people were consulted

2.3.1.4. Feedback and Validation

- The national validation workshop for these consultations were held from 09 to 10 may 2011

2.3.3. Participants Profile

- Civil society : NGOs, religious, farmers' and women's organizations, youth associations
- Customary authorities and local leaders
- Local administration and provincial deliberating authorities;
- Indigenous peoples and local communities
- Universities and research institutions

- Private sector representatives (traders, forest concessionaires, etc)

2.3.4. Feedback and Validation

- Workshop of May 9 to 10 aimed to give a feedback on and validate the results of these consultations for inclusion in a final version of the Investment Plan;
- Following group work, opinions collected in the provinces have been summarized in three categories: relevant, less relevant and outside the scope of the FIP;
- 75 people from all provinces of the DRC and representing different categories of stakeholders participated in the national feedback and validation workshop of restitution, and signed the final communiqué.

2.3.5. Media coverage

- In order to inform the public on the FIP and consultation process, it was agreed to ensure wide coverage of the key stages;
- At least four local TV stations did and broadcasted a report on the preparation workshop;
- At least five newspaper media have written articles, reporting on the organization of the preparation workshops;
- All Provincial Workshops benefited from wide media coverage, according to the local context, while the national workshop was covered by major national television and newspapers.

2.3.6. Summary of results

- A lot of interest and many expectations in the provinces

2.3.6.1. Concern.

- Securing land tenure and bridging the gap between public authority and customary power;
- Confiscation by the elite;
- Inequality in the distribution of opportunities (if poor communication, etc.).
- Value other types of non-cash contributions by project developers (labor from communities, land, etc.).
- Interference of politics in the projects selection process;
- Inadequate capacity of provincial and local governments to monitor and coordinate projects;
- Difficulty in accessing funds for weaker structures because of overly burdensome requirements

2.3.6.2. Expectations

- Opportunity to create local jobs and support local economies in the projects implementation areas;
- Injection of capitals which is good for the local economies that suffer from a lack of funds;
- Potential for reviving banks and other financial structures (saving cooperatives, microfinance, etc.) for the management of funds;
- Opportunity to make use of certain areas by implementing projects receiving funds and highlighting the intrinsic value of these lands, sometimes unknown

2.3.6.3. Other concerns

- Skepticism: "What tells us that this will not be another empty promise?";
- What will the time between project submission and approval, signing and release of funds;
- Avoid too elastic periods (some are have had previous bad experiences);
- How to ensure access to this opportunity for less formal structures? (informal local structures, clan / family structures with land or forests, and local development initiatives in general, etc.)?
- Simplify procedures for accessing FIP funds;
- Organize a form of coaching to reinforce theses structures
- Integrate capacity building in management in the training programs

2.4. Work meetings between the REDD National Coordination and the REDD National and Inter-ministerial Committees on the draft Investment Plan

Three working sessions were organized for members of the National Committee.

The first meeting, held April 8, 2011, was attended by members of the National Committee and a member of the Inter-ministerial Committee (Ministry of Finance). This meeting had the following objectives: (i) presenting the objectives and modalities of the FIP, (ii) presenting the first draft of the Investment Plan, and (iii) gathering opinions and recommendations from the REDD National Committee members for integration into the next version of the draft Plan.

A second working session was held May 11, 2011 between members of the National Committee and the Inter-ministerial Committee REDD and the FIP joint mission. The purpose of this meeting was to inform them of the status of the Investment Plan and to present the new draft of Plan, including the proposed financial arrangements in relation with the institutional arrangements.

A third session was organized on May 26 2011 during a week-long training session of the national and inter-ministerial committees. At the end of this final presentation, the REDD National Committee did validate the investment plan and authorized the REDD National Coordination to submit it to the FIP Sub-Committee.

2.5. Presentation of the FIP to journalists other professionals from the media

The FIP and the investment plan was presented to media professionals gathered in a workshop on "The participation of journalists in the REDD process in the DRC", held from 18 to 19 May 2011. This workshop, organized by "The Communicators' Network for the Environment", aimed to provide a space for dialogue with journalists and media professionals to reflect on a better strategy to access and share information on REDD, for greater participation in the process. This workshop was attended by 50 delegates from five provinces of the DRC (Katanga, Equateur, North Kivu, Bandundu and Bas-Congo) and representatives of the Government, Parliament, World Bank, NGOs and national and international media and UN agencies

2.5. Participation of the civil society in the MDBs FIP missions

Representatives from the civil society were always involved in the MDBs FIP missions: the framing mission end of 2010 and the two joint missions in 2011.

Chronogram of consultations proposed at the start of the process

	Activities	March	April	May	June	July	August	September	October	November	December
Civil society	Preparation of consultations in Provinces										
	Consultations in the field										
	National workshop & recommandations										
	Echanges libres entre société civile et CN-REDD										
Private sector	Individual meetings with financial operators (banks, MFIs)										
	Meetings with interested financial operators										
	Individual meetings with national economic operators (companies, investors, etc)										
	Integration of economic operators in the Geographical Working Groups										
Public Administration	Discussions among various relevant Ministries & the REDD-NC (incl. REDD Interministerial Committee)										
Technical & financial partners (incl. MDBs)	Meetings										

Sectoral consultations (all types of stakeholders)

	Activities	March	April	May	June	July	August	September	October	November	December
Thematic Coordination Groups (TCGs)* et Geographical Working Groups	FIP presentation /TCGs roadmaps /FIP										
	Comments on the Investment Plan (Sections 1,4,6,7 & 8)										
	Programmes: target/precise activities, summary, feedbacks from experiences										
	REDD National stratégy & follo-up on the propositions from the geographical groups										

Validation Plan d'investissement / Programmes PIF

	Activities	March	April	May	June	July	August	September	October	November	December
REDD National Committee	Validation of the FIP Investment Plan										
	Validation Programmes PIF										

TCGs proposed to participate in the thinking process for the FIP

** Proposed TCGs:*

Community forest-based management and formal small-scale production

Afforestation/Reforestation & and carbon stocks increase

Agroforestry

Optimization of the fuel-wood energy industry

Local energy alternatives

Micro-zoning in forest areas

Land use planning

Land tenure harmonization and security

Economic governance, commercial policy and taxation

Commercial industries and support services for the REDD+

Development strategy for indigenous peoples

Appendix 3: Dedicated grant mechanism for indigenous peoples and local communities

This section was written by the Regional Coordinator of the Network of Indigenous Peoples and local communities for the sustainable management of dense rainforests of Central Africa (REPALEAC), also President of National Network of Indigenous Peoples for the sustainable management of forest ecosystems (REPALEF)

Indigenous Peoples (IP), custodians if not owners of the forests are estimated at 600,000 people (from about 60 million people in DRC), spread over 146 territories.
2011 was declared "International Year of Forests" and will be celebrated under the theme "Rights of the Indigenous Peoples and dynamics of biodiversity conservation in Central Africa". This theme reflects a strong push for awareness and especially the active involvement of states and stakeholders in the conservation of biodiversity and the inclusion of cultural values and practices of the PA.

Indeed, IP are particularly vulnerable to deforestation, climate change and extinction of flora and fauna. For decades, their knowledge, their cultures and traditional lifestyles have contributed to the preservation of the environment and sustainable development. Today, given the issues surrounding the implementation of REDD+ in DRC and particularly the FIP program, mobilization is required to lead a concerted and convergent action for the promotion of their rights by considering their particular access rights to land and natural resources. Often, IP do not own land, not covered by any legal act. The FIP is therefore an opportunity for them to improve their living conditions.

Whereas development initiatives targeting IP did not bring significant results, it is essential to rethink the methods of intervention especially with the new dynamics of REDD+ which may have a negative impact on their way of life if precautions are not taken to involve them directly in the search for solutions.

To do this we request from the government of DRC to meets its signed commitments in adapting the United Nations Declaration on the Rights of Indigenous Peoples in its key articles in accordance with REDD+. REDD should not be a risk to the rights of indigenous peoples (see Articles 10, 18, 19 of the UN Declaration on the Rights of Indigenous Peoples). These articles reflect this cooperative relationship that must exist with IP before the Congolese government designs and develops a program.
In case the government of DRC does not respect its commitment, it may confiscate the rights of IPs and go act against the rights of indigenous peoples to their survival in accordance with Articles 20, 26, 27 and 28 of the UNDRIP

In this respect, the government must guarantee, in addition to land ownership for a sedentary way of life, the user and access rights to the areas and resources in the territories that are economically and culturally important to the IPs. Similarly, rights and duties in the Bantu people/IPs should be set in legal texts and concrete measures taken to eradicate the final assimilation of IPs by the Bantu and other ethnic groups and promote their empowerment.

In addition, emphasis must be placed on developing an information, awareness, education and communication strategy for the IPs in order to change their behavior to adapt to current realities. At this level, attention must be especially given to women and the involvement of other indigenous peoples to prepare their integration

In order to achieve this, here are some basic principles:

1. Good governance in the forest sector and land tenure system in place, and in the way the REDD policy tool is designed.
2. Consultation at all levels and steps in accordance with Articles 10, 18 and 19 of the UNDRIP. These IP living and depending on these forests should be consulted in all activities related to REDD under the UNFCCC
3. Taking into account their interests during the design and implementation of REDD+

4. Enforce their property and land tenure rights: all fundamental rights that are defined at the international level and their customary rights must be taken into account from the design to the implementation of any project relating to REDD including the FIP.
5. Ensure their involvement in REDD
6. Ensure fair benefit sharing and advantages linked to REDD and the FIP
7. Place REDD and the FIP in a broader context of sound forest management and indigenous forest landscapes

Moreover, there is need to strengthen the capacity of IP through vocational and technical training so that they have access to decent job opportunities, promoting the integration of indigenous youth in the common schools, to develop income generating activities other than hunting and gathering in IP area and to capitalize on and use their expertise of the environment, forest dynamics and traditional management of natural resources. Under the FIP program, it is essential to establish a monitoring and evaluation system to involve them more in future projects

With the proper consideration of what preceded, the IPs of the DRC will benefit from the REDD+ and FIP processes and their condition of life will be improved. All activities conducted in their respective communities will be the remedy for poverty alleviation as stipulated in the Millennium Development Goals and the objectives of REDD+ and FIP will be reached

Appendix 4: Timeline for the REDD process elements essential to the FIP

Chantier	Réalisé / en cours	A venir
Analysis and reform of the legal framework	- Ongoing: Preparation of TORs for a study on the implementation framework (under validation) - Study on the political economy of REDD+ done (pending report) - Study on Governance launched	November: Completion of the scoping mission. International benchmark of implementation frameworks for REDD available. Analysis of the various components done (REDD steering/monitoring institutions, design, REDD financial mechanisms, rights on carbon, overlaps among legal texts, etc). TORs of a mission for the drafting of texts defined. Propositions of TORs for the new institutions or those on which to build up. Definition of the timeline for the way forward.
Management mechanism of MRV for risks & cobénéfits related to the REDD process	Ongoing: 1st mission from the civil society: literature review of options for risk management and maximization of social and environmental benefits in the context of REDD+. 1st preliminary proposal for national standards (finalized in June 2011) Ongoing: launch process of the SESA study.	- June-July: Mission for the practical experimentation of standards (operational feasibility and relevance) to improve them; National and provincial consultation on the proposal of national standards, to validate them end of July -August: start of the SESA study (Strategic Environmental and Social Assessment) - End-2011: planning of the way forward for the development of a comprehensive system of measurement, reporting and verification of co-benefits and risks in the social, governance, environmental and economic fields
REDD+ national finance mechanism	Ongoing: selection of the firm for the study on the national REDD+ fund	July: start of the study on the national REDD+ fund . September: REDD financing mechanism ready, and start of the capacity building.
Benefit sharing mechanism	-01/2011: 1st brainstorming workshop with five provinces (a hundred participants)	-June-July 2011: Further discussion with a small group (to be defined) with the support of the World Bank, and implementation of the recommendations of the January workshop to develop a proposal for a benefit sharing mechanism by end of 2011. - October 2011: drafting paper on basic thoughts about the National REDD Fund, the transversal reform, the work of the Thematic Coordination Groups, the feedback and reflections from the ground (pilot projects, consultations, launch of REDD in the Provinces, etc.)
Defining a procedure for approving REDD+ projects and creating a national REDD+ registry	- 03/2011 Brainstorming workshop with the National Committee and Civil Society on the DRC's REDD+ registration process and registry - 03/2011 Draft procedure available within the MECNT - 05/2011 International review of the draft approval process	- 05/2011 Approval of the procedure by the National REDD Committee - 06/2011 Ministerial Decree creating the REDD + projects approval procedure in DRC - 06-07/2011 Programming of DRC's REDD+ Projects and Initiatives registry (automated and public administrative online system) - 08-10/2011 System Test - 11/2011 Approval of first REDD+ project(s)
Deployment of the REDD+ process in the Provinces	TORs being drafted	06 -09/2011: Deployment of the REDD Provincial Coordinators
Study of the causes and factors of deforestation	- 12/2010: literature review conducted -04/2011: surveys in the provinces for the qualitative study and feedback workshop done, summary report being finalized Methodology of quantitative survey in the field proposed by UCL, to adapt	06/2011: Launch of field surveys for the quantitative study
Carbon MRV	- Overall structure of the future MRV system defined - Draft methodology for the National Forest Inventory (NFI) discussed with stakeholders - Training for the IFN launched and GIS lab equipment bought -5 / 2011: definition and development of the national forest monitoring started	-06/2011: End of training for the IFN and start of the capacity building for the national greenhouse gas emissions inventory - 06/2011: finalization of the Action Plan for the monitoring system of forest and MRV - 11/2011: 1st version of the national forest monitoring system presented at CoP17 in Durban
Reference Level	Relevant questions for REDD+ integrated into a statistically representative survey of households in DRC	- Follow the launch of the household survey (1, 2, 3 Study) - Prepare a progress report and plan finalized with UCL and IIASA - Prepare a concept note of the target organization carrying the production of and the follow up on the reference level
REDD+ Costs assessment methodology	- 11/2010: Training session conducted in Tanzania - Ongoing: literature review	Formalizing a partnership to test the methodology proposed in the DRC
Development of the national REDD+ strategy	-11/2010: Workshop to identify areas for further reflection for REDD+ and to exchange on the Thematic Coordination Groups (TCG) - 01/2011: Launch of TCGs - 04/2011: involvement of some TCGs in the reflection on the FIP -Ongoing: Analysis of the elements other countries strategies	Monitoring and analysis of the work of the TCGs, analysis of pilot projects and studies, consultation missions in the provinces, sharing (missions) with some countries advanced in the REDD process, -10/2011: Consultation workshop around the preliminary vision of the strategy -12/2011: First draft of the national REDD strategy -06/2012: TCGs report finalized -12/2012: national REDD strategy finalized

Appendix 5: Priority areas selection matrix for the FIP

FIP Criteria	Climate change mitigation potential				Demonstration potential at scale				Cost effectiveness		
Sub-criteria	Historical deforestation rate	Carbon stock/ha	Future threats to the forest identified	*Average*	Representative drivers of deforestation and degradation (current/future)	Many types of actors in the area	Representativeness of major ecosystems in the DRC (forests/savanna)	*Average*	Proximity of markets (major centers)	Dynamic nature of existing actors	*Average*
Kinshasa	4	2	4	3,3	4	4	4	4,0	4	4	4,0
Kananga / Mbuji Mayi	4	3	3	3,3	4	3	4	3,7	4	3	3,5
Kisangani	3	4	2	3,0	3	3	2	2,7	3	2	2,5
Gemena/Lisala-Bumba	3	4	2	3,0	3	2	3	2,7	2	2	2,0
Nord-Kivu (Grand Nord)	4	3	4	3,7	4	4	4	4,0	4	4	4,0

Implementation potential				Intégration du développement durable (avantages connexes)					Safeguards		
Capacity to resolve conflicts (land-related, natural resources, etc.)	Existing stock of replicable experiences	Proximity of major transport corridors	*Average*	Existence of threatened biodiversity-rich forests	Potential for development of other environmental services	Potential for contribution to the livelihoods & human development of populations dependent on the forests	Show the link with the dedicated grant mechanism for indigenous peoples and local communities	*Average*	*Applicable for the assessment of the strategy, programs, and projects*	*TOTAL*	
3	4	4	3,7	3	4	3	2	3,0		18,0	**1**
3	4	4	3,7	2	3	4	2	2,8		16,9	**3**
3	3	4	3,3	3	3	4	2	3,0		14,5	**4**
4	2	1	2,3	2	3	4	2	2,8		12,8	**5**
1	4	4	3,0	3	3	4	2	3,0		17,7	**2**

The selection was done following the 1st joint mission, with the agreement that DRC would select 2 to 3 priority areas, through a committee that included 3 government representatives and 3 civil society representatives (of which 1 didn't come).

The result of the exercise is as follows:

1. Kinshasa
2. North-Kivu
3. Kananga/Mbuji-Mayi
4. Kisangani
5. Lisala-Bumba

Though North-Kivu was rated second according to the matrix, it was argued that the fluctuating security situation as well as the complex situation regarding land tenure there was not providing an appropriate environment for investment and dismissed.

With North-Kivu dismissed, Lisala-Bumba was rated fourth, which was still not enough to qualify, leaving the three areas included in the IP: Kinshasa, Kananga/Mbuji-Mayi and Kisangani.

Appendix 6: Summary table of potential risks

Potential risks	Risk management mechanisms
Transversal	
Barriers to investment	
Political Risks: disorders, expropriation, foreign exchange risk, breach of contract	Guarantee MIGA (*Multilateral Investment Guarantee Agency*) and private insurance
Unfavorable business climate and state of governance, judicial and tenure insecurity	Establishment agreements entitling FIP investments/projects with the status of MDB-funded projects
Risk of devaluation	Maximize earnings in currency: carbon credits, environmental services and export.
Distrust from international financial circles	Promotion by credible bodies and local operators. Proposing options for creating a protective framework for investment.
Local financial sector unsuited to medium and long term investments. No expertise in carbon finance	Suitable institutional arrangements for resources mobilization and complex funding practices. Promotion of Carbon Finance.
Weak culture of private sector cooperation with government and with the MDBs (except specialized MDBs such as IFC and EIB)	Appropriate institutional arrangements, credible interfaces
Poor coordination of ODA.	Provide coordination support
Uncertainties in the carbon market	Lobbying of international institutions. Guarantee a price floor.
Weak coordination of sectoral policies relevant to REDD.	Coordination support from MECNT and Environment Thematic Group hosted by the Ministry of Plan
Program-specific risks	
Environmental risks	Realization of the Social and Environmental Strategic Analysis (SESA) as part of the REDD process
Weak capacity to implement complex projects. Lack of expertise in financial engineering and carbon finance	Institutional arrangements adapted to the functions to be performed and to the skills required, particularly in relation to the private sector
Mismanagement of the program	Transparent mechanisms for fund management, close monitoring, internal and external audits
Lack of credible bankable projects	Prepare projects templates, promotion campaigns, set up projects with potential developers
Technical complexity of some issues and lack of specific skills	Significant budget for capacity building and technical support to investors.
Lack of investor interest in REDD projects. Weak promotion of REDD and the PIF to the private sector	Appropriate promotion strategy in the DRC and abroad. Suitable interfaces. Privileged status of projects. Financial and tax benefits.
Cumbersome MDBs' procedures	Exploit the delegation opportunities that exist in the procedures
Overlapping areas of intervention among different administrative units	Delineate intervention areas following territories or districts boundaries
Grabbing of projects by the local elite at the expense of LC and IP	Establishment of clear and transparent standards and management procedures
Inequalities regarding access to opportunities (poor communication,	Information, control and monitoring at every stage

etc.).	
Political interference in project selection	Partnership between donors, government and civil society ; establishment of performance criteria
Opposition from customary authorities and local populations	Respect of customary authorities, taking into account local culture. Awareness and outreach; Use local expertise and manpower
Designing projects without the involvement of LC and IP	Integration of representatives from LC and IP in the project team
High level of poverty of most of the local population	Support local development initiatives that create jobs and improve living conditions
Contingencies or weather conditions (e.g. natural disasters)	Thorough knowledge of the climatic elements of the environment
Misuse of project funds	Creating a control and arbitration structure
Insufficient capacity of provincial and local governments to monitor and coordinate projects	Involvement of local authorities in monitoring the programs through the steering committees of geographically integrated programs
Afforestation / Reforestation and Assisted Natural Regeneration	
Long-term investments less attractive in the DRC	Promotion campaigns locally and abroad. Making investment more attractive through enabling activities in support of projects: Financial support: grants, loans at concessional rates, etc.; Support in securing land tenure
Very high investment costs at the beginning of the project	Performance based co-financing and grants
Complexity of land issues in the DRC, and increased pressure on land tenure security	Support in securing land tenure and contribution to the preparation of a land law reform
Risk of Fire. Common use of uncontrolled bush fires	Firewalls, integration of local people in projects, payment mechanisms to Local Development Committees conditioned to targets for reducing fires, etc
Energy-efficient stoves	
Lack of continuous funding support over the long term	5-year programs
Large-scale raw material supply difficult (esp. plates)	Procurement platform for raw materials
Resistance to change: habits, cost of energy-efficient stoves	Awareness, dissemination of energy-efficient and affordable stoves models through industrial production
Quality of energy-efficient stoves	Industrial production with quality & security control systems
Land use planning	
Lack of legal framework	Consultation with technical and financial partners so that they support the development of a law on land use planning prior to deployment of FIP
Overlap in the administrative and technical responsibilities	Link with the Inter-ministry Committee
Misunderstanding of the objectives and implications of micro-zoning	Awareness raising of local stakeholders
Land use security	
Manipulation by domestic and international investors	Enabling activities, including the clarification of property rights according to positive or customary law

	in the target-area
Manipulation by local elites at the expense of other community members	Definition and implementation of recognized procedures and standards in the activities of clarifying rights
No subsequent recognition of the land ceded by the family	Clarification of rights prior to the implementation of projects and involvement of family and traditional authorities while signing and legalizing contracts
Improved charcoal making	
Lack of viability in the techniques promoted (cultural resistance, costs too high, etc.)	Promotion of best practices to local communities in the implementation of traditional techniques and simple improvement of these techniques. Detailed study of the costs and benefits of modern technology proposed to the private sector
Potential increased deforestation due to improved yields therefore potential economic gains	Study of the dynamics of the economy network and the environment after the set up of the project
Growing needs for fuelwood	Promotion of alternative energy sources
Support to the emergence of projects from local community	
Low capacity of advisors	Develop sources of literature references and other media, support through the project management unit
Difficulty for the less formal structures to access funding	Support from civil society organizations
Lack of required funds to start projects	Support through the dedicated grant mechanism for local communities and indigenous peoples
Delays in accessing funding	Appropriate institutional arrangements, credible interfaces
Community forests	
Lack of legal texts and local structures in charge of community forests	Supporting structure
Blockage in the allocation of forest concessions to communities (poor governance, decentralization)	Strong link with the provincial and national governments
Conflict with other types of forests (classified / permanent production forests)	Participatory mapping for the allocation of forests (conflict management)
Slow macro-zoning no land allocation possible in harmony with other land uses	Ongoing zoning (completed in 2012); provincial coordination committee
Forest ownership provides access to all resources	Outreach to beneficiaries "No rights to the sub-surface" ex. land for mining
Destruction of sacred forests	Involvement of local authorities and customary authorities in the selection of project sites

Appendix 7: Terms of Reference of the Strategic Environmental and Social Assessment

(Version du 10/12/2010, actuellement en attente de Non-Objection par la World Bank)

Termes de Référence

EVALUATION ENVIRONNEMETALE ET SOCIALE STRATEGIQUE (EESS)

DE LA MISE EN ŒUVRE DU PROCESSUS REDD EN RDC

I. Préambule

Le stratégie exploratoire REDD+ en RDC vise à contribuer à l'atténuation des émissions des Gaz à Effet de Serre (GES), à réduire la pauvreté et à relancer la croissance économique à travers la gestion durable et équitable des forêts, la valorisation des services environnementaux et le renforcement du stock du carbone forestier. Ce processus se voulait innovant et participatif en associant les organisations de la société civile et des communautés forestières et autochtones, le secteur privé et le milieu scientifique dans le choix des options stratégiques et la préparation du pays.

Néanmoins, en dépit des retombées positives escomptées au niveau de la lutte contre le changement climatique, le redémarrage de l'économie et l'amorce de nouveaux programmes multisectoriels de développement en période post-confit peut avoir des impacts négatifs collatéraux sur l'environnement et les communautés locales. De plus, l'attente des populations riveraines et autochtones se focalise de façon pressante sur des résultats concrets portant notamment sur l'éradication de la pauvreté et le partage équitable des bénéfices entre les parties prenantes et au niveau national et local. La compensation des populations pouvant être affectées négativement et le maintien des usages traditionnels des forêts correspondent aussi aux attentes exprimées.

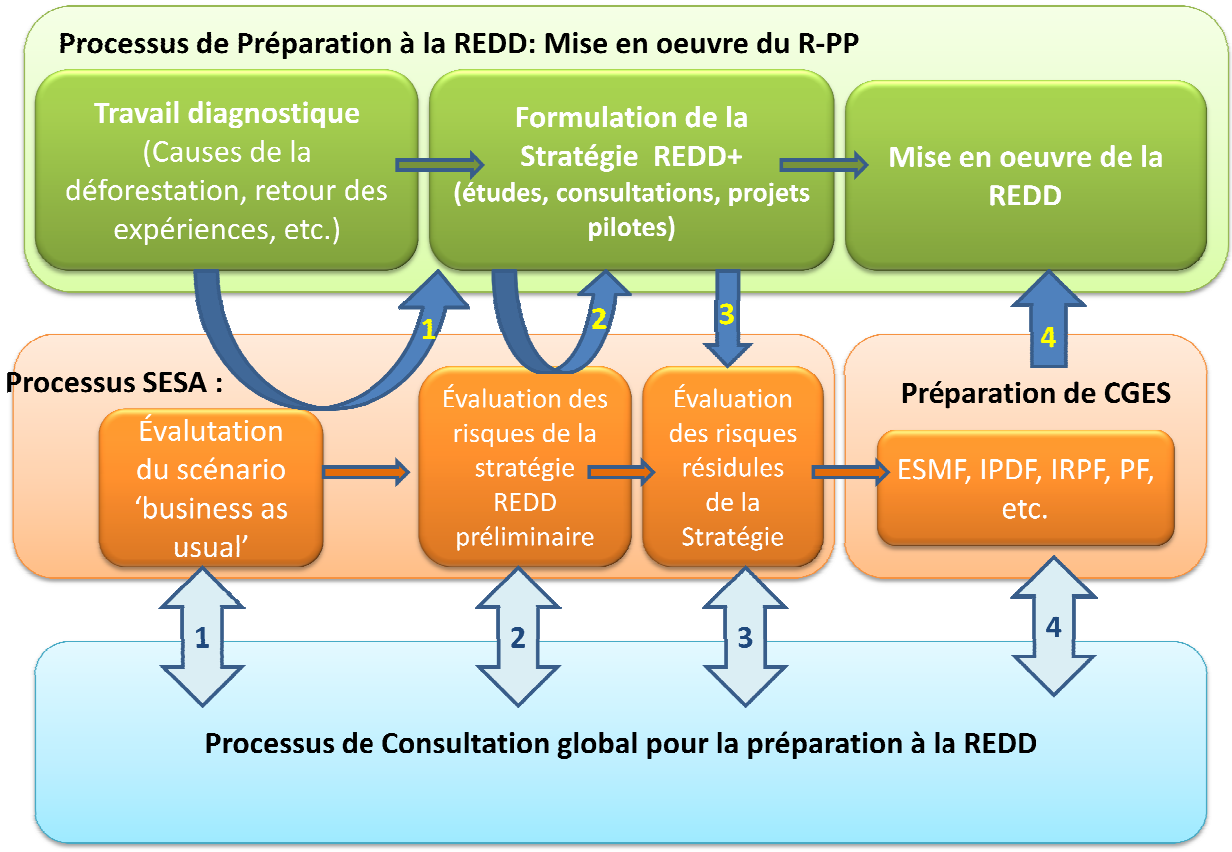
Il est donc nécessaire d'élaborer une Évaluation Environnementale et Sociale Stratégique (EESS ou SESA en sigle anglais) afin d'évaluer les effets positifs et négatifs que pourrait générer les options stratégiques REDD+ proposées par le gouvernement et de contribuer à affiner cette stratégie. L'EESS doit donc adopter une démarche participative et se situer en amont du processus REDD. Elle doit porter une attention particulière aux intérêts des groupes sociaux les plus vulnérables, et notamment les peuples autochtones et les peuples riverains des forêts.

Le processus de préparation de l'EESS doit se faire en dialogue avec les autres études en préparation dans le processus national REDD+, ainsi qu'avec la préparation de la stratégie d'investissement pour les Programme d'Investissements pour les Forêts (FIP). Le Comité de Suivi de l'EESS aura le rôle central de s'assurer que les conclusions des études contribuent à l'élaboration de 'EESS. Le tableau ci-dessous résume les études en cours (ou à lancer), le lien avec le SESA et le timing de ces études.

Étude	Lien avec le processus SESA	Partenaires et Timing
Analyse approfondie des causes de la déforestation et dégradation forestière	L'étude doit mettre en évidence les facteurs sociaux et institutionaux liés à la déforestation et dégradation. Ces facteurs doivent être pris en compte dans la stratégie en construction.	• UCL, FAO et PNUE • Étude en cours. Finalisation prévu pour mars, 2011.
Retour des expériences en réduction de la déforestation et dégradation forestière	L'étude doit évaluer le succès et échec des interventions passées, mettant accent sur le rôle accordé aux questions sociales liées à la déforestation.	• Consultants • Étude en cours. Résultats prévus pour Novembre, 2010

Étude sur le mécanisme de gestion des fonds REDD	Cette étude devra mettre en évidence comment la gouvernance ce mécanisme et son système d'allocation des fonds de peut influencer les bénéfices accordés aux communautés.	• Consultants • À lancer en octobre 2010.
Étude sur le partage de bénéfices REDD	Ceci s'agit d'une étude où les questions sociales (y compris l'équité) seront dans le centre de la discussion.	• Consultants • À lancer en janvier 2011.
Projets pilotes REDD	Les projets pilotes REDD devront générer plusieurs leçons apprises, y compris sur les questions sociales liées à la déforestation, ainsi que les risques environnementaux liés aux solutions proposés.	• ONGs locales et internationales, secteur privé. • Propositions de projets en analyse par le FFBC. Projets devront être lancés avant fin 2010.
Programmes anticipés de mise en œuvre de la Stratégie REDD	Les études préparatoires pour les programmes anticipés devront explicitement analyser les questions sociales liées à la déforestation.	• Consultants • Études à lancer (charbon de bois, agriculture sûr-brulis, foncier) en octobre 2010.

Le graphe ci-dessous démontre la relation entre le SESA et l'ensemble du processus de préparation à la REDD.



L'élaboration de l'EESS doit se référer aux dispositions réglementaires en vigueur et à la prise en compte de l'adhésion du pays aux conventions internationales et aux accords multilatéraux sur l'environnement. L'EESS prendra aussi en considération les principes qui découlent de la réglementation congolaises applicable aux différents secteurs concernés, y compris les conventions internationales ratifiées par la RDC et les lois, usages, coutumes locales ainsi que les pratiques internationales qui protègent les droits des citoyens, notamment en cas d'impact sur leur cadre de vie, leurs droits traditionnels et d'accès aux ressources.

Ces TdRs portent sur une consultation impliquant des compétences nationales et internationales en vue d'élaborer une EESS relative à la mise en œuvre des options stratégiques REDD+. Dans la suite de ce document, le terme 'processus' désigne la stratégie REDD+ de la RDC et son cadre de mise en œuvre.

II. Objectifs et Résultats attendus

L'objectif global de l'EESS est d'identifier les opportunités d'améliorer les nouvelles conditions environnementales et sociales pouvant découler de la mise en œuvre du processus REDD+ en RDC, d'identifier des alternatives aux possibles impacts sociaux et environnementaux négatifs de la mise en œuvre du processus REDD, de mettre en place un cadre de gestion environnementale et sociale pour la mise en œuvre de la stratégie nationale REDD.

L'EESS doit fournir plus particulièrement les résultats suivants :

1. Décrire la situation de départ sur le plan social et environnemental concernant les ressources forestière en RDC, ainsi que les programmes/activités de la stratégie REDD+ préliminaire ;
2. Examiner la pertinence socio-environnementale de la Stratégie REDD+ préliminaire préconisée par la RDC (voir Annexe A ci-dessous). Décrire pour ce faire les contraintes (politiques, sociales, institutionnelles) qui pourraient s'opposer aux effets attendus ou produire des contre effets négatifs, par exemple en matière d'accès aux ressources naturelles, de sécurité alimentaire, de revenu pour les ménages agricoles. La conception et la gestion du mécanisme de répartition et gestion des revenus REDD+ seront particulièrement analysées, avec le but d'évaluer le risque qu'il ne profite pas ou faiblement aux populations impliquées ;
3. Analyser les impacts potentiels sociaux et environnementaux d'une évolution des secteurs ayant trait au processus REDD+ (Forêts, Eaux, Energie, etc.) en l'absence de la mise en œuvre du processus (Option BAU : '*Business-as-usual*') ;
4. Pour les différentes options stratégiques retenues du processus, y compris pour celles qui découleraient des suggestions nouvelles faites au point 2, identifier et analyser tout impact environnemental et social dommageable, direct ou indirect, résultant du processus REDD+ et qui pourrait affaiblir sa durabilité ou empêcher l'atteinte de l'objectif de réduction de la pauvreté ou porter atteinte aux particularités et au mode de vie des peuples autochtones. Identifier les principaux besoins en information et en études analytiques futures pour affiner cette analyse d'impact. Le consultant devra aussi analyser la Stratégie d'Investissement pour le Programme d'Investissement pour les Forêts (PIF) préparée par la RDC ;
5. Proposer des améliorations à la stratégie pour optimiser ses incidences positives et éviter, atténuer ou compenser ses impacts négatifs potentiels et proposer l'alternative pertinente et compatible avec la protection de l'environnement et les intérêts affichées des populations forestières et autochtones.
6. Préparer un Cadre de Gestion Environnementale et Sociale pour la mise en œuvre de la Stratégie Nationale REDD+. Ce Cadre devra être raffiné tout au long du processus REDD ;
7. Évaluer la conformité de la stratégie national REDD+ proposée aux politiques de sauvegarde de la World Bank;
8. Proposer une série de mesures, concrètes et pratiques, visant à protéger l'environnement, à assurer le bien être des populations (notamment les populations forestières et autochtones), à les intégrer pleinement dans le processus REDD+ et à leur offrir l'opportunité de poursuivre leurs usages traditionnels des forêts qui sont non préjudiciables à l'environnement ;
9. Proposer un plan de renforcement des capacités institutionnelles pour améliorer la gestion environnementale et sociale du processus REDD+ en RDC.

III. Dispositif institutionnel de mise en œuvre de l'EESS

Le **Ministère de l'Environnement, Conservation de la Nature, et Tourisme** (MECNT) constitue l'interlocuteur contractuel du Consultant. Le dialogue, la préparation et le suivi de l'exécution de l'EES seront assurés par la **Coordination Nationale REDD** (CN-REDD) sous la supervision de la **Direction du Développement Durable** et **Point Focal REDD**. Toutes les parties prenantes seront associées à ce processus à travers leur participation au Comité de Suivi ainsi que par les consultations participatives menées par le Consultant.

Avant le début de l'étude un Comité de Suivi (CS) sera mis en place, par arrêté du Ministre en charge de l'environnement, afin de guider et de faciliter le travail du consultant tout au long de son mandat : collecte des données, organisation de consultations, validation des rapports d'étapes. Le CS sera composé des représentants des organismes clés impliqués, le secteur privé, les ONGs locales, et les organismes de représentation des populations autochtones. Le Ministre de l'ECNT peut désigner des représentants des partenaires techniques et financiers impliqués dans le processus REDD pour participer à titre consultatif au CS Les activités du CS seront coordonnées par le CN-REDD et ses membres sont tenus de fournir (sous une dizaine de jours ouvrables) leurs commentaires sur les rapports périodiques et le rapport final. Pour l'appuyer dans sa mission, le CS peut recourir aux services des consultants nationaux et/ou internationaux. Le CS a aussi le rôle de s'assurer que les résultats du SESA soient effectivement incorporés dans la sélection des options stratégiques pour la Stratégie Nationale REDD+.

Un Atelier de lancement du processus devra s'organiser dès que le prestataire sera recruté, où les spécificités du cadrage méthodologique de la prestation seront discutées.

Dès le début des travaux, le Consultant tiendra une réunion avec le CS afin (i) d'exposer et discuter son plan de travail, et (ii) établir les modalités de travail avec le CS, y compris pour les revues périodiques des rapports d'étapes et les consultations publiques. Pour ce dernier point, le CS veillera à ce qu'un processus clair de consultation préalable libre et informée des populations autochtones soit établi, pour identifier totalement leurs perspectives et leur faire correspondre des mesures actives.

La CS se verra doté d'une cellule opérationnelle de 3 à 4 membres qui assurera son fonctionnement selon les impératifs contractuels et les délais impartis. La composition et les attributions de la cellule opérationnelle sont décrites dans les termes de référence du Comité de Suivi.

V. Tâches du consultant

Le processus de réalisation de l'EESS peut se diviser en neuf étapes comme suit :

Tâche 1 :	Identification des principales composantes du processus REDD+
Tâche 2:	Préparation et Soumissiondu plan de travail avec le CS et organisation d'un atelier de lancement de l'étude
Tâche 3 :	Description de la situation initiale socio-environnementale, des causes et des facteurs de la déforestation et dégradation des forêts, de la stratégie REDD préliminaire; recommandations éventuelles pour améliorer la stratégie. L'EESS devra capitaliser sur les résultats des études en cours (notamment l'étude sur les causes de la déforestation et dégradation, et l'étude sur le retour des expériences nationales de réduction de la déforestation et dégradation).
Tâche 4 :	Analyse des impacts potentiels du scénario 'Sans processus REDD+'(*Business As Usual*)
Tâche 5 :	Analyse des potentiels risques et impacts socio-environnementaux induits par la stratégie REDD, y compris la stratégie d'investissement pour le Programme d'Investissement pour

	les Forêts.
Tâche 6 :	Analyse des impacts résiduels de l'alternative REDD+ proposée et des activités qu'elle prévoit
Tâche 7 :	Évaluer la conformité avec les Politiques de sauvegarde de la World Bank (quand elles s'appliquent)
Tâche 8 :	Elaboration d'un Cadre de Gestion Environnemental et Social (CGES) et un Plan de Renforcement des Capacités dans les domaines de l'Evaluation, la Gestion et le Suivi Environnementaux. Ce CGES devra être raffiné tout au long du processus REDD.
	Elaboration d'un Cadre de Développement des Peuples Autochtones (CDPA), d'un Cadre de Politique de Réinstallation Involontaire (CPRI), d'un Cadre de Gestion du Patrimoine Culturel (CGPC) ; d'un Cadre de Politique d'information.
Tâche 9 :	Documentation des résultats de l'analyse, des enquêtes et des consultations publiques. Organiser un atelier final de restitution de l'étude.

Des détails requis pour chaque tâche sont donnés à titre indicatif ci-dessous. La séquence des tâches et leur contenu et degré de détails restent flexibles. Le consultant peut les enrichir sous réserve de faire valider toute modification par le CS.

Description détaillée des tâches.

Tâche 1 : Identifier les principales composantes du processus REDD+, Déterminer la portée de l'évaluation (c'est-à-dire les enjeux environnementaux et sociaux à prendre en considération), le niveau d'effort et les tâches requises pour réaliser l'EESS. Dans l'éventualité que des impacts importants sont à anticiper, l'évaluation doit commencer par la collecte et l'analyse les données de base permettant :

- L'évaluation des politiques, lois et règlements environnementaux et sociaux pertinents;
- La description de l'état des principales composantes du R-PP touchant sur des questions environnementales et sociales ;
- L'identification des enjeux environnementaux et sociaux clés associés à la stratégie REDD+ préliminaire;
- L'identification des principales parties prenantes concernées par les enjeux identifiés ;
- La détermination des besoins pour l'analyse détaillée des effets potentiels (Études techniques requises, Expertise requise (autre que l'équipe), Participation du public et implication des parties prenantes) ;
- Sources d'informations disponibles, notamment les autres études d'EESS réalisées dans le cadre du Programme National Forêt et Conservation de la Nature (PNFOCO) dont les résultats sont disponibles sur Worldbank Infoshop à l'adresse suivante : http://web.worldbank.org/external/projects/main?pagePK=51351038&piPK=51351152&theSitePK=40941&projid=P100620.

On y trouve notamment les documents suivants :

- Le guide méthodologique intérimaire de zonage forestier pour la république démocratique du Congo
- Cadre de politique pour les peuples autochtones du PNFOCO
- Évaluation environnementale et stratégique du PNFOCO
- Cadre de gestion du patrimoine culturel du PNFOCO
- Cadre de gestion environnemental et social du PNFOCO
- Cadre de politique de réinstallation involontaire du PNFOCO.

Tâche 2 : Confirmation du plan de travail avec le CS : Confirmation au démarrage de l'étude des principales caractéristiques de l'EES ainsi que du plan de travail, particulièrement en ce qui concerne les zones géographiques et les thèmes qui feront l'objet d'analyses plus spécifiques ainsi que les modalités précises d'intervention. Celles-ci concernent la participation des parties concernées et des groupes et communautés potentiellement affectés (notamment les peuples), le processus de consultation, de préparation et de discussion des rapports d'étapes.

Tâche 3 : Description de la situation de départ socio-environnementale, et du processus REDD+.

Cette tâche consiste à collecter, analyser et présenter les données de base relatives à l'état actuel environnemental et social du secteur forestier en DRC. Cette partie descriptive s'appuiera sur les textes de lois et autres document de référence[62] et traitera des points suivants :

1. **Description de l'environnement naturel** : notamment la cartographie de base, les divers écosystèmes, les ressources forestières, la biodiversité, les fonctions des forêts pour la régulation du climat et des eaux, les espèces menacées et/ou endémiques, et les habitats critiques, sensibles et/ou en danger, le réseau des aires protégées. Elle décrira les menaces et opportunités qui impactent ces écosystèmes.

2. **Description du contexte social** : Ce travail se base sur la consultation directe des groupes concernés, la récolte de données de terrain, la compilation d'études existantes ; y inclus les données démographiques et socio-économiques de base, les aires de distribution des groupes ethniques. Ceci compte aussi l'analyse de la structure des communautés forestières y compris leur organisation sociale et les institutions locales, les rôles des différents groupes sociaux, les systèmes économiques, les liens avec l'économie nationale et régionale, les systèmes traditionnels d'accès aux ressources et à la terre, les problèmes de santé y compris le SIDA, et l'identification des impacts positifs et négatifs des activités forestières sur les différents groupes sociaux. Elle établira un '*stakeholders mapping*'. Elle décrira les opportunités et risques que présente le contexte post-conflit vis-à-vis du bien-être social, culturel et économique des populations vivant en milieu forestier et de la population congolaise en général. Il est nécessaire de décrire les groupes existants et leur utilisation des ressources, incluant les groupes paramilitaires installés de façon illégale sur le territoire. Évaluer autant que possible les états de domination des groupes les uns par rapport aux autres et les relations entre ces groupes. Cette analyse inclut un volet spécial consacré aux **groupes sociaux vulnérables** dépendant des forêts, **spécialement les Pygmées**. Ce volet inclut :

   - l'identification précise des groupes ethniques, avec localisation géographique et estimation du nombre ainsi que une revue historique de la présence des groupes autochtones et de leur évolution dans le temps et l'espace,
   - l'identification de la structure communautaire, des liens sociaux avec le reste de la société, et de la dépendance par rapport aux ressources naturelles,
   - l'utilisation des terres ainsi que les droits traditionnels que ces groupes exercent sur les ressources naturelles dans leurs terroirs.

3. **Description du cadre légal et institutionnel** : Le consultant décrira le cadre légal, réglementaire et institutionnel qui régit le secteur forêts et conservation de la nature. Il rappellera les dispositions-clefs du code forestier de 2002, et des conventions internationales qui lient la RDC. Il indiquera comment le secteur est pris en compte dans les principaux cadres de développement socio-économique du pays, tels que le DSRP, la politique de décentralisation, etc. Il rappellera les constats et recommandations de la revue institutionnelle du secteur. Le consultant vérifiera la concordance du processus REDD+ avec les conventions internationales.
4. **Description du processus REDD+** : Partant des orientations de politique décrites ci-haut, le Consultant décrira les composantes stratégiques et activités proposées dans le processus REDD+.

[62] A titre d'exemple non exhaustif : le Code forestier (2002), le document de processus REDD+ PNFoCo (2004), la Stratégie de l'ICCN (2004), la Revue Sectorielle Forêts/Analyse de l'Agenda Prioritaire (2007), le Document Technique de Référence du Fonds Commun (2006), la Revue Institutionnelle du MECNT et l'Etude d'impact Post-Conflit (en cours).

Cette description se fera en réponse aux risques et opportunités identifiés. Le consultant résumera la stratégie d'intervention proposée, les activités ou plans annuels d'activités envisagés, les résultats ciblés, et les zones géographiques considérées.

Tâche 4 : Analyse des impacts potentiels du scénario 'Sans Processus REDD+' ou 'BAU : *Business-As-Usual'*. Le Consultant identifiera, autant que possible en termes quantitatifs, les impacts sociaux et environnementaux, aussi bien positifs que négatifs, qui résulteraient d'une évolution des secteurs ayant trait au processus REDD si ce dernier ne serait pas en œuvres. Il analysera notamment les risques suivants :

- risque d'exacerbation des conflits et des tensions sociales et leurs menaces sur les habitats naturels
- risque d'aggravation ou d'apparition de nouvelles formes non-contrôlée de l'agriculture et de l'exploitation du bois en rapport avec l'absence d'une stratégie d'accompagnement du secteur informel, de gestion du bois de chauffe et le soutien insuffisant à la réhabilitation des parcs nationaux,
- risque lié à l'absence de zonage participatif,
- risque dû au statu quo et à la faiblesse de la capacité institutionnelle, et à l'absence de la transparence et la participation du public,
- risque d'absence d'un cadre d'harmonisation des bailleurs.

Tâche 5 : Analyse des alternatives et les impacts de la stratégie REDD+. Le consultant analysera aussi les alternatives qui s'offrent au gouvernement et à ses partenaires. Il indiquera par quel autre moyen, qui ne soit pas déjà inclus dans le processus REDD+, le gouvernement et ses partenaires pourraient éventuellement poursuivre les objectifs de réduction de la pauvreté, de protection de l'environnement, de développement socio-économique, et de protection des droits traditionnels, et d'harmonisation de l'aide. Les alternatives discutées devront être réalistes, c'est-à-dire notamment tenir compte des programmes de reconstruction et de développement déjà en cours dans les autres secteurs, et de la capacité réelle d'action et d'influence du gouvernement et de ses partenaires. Le consultant indiquera comment de telles alternatives seraient incorporées au processus REDD+.

Pour chaque composante, activité ou méthodologie proposée dans le cadre du processus REDD+, le consultant analysera les impacts possibles, positif ou négatifs, sur les habitats naturels, les forêts et l'environnement ; ainsi que sur les modes de vie traditionnels et les droits d'accès aux ressources, et sur l'égalité d'accès aux opportunités de développement, spécialement pour des groupes qui risquent d'être marginalisés comme les Pygmées. Il identifiera les risques que le processus REDD+ proposé provoque des déplacements physiques involontaires, ou diminue l'accès aux ressources, la production de ressources – notamment alimentaires - et de revenus, ou altère le mode de vie des populations autochtones, par rapport à la situation de départ et au scénario sans processus REDD+. Il portera une attention particulière sur les impacts susceptibles d'être irréversibles. Il identifiera ces impacts positifs ou négatifs, par comparaison avec le scénario 'sans processus REDD+'

Le même exercice devra être assuré pour la Stratégie d'Investissement pour le Programme d'Investissement pour les Forêts (*Forest Invesment Program,* en anglais). Cette Stratégie d'Investissement servira à la programmation des investissements du PIF et devra être en parfaite harmonie avec et contribuer à la Stratégie Nationale REDD+.

Tâche 6 : Analyse des impacts résiduels de l'option retenu. Le consultant identifiera les impacts aussi bien positifs que négatifs susceptibles d'être observés comme conséquence de la mise en œuvre de la Stratégie National REDD+. Il distinguera les impacts directs, indirects, cumulatifs, immédiats et futurs, autant que possible de façon quantitative. Comme pour le volet précédent, cette évaluation gardera un caractère sectoriel sans nécessairement identifier les impacts dans des

sites ou à des moments précis.

Le consultant établira une grille indiquant les options stratégie de la Stratégie REDD+, les principaux ajustements et mesures d'atténuation proposées, et la conformité aux politiques de sauvegarde concernées. Il vérifiera notamment que le processus REDD+ ne favorisent pas directement ou indirectement l'exploitation industrielle du bois dans les forêts naturelles ou une dégradation de l'environnement.

Tâche 7 : Évaluer conformité avec les Politiques de sauvegarde des bailleurs et autres partenaires techniques : Sur base des analyses et propositions ci-dessus, le consultant analyser su le processus REDD conforme avec les politiques de sauvegarde de la World Bank. A titre d'exemple les politiques et procédures relatives à : l'Evaluation Environnementale, les Habitats Naturels, les Populations Autochtones, les Ressources Culturelles Physiques, la Réinstallation Involontaire des personnes et des populations, les Forêts, etc. Par ailleurs il est important que l'EESS confirme parmi les objectifs majeurs du REDD : (i) réguler les activités dans le secteur des forêts et promouvoir la lutte contre la déforestation et la dégradation des forêts, (ii) éviter le déplacement involontaire de populations, et (iii) protéger et promouvoir les droits et opportunités des peuples autochtones par rapport à la situation de départ.

Tâche 8 : Développement d'un Cadre de Gestion Environnemental et Social (CGES). Le consultant doit faire toute proposition visant à renforcer l'impact du processus REDD+ sur la qualité de l'environnement, sur le bien-être social, culturel et économique de la population spécialement les groupes les plus dépendants des forêts, sur les écosystèmes et la biodiversité ainsi que sur le respect des modes traditionnels d'usage des ressources naturelles, et sur les processus de consultation et de participation des communautés. Le PGES doit notamment traiter des questions sous-indiquées :

1. Le consultant recommandera les procédures à mettre en œuvre tout au long du processus REDD+ en vue d'adopter des mesures de gestion et de suivi environnemental et social qui visent d'atténuer ou d'éviter les impacts négatifs. A cette fin, il proposera une méthodologie simple de 'screening' pour vérifier du point de vue social et environnemental les activités qui seront proposées d'année en année dans les plans de travail annuels de façon à écarter ou réviser celles qui risqueraient d'avoir un impact négatif (sorte de « check-list » à suivre). Il proposera les TDR des études simplifiées préalables pour chaque projet financé par le REDD+, ainsi que ceux des études détaillées simplifiées requises dans les cas de déclenchement nécessaire des politiques de sauvegarde.
2. Il proposera aussi un système simple de suivi évaluation des impacts sociaux et environnementaux, avec des indicateurs de suivi ainsi que les procédures et méthodologie d'évaluation correspondantes. Enfin, le consultant proposera une méthodologie de consultation publique pour la conduite et le suivi évaluation du processus REDD+.
3. Il fera des propositions concrètes pour accroître l'information du public sur la gestion des forêts, et pour accroître l'implication des communautés locales, spécialement les groupes autochtones, des ONG et autres institutions de la société civile et du secteur privé dans l'exécution et le suivi du processus REDD+, et dans la gestion du secteur en général.
4. Le consultant proposera des mesures de renforcement de capacités nationales pour assurer que les mesures du PGES soient effectivement mises en œuvre, y compris au niveau du gouvernement, des universités, des ONGs, et des groupes sociaux concernés. Il proposera les institutions publiques et/ou de la société civile susceptibles de mener ce travail de renforcement, et définira le budget nécessaire. Ce processus de renforcement des capacités pourrait inclure des ajustements institutionnels ou de procédures, des recrutements ou de nouvelles affectations et des formations pour les cadres des institutions nationales, locales et régionales et les organisations de la société civile.

5. Les coûts estimatifs du PGES devront être évalués pour chaque mesure recommandée. A défaut d'une estimation précise, une méthodologie pour l'évaluation de ces coûts sera proposée. Cette estimation inclut les besoins de renforcement institutionnel et de formation pour l'application des dites mesures.
6. Le consultant présentera le PGES sous forme de mesures incorporées directement dans les activités du processus REDD+ (ex. améliorations de méthodologie, compléments aux activités proposées) de sorte que ce PGES ne constitue pas un processus parallèle.
7. Le Consultant doit s'appuyer sur la Stratégie Nationale pour le Développement des Peuples Autochtones Pygmées (SNPPA) pour produire un Cadre de Développement des Peuples Autochtones (CDPA) sous une forme générique qui sera utilisé par le Gouvernement chaque fois qu'une activité du processus REDD+ risque de mettre en question les droits, intérêts ou cadre de vie de groupes autochtones. Le PDPA indiquera quels sont les groupes considérés comme autochtones, sur base de la littérature scientifique existante, des lois et des usages en vigueur. Il décrira les mécanismes de représentation chez les groupes autochtones de façon à faciliter l'établissement d'une communication directe et à stimuler leur participation directe au processus REDD+. Le PDPA a pour objectif d'assurer que les groupes autochtones bénéficient des mêmes opportunités de développement et que leurs droits traditionnels et spécificités culturelles soient protégés, et d'éviter les discriminations, conflits, et marginalisation additionnels.
8. Le PGES sera également accompagné d'un Cadre de Politique de Réinstallation Involontaire (CPRI) qui doit être mis en œuvre en cas de nécessité d'une réinstallation involontaire de populations ou en cas d'une restriction d'accès aux ressources forestières et/ou en biodiversité pour des populations riveraines par exemple d'une concession forestière ou d'une aire protégée.
9. Le PGES sera également accompagné d'un Cadre de Gestion du Patrimoine Culturel qui doit être mis en œuvre dans les cas ou les programmes et activités du processus porterait atteinte au patrimoine culturel physique ou moral ou à des pratiques ou de coutumes traditionnelles.

Tâche 9 : Documentation des résultats de l'analyse, des enquêtes et des consultations publiques : Se conformer au contenu des annexes : voir Paragraphe VI. Produit attendu - Structure du rapport final de l'EESS.

VI. Livrables

Les livrables de cette prestation seront divisés en trois :

1) Rapport préliminaire d'analyse (situation de départ et scénario '*business as usua*l');
2) Rapport préliminaire portant sur l'analyse sociale et environnementale des options stratégiques de la REDD+;
3) Rapport global final, incluant le Cadre de Gestion Environnemental et Social. La structure détaillée du rapport final se trouve dans l'Annexe B.

Le prestataire devra fournir 10 (dix) copies imprimées de chaque rapport, ainsi que les copies électroniques.

VII. Méthodologie de travail

Des visites de terrain doivent couvrir au moins trois grandes zones représentatives de la diversité naturelles, climatique et socioéconomiques du pays. Des consultations locales, régionales, thématiques et/ou par groupes d'intérêt seront organisées tout au long de la réalisation de l'EESS.

Ces consultations locales et ateliers provinciaux associeront les autorités locales, les chefs coutumiers, les associations de femmes, de jeunes, les groupements socioprofessionnels, les groupes vulnérables, les media, etc. Un accent particulier sera consacré à la participation des groupes autochtones, vulnérables ou minoritaires. Les techniques de consultation seront

spécialement adaptées pour assurer que les points de vue de ces groupes soient correctement, directement, et pleinement reflétés dans l'EESS. Ces consultations placeront l'accent sur l'information et la compréhension des acteurs, et sur l'émergence d'une vision commune quant aux impacts et aux mesures d'atténuation.

L'étude se déroulera sur une durée totale de 6 à 8 mois, comptant sur les activités suivantes:

- Confirmation du plan de travail par le CS – dès le démarrage
- Rapport d'étape et atelier national de consultation et enrichissement
- Draft du rapport final et atelier national de restitution
- Rapport final

En plus des honoraires, per diem et voyages internationaux, le Consultant inclura dans son offre un budget de pour des ateliers, des consultations locales, des déplacements intérieurs, et autres coûts afférents à la réalisation de l'EESS.

L'EESS sera rendue publique, et approuvée selon les procédures en vigueur en RDC. Les rapports intermédiaires et finaux seront largement diffusés dans des lieux publics, par voie de presse et sur internet, pour pouvoir être consultés et commentés, avant la validation définitive.

VIII. Expérience du prestataire

Le Consultant, doit disposer d'une expérience de 10 ans au minimum pour au moins trois études d'impact environnemental et/ou des EESS réalisées en conformité aux politiques de sauvegarde des PTF (quand elles s'appliquent). Le travail impliquera un volume d'expertise d'au moins 18 personne/mois, dont 13 nationaux et 5 internationaux. Il sera exécuté par une équipe pluridisciplinaire incluant au minimum les spécialités suivantes :

- Sciences de l'environnement et biodiversité (env. 4 pm)
- Sciences sociales, développement communautaire, régimes fonciers (env. 5 pm)
- Anthropologie/sciences sociales, spécialiste des Pygmées (env. 4 pm)
- Juriste spécialiste des forêts, environnement et droits coutumiers (env. 1 pm)
- Communication, animation de processus participatifs et médiation (env. 2 pm)

En respectant ces consignes, le Consultant peut proposer les spécialités, le nombre exact d'experts et le temps de travail de chaque membre de l'équipe, qu'il estime nécessaire pour la réalisation du mandat selon les meilleurs standards internationaux. En tout état de cause, les experts disposeront d'une expérience scientifique dans leur spécialité respective, d'une expérience d'au moins cinq ans ou plus en études d'impacts pour des programmes complexes, et d'une connaissance approfondie des problématiques environnementales et sociales en Afrique subsaharienne , de préférence en Afrique centrale et surtout en RDC. La participation de l'expertise nationale notamment celle des membres d'ONG locales au sein de l'équipe est un atout. Au minimum 80% du temps d'expertise internationale se déroulera en RDC.

IX. Documents de base pour la prestation

- MECNT. **Plan de Préparation à la REDD de la RDC.** Mars, 2010.
- CIFOR, World Bank. **Forests In Post-Conflict Democratic Republic of Congo : Analysis of a Priority Agenda.** 2007.
- World Bank. Document du projet « **Forêt et Conservation de la Nature** », 2008.
- D'autres références seront disponibles auprès de la Coordination Nationale REDD.

Annexe A – Stratégie REDD+ préliminaire de la RDC

Comme noté dans le Plan de Préparation à la REDD (R-PP) de la RDC, le tableau ci-dessous résume la Stratégie REDD+ préliminaire identifié par le Gouvernement. Les possibles impacts positifs et négatifs dans le domaine social et environnemental devront être analysés par l'EESS. Cete analyse en soi devra générer des éléments clés pour que le Gouvernement puisse affiner cette Stratégie national et la finaliser.

Bloc 1 – Gestion, exploitation durable et accroissement du patrimoine forestier

a. Gestion des activités dans les Forêts de Production Permanente et la lutte contre l'exploitation illégale ;
b. Gestion, valorisation et accroissement des Forêts Classées ;
c. Boisement et reboisement pour la restauration de forêts, fourniture de bois de chauffe et exploitation forestière
d. Ciblage et transfert de gestion des Forêts Protégées aux communautés locales.

Bloc 2 – Développement accéléré d'une agriculture performante en milieu rural-forestier

a. Hausse de la productivité et sédentarisation des agriculteurs vivriers ;
b. Hausse des rendements et augmentation de la valeur ajoutée pour l'agriculture commerciale des petits exploitants (au travers, par exemple, agroforesterie) ;
c. Développement maitrisé de l'agriculture intensive par la réhabilitation des anciennes plantations et nouvelles plantations en savane
d. Développement intégré socio-économique rural et urbain (activités génératrices de revenus)

Bloc 3 – Limitation de l'impact de la croissance urbaine et des secteurs industriels sur la Forêt, autour d'une forte coordination interministérielle

a. Réduction de la demande de bois de chauffe et développement de sources d'énergies alternatives au travers d'une stratégie énergétique nationale
b. Limitation des impacts directs et indirects des secteurs extractifs et industriels sur la forêt

Bloc 4 – Programmes transversaux

a. Développement de la stratégie nationale REDD+
b. Réforme légale et institutionnelle ;
c. Mise en place et animation d'un processus participatif ;
d. Développement du système national MRV;
e. Mise en place d'un mécanisme national transparent de partage de revenus.

Annexe B – Structure détaillée du rapport final de la prestation

Le produit de cette consultation sera un **rapport final** concis, et centré sur le diagnostic, les conclusions et les actions recommandées, avec cartes et tableaux de synthèse. Il sera complété par des annexes (ou un volume séparé), contenant toutes les données d'appui, les analyses complémentaires et les procès-verbaux et résumés des consultations et listes des participants.

1. Résumé exécutif (en français et en anglais, 10 pages maximum)
2. Description de l'équipe de réalisation
3. Description de la méthodologie réalisée
4. Description de l'état initial : (i) Etat de l'environnement et (ii) Diagnostic social avec volet spécifique sur les peuples autochtones, (ii) Cadre légal et institutionnel
5. Description synthétique de la stratégie REDD+ proposée, de sa pertinence vis-à-vis des causes et facteurs de déforestation et dégradation des forêts, examen des alternatives ou compléments à la stratégie ;
6. Analyse des impacts du scénario 'sans processus REDD+'
7. Définition des différentes alternatives étudiées
8. Analyse des impacts sociaux environnementaux potentiels du processus REDD+ (y compris la stratégie améliorée ou autres alternatives à proposer)
9. Vérification de la conformité avec les Politiques de Sauvegarde de la World Bank (quant elles s'appliquent)
10. Proposition des mesures de sauvegardes auxquelles les projets REDD+ en considération au pays doivent être soumises et le processus pour la considération de ces mesures par le Gouvernement
11. Propositions d'ajustements au design du processus REDD+, analyse des impacts sociaux environnementaux résiduels et mesures d'atténuation
12. Cadre de gestion Environnemental et Social (CGES)
    a. Stratégie et procédures de gestion socio-environnementale,
    b. Plan détaillé de renforcement des capacités pour assurer la mise en œuvre du PGES,
    c. Plan et dispositif de suivi et de contrôle environnemental et social, et
    d. les budgets et les plannings d'exécution respectifs.

Le consultant fournira en **annexes**, notamment :

- ✓ Les rapports détaillés des consultations publiques
- ✓ Les rapports des réunions avec le CS et des ateliers de présentation et de validation.

En documents séparés le consultant fournira :

- ✓ Un Cadre de Gestion Environnementales et Sociales (CGES),
- ✓ Un Cadre de Développement des Peuples Autochtones (CDPA),
- ✓ Un Cadre de Politique de Réinstallation Involontaire (CPRI),
- ✓ Un Cadre de Gestion du Patrimoine Culturel (CGPC).
- ✓ les TDR simplifiés des études à réaliser par et pour chaque projet financé par le REDD+ (études préalables systématiques, et études détaillées).

Appendix 8: Strategy for private sector involvement

The FIP is different from all projects and programs funded these 10 last years in two fundamental aspects:

1. The FIP aims at involving the private sector in order to develop actions and projects on the ground and to mobilize additional resources. It proposes to establish lasting relationships with private companies.
2. If MDBs specialized in financing the private sector as the IFC, the private sector desk of the AfDB and the EIB have experience working with the private sector, the FIP is very different. It is one of the few projects in which the International Finance Institutions will collaborate with the private sector and finance.

The FIP is also distinguished by activities relatively new in DRC and by intending to promote complex financial arrangements that have only been used in the DRC mining sector. In addition, the financial arrangements should include opportunities for carbon finance, virtually unknown in DRC

In addition to these innovations, a set of characteristics of the environment and many risks are parameters that will determine the involvement of the private sector.
Section 7 gave an overview of this environment and risks, the analysis of which led to propose the establishment of an institutional arrangement including an entity as a "Development Finance Company" to be the best interface with the private sector and having the required skills in financial engineering. Other advantages of such an entity were also described

Besides the establishment of the entity best able to help engage the private sector, there is a need to develop a strategy for private sector engagement and mobilization of financial resources. The main elements of this strategy are:

a) Analyze the constraints and risks related to private sector and in particular barriers to investment
b) Prepare the "product" to be promoted to the private sector in the form of project templates and / or activities. Show how these models can be integrated into corporate strategies
c) Identify the benefits and financial packages that may be offered
d) Develop and implement a strategy to promote these activities and benefits
e) Develop and implement a targeted strategy for resource mobilization

Actions to involve the private sector should be well advanced before the start of the FIP. Activities should then start quickly.

Appendix 9: Evaluation by the expert from the Technical Advisory Panel & answers from the DRC

	Comments from the TAP	Answers from DRC
1	§5: The choice has been made in the investment plan to concentrate FIP investments in the particular field of wood/energy, including concrete investments in community forestry and participatory mapping based on micro-zoning methods. This is certainly a good choice from a developmental perspective and will facilitate implementation, but will also limit the demonstration value of the FIP investments to one single and specific sub-sector of possible REDD+ investments that, commonly, is quite uncontroversial from a socio-cultural perspective. On the other side, this choice can also be labeled as only modestly attractive for larger-scale income generation	While concentrating mostly on the wood-energy sector, the proposed activities do address other drivers of deforestation, especially agriculture & timber production: - The proposed Afforestation/Reforestation activities focus on agroforestry in savannah areas, as existing experiences (Ibi, Mampu, Makala) do demonstrate that there are positive and even necessary interactions between tree planting and agriculture components: large A/R projects are indeed only financially feasible in savannah areas with a strong agriculture component allowing an early cash flow to fully or partially fund subsequent activities, while agriculture tremendously benefits from the trees which help improve soil fertility and decrease the competition with the native vegetation. While trees are of particular interest regarding REDD+ as an alternative source of charcoal as well as a carbon pool, the related agricultural production is most likely going to be the main focus for local communities as well private investors (including large scale ones). - While community forestry does allow for sustainable fuelwood production, it actually encompasses a much wider range of activities and targets, all related to the sustainable management of forests by local communities. This includes especially sustainable artisanal timber production (which can be carried out at an important scale, as demonstrated in other countries), which is also one of the main drivers of deforestation in the country. That being said, while the financial contribution from the FIP is substantial, with a country the size of DRC choices have to be made regarding both the geographical focus as well as the scope of activities that can be included, in order to insure measurable impact. Moreover, the FIP guidelines are clear that activities should lead to demonstrable results, hence the focus on activities with tested concepts.
2	§6: The FIP proposal focuses on activities implemented outside the large tracts of the humid lowland forests of the Congo Basin. The rationale for this has been given in the document in various parts, e.g. in §33	To DRC's opinion, while many activities take indeed place outside the forest (energy efficient stoves, alternative energies, A/R), an important part of the proposed activities do take place in the humid lowland forests of the Congo Basin, as highlighted in §107 of the IP (see also the general map – figure 11). - While Kinshasa woodshed encompasses mostly savannah areas (production coming from forest remnants especially along the streams), it also includes small areas of dense humid forest, especially along the Congo river (used for the transport to Kinshasa and representing 24% of Kinshasa's consumption) (see figure 14) - Kananga/Mbuji-Mayi woodshed is located in the forest transition area, with part of the woodshed in the savannah and the other part in the dense humid forest (see figure 16) - Kisangani is entirely included in the dense humid forests of the Congo Basin According to OSFAC's FACET, the total area of forest for each intervention area identified is: (i) Kinshasa: 1.8 million ha – 26% (primary forest: 650 000ha; secondary forest: 600 000ha, woody savannah 550 000ha), (ii) Kananga/Mbuji-Mayi: 3.8 million ha – 56% (primary forest: 2,5 million ha; secondary forest: 970 000ha, woody savannah: 380 000ha), (iii) Kisangani: 3.5 million ha – 89% (primary forest: 3,1 million ha; secondary

		forest: 425 000ha), **for a total of 9.1 million ha of forests (primary forest: 6.3 million ha; secondary forest: 2 million ha)**. In that respect, §107 of the IP has now been made more explicit
3	§6: *In respect to component (a),* the choice has been made by the FIP team to focus the programme on the main peri-urban hot spot areas of deforestation and degradation. This is fully justified and not contested by the reviewer. Nonetheless, it is also noted that the area with the most critical DD situation, the Eastern border area/lower Albertine rift which has the highest relative forest loss (beyond 2%), has not been considered in the FIP pilot programme. Also there are hotspot deforestation areas in the tropical humid forest zone (e.g. northern Equator province) that have not been taken into account. The rationale of leaving out these and other hotspot DD areas from piloting REDD+ relevant investment could be made more explicit in the document.	Such areas like North-Kivu and Lisala-Bumba are indeed major deforestation and degradation hotspots in DRC and have as such been shortlisted for the selection process, as shown in the selection matrix in appendix 5. The selection was done following the 1st joint mission, with the agreement that DRC would select 2 to 3 priority areas, through a committee that included 3 government representatives and 3 civil society representatives (of which 1 didn't come). The result of the exercise is as follows: 6. Kinshasa 7. North-Kivu 8. Kananga/Mbuji-Mayi 9. Kisangani 10. Lisala-Bumba Though North-Kivu was rated second according to the matrix, it was argued that the fluctuating security situation as well as the complex situation regarding land tenure there was not providing an appropriate environment for investment and dismissed. With North-Kivu dismissed, Lisala-Bumba was rated fourth, which was still not enough to qualify, leaving the three areas included in the IP: Kinshasa, Kananga/Mbuji-Mayi and Kisangani. These details have been added in appendix 5 of the investment plan.
4	§6: *Component (b),* private sector investment stimulation, might not be sufficient for sustaining beyond the life of the project. The inclusion of private sector/entrepreneurial aspects in the three peri-urban regions needs to be further developed. The preoccupation with the small artisanal scale and small local community interventions (which has been made repeatedly all over the text), appears rather doctrinaire. If this approach promoted by the FIP would be the single overall approach for the development of the DRC forest sector without leaving some room for more entrepreneurial business approaches, the contribution of the sector to development might only be marginal and relatively limited in scale. It proponents might need to rethink their strategy in this regard and open some space for larger scale investment stimulation in whatever form.	Private sector involvement was fully included in the 3 geographical programs. As a matter of fact, the biomass energy sector is one with the most capacity to attract private investments, as demonstrated already on the ground in DRC and other Congo Basin countries. This sector will include different models (scale, species, management) of reforestation / afforestation, improved charcoal-making techniques and the production of improved cook stoves. These activities go beyond artisanal activities and could indeed include fairly large operations, such as demonstrated by the CDM Ibi Bateke project. But the survey carried out on possible mechanisms to promote private sector engagement in the aforesaid sectors, including partnerships with local banks, clearly unveiled the absence of mechanisms to promote long-term investment in these sectors in. DRC. Thus, for the FIP to really be able to target the private sector, there is a necessity to develop appropriate mechanisms such as a Development Bank, as argued in section 7 of the IP. As shown above the IP does include the active participation of the private sector and reflects its specific needs. The actual size of the projects from the private sector that could be supported by the FIP hasn't been defined, as this shall depend on the actual proposal received, but this shall definitely include project on a bigger scale than the community projects.

	Having said that, the proposed private sector-community collaborative work is of interest and might have considerable potential for the future if well designed and supported during the FIP implementation phase.	Several models and related business plans shall be developed for the various activities identified in order to assist the private sector and local communities in developing meaningful and viable project proposals. DRC believes that this should be done after the validation of the investment plan, in the second phase of definition of the programs. Indeed the IP promotes the development of partnerships between the private sector and local communities whenever appropriate, as well as projects targeting entirely local communities, considering the role of these local communities in either the unsustainable or sustainable management of the natural resources.
5	§6: In spite of having a lot of sympathy for *component (c)*, the reviewer is of the opinion that this component, as it stands now, furnished with the modest budget of US$ 3 million, only has the potential to disperse energy and being of limited use for the purpose of the FIP. It may be more efficient to increase this component to a real small grant programme managed by third parties or to add the resources allocated to (c) to the activity line of "Activités habilitantes" and invest more in capacity building of decision makers from public and private sector as well as civil society at national, regional and local level to identify and realize feasible investment strategies for REDD+	DRC does believe that this small grants program has the potential to trigger some meaningful experience and that it allows for more national equity regarding the access to financial resources. Also, DRC has already allocated substantial resources for capacity building, in synergy with other programs and projects outside FIP. Accordingly, the small-grant program has been increased to 5 million dollars. Moreover, the DRC will aggressively seek potential co-financing to this program, to increase its size. Regarding the institutional arrangement, various options shall be assessed and developed in more details after the validation of the investment plan. In a preliminary proposition, such a program could indeed be managed by a third-party, as mentioned in figure 26 as "*organisme de gestion*". This has been made more explicit in section 7-2 as well as 5-4-4.
6	§7: As the document contents do not follow an obligatory format and sequencing, the authors should try to reduce repetition, which makes reading it rather heavy and somewhat tiresome. E.g. there are too many frequent references to the importance of the interventions, the type of interventions and to the justifications.	The IP does follow as much as possible the template given in appendix B of the FIP Operational Guidelines (outside the section co-benefits which has been placed after the identification of the programs rather than before in order to be able to be more specific).
7	§7: Repeatedly, the proposal refers to indigenous peoples (who however do not necessarily live in their traditional ways in the chosen geographic areas).	DRC believes that the FIP should support indigenous peoples present in the priority areas (and more widely through the small-grant program as well as the dedicated grant mechanism) whether or not they still live in their traditional ways. They are more particularly present in Kisangani intervention area.
8	§7: On the other hand, there is not sufficient rationalization and needed details given in certain chapters, e.g. about size, type and condition of the land use in the selected three regions, on the type of sectoral work to be conducted (e.g. on type of afforestation: wood lots? Firewood plantation? Agroforestry on savannah? Community forestry?)	DRC believed that this more detailed work, particularly context-specific, should be undertaken once the validation of the IP secured. Generally speaking the investment plan puts the emphasis on: - A/R: agroforestry in savannah areas. While templates shall be developed during the definition of the programs, considering the various contexts and the multi-purpose aspects of tree plantations, many variants could and should be considered as long as viability, REDD+ potential and social & environmental cobenefits have been demonstrated; - Energy-efficient stoves: in urban areas, promoting the development of SMIs for production while focusing on a very wide, employment-generating, marketing & distribution system.

		- Improved charcoal making: best practices in traditional charcoal-making techniques for local communities (requiring minimal equipment and very flexible) both in savannah and forest areas, while more modern options for larger-scale A/R projects with the private sector. - Community forestry: in forest areas These orientations shall be revised during the actual definition of the programs; the Thematic Coordination Groups (TCGs) are going to be strongly mobilized in that respect.
9	§8: The document is not explicit enough on the existing and needed capacities in the country to implement the proposed program under the FIP.	The issue of capacity has indeed been identified and included in the table on risks in appendix 6. A comprehensive capacity building strategy and plan shall indeed be included in every program after a more detailed analysis of capacity at the national level but especially at the local level. A substantial budget has been proposed for capacity building as part of the enabling activity "support to the development of projects".
11	Also, the identification of the key transformative factors needs more thinking	The FIP does highlight 2 potentially conflicting objectives of transformation/experimentation and measurable results and the balance has to be made between these two factors.

	Criteria	Score	Comments from the TAP	Answers from DRC
11	Complies with the principles, objectives and criteria of the FIP as specified in the design documents and programming modalities	L	Based on the "Investment Criteria and Financing Modalities", many, but not all criteria are fulfilled. While considerable improvement in forest sector governance can be observed over the past two years, there remain considerable governance problems. However, the proponents have taken an approach working with communities, civil society and private sector outside the main forest area and thus, to a certain extent, do not enter into the "hot-spot"areas that are prone to major governance failures.	As explained in box 2 above, the IP does provide for activities inside the forest, mostly in assisting in the development of community forestry as a way to further improve forest governance through local actors. The Kisangani watershed lies in the heart of DRC's dense humid forests.
12	Takes into account the country capacity to implement the plan	P	The country has very few own experts at disposal to implement the FIP program. While the readiness phase of FCPF partly addresses the capacity gaps in the RPP implementation, the FIP need to further strengthen implementation capacities (both for "sectoral" and "habilitants" activities) at national and local levels.	The issue of capacity has indeed been identified and included in the table on risks in appendix 6. A comprehensive capacity building strategy and plan shall indeed be included in every program after a more detailed analysis of capacity at the national level but especially at the local level. The FIP will also be carried out in close coordination with the WB-financed Forest and Nature Conservation Project, which focuses on capacity building at various levels. A substantial budget has been proposed for capacity building as part of the enabling activity "support to the development of

				projects”
13	Developed on the basis of sound technical assessments	P	Overall, the technical assessment is sufficient, though it is rather superficial and some aspects need further elaboration. This relates in particular to the silvicultural objectives (e.g. whether agroforestry is really feasible on natural savannah soils? What kind of woodlots are considered, e.g. coppices, fast-growing exotics,…?) and to the economic dimension which is understated in the current document (what does “small scale” means, e.g. in respect to fuelwood/charcoal producers; in respect to community forests in natural forest areas? What scale is needed to really bring people out of poverty? The shift from informal manager to formal manager does not mean necessarily a step out of poverty….	DRC believed that this more detailed work, particularly context-specific, should be undertaken once the validation of the IP secured. Through existing agroforestry projects like Mampu, Ibi whose models have been described in section 5.2.1, demonstration has been made that agroforestry in savannah areas is indeed feasible and can actually bring much more profits than subsistence agriculture in small remnant forests. The actual choices of models, species and meaning of “small-scale” is actually very context-specific and should be detailed during the definition of each geographical program (see also answer in box 8 above) with the Thematic Working Groups.
14	Demonstrates how it will initiate transformative impact	P	As it stands now, the proposal is “heavy” and transformative impact will probably not last beyond project life, as the reduction of resources would be too substantial and abrupt; the small revolving fund proposed for private sector actions beyond project life (US$ 10 m) does not suffice to guarantee sustainability of investments. It might be difficult with the type of investments proposed for the FIP to unlock considerable potential for other investments by the government and non-governmental sectors to substantively address the REDD+ agenda in DRC.	- An important objective of the FIP in DRC is to demonstrate and advertise the fact that private investment in sectors related to REDD+, especially long-term investments such as agroforestry, are feasible and economically attractive, provided that adequate prior assistance is given on thorny issues such as land tenure and technical guidance given. - Such work on tenure (rural tenure plans) has never been done in DRC while it has been successfully implemented in several West-African countries (Benin, etc). It is expected that both the Ministry of land affairs as well as donors are going to understand the value of such approaches and more widely promote and use it as a useful way of bridging the gap between customary and national land laws and preventing conflicts or assisting in their resolution. - Through the preparation and implementation of the FIP, templates of project models & business plans adapted to the context in DRC are going to be developed and made available. It is expected that more land owners and national and international investors are going to follow the way paved by the FIP in that field. - Also this IP should be placed in the wider context of the REDD preparation process. The development of such an institution as a Development Bank has implications way beyond the FIP as it would create a new channel for private investment in REDD+ even outside the FIP, facing the same challenges described above. As

				such, it is a truly transformative tool that the FIP could help creating, vital to the investment phase. A more thorough analysis is required of its links with a potential National REDD+ fund or whether such an institution could actually play its role (a study on the potential national REDD+ fund is going to start soon). Finally, the interventions to be financed by the FIP in DRC are expected to generate measurable results in terms of reduced emissions, which the country will seek compensation for through a performance-based mechanism (such as the FCPF Carbon Fund, bilateral deals or the carbon market). These Emission Reduction payments will ensure the long-term sustainability of the various activities being proposed, especially those with a long-term nature such as reforestation and support for communities to manage their forest lands, including capacity building for the creation of Small and Medium Enterprises. Hence, the FIP Investment Plan places itself squarely as the link between REDD Preparation and future performance-based payments for Emission Reductions.
15	Provides for prioritization of investments, stakeholder consultation and engagement, adequate capturing and dissemination of lessons learned, and monitoring and evaluation and links to the results framework	L/P	A lot of consultation has been done and an approach is proposed that fulfills the safeguard provisions without major problems. The priorities have been selected carefully and a proposal to concentrate geographically on 3 peri-urban areas and thematically on the energy/poverty angle has been formulated. Nonetheless, it must be underlined that the investments have been narrowed almost completely towards environmental restoration plans and “artisanal economy”. In the reviewer’s opinion, this expresses a certain “lack of courage” in the prioritization of investments; in the form proposed, they will hardly be replicable in the future.	The scale of the reforestation / biomass energy activities will be defined during program preparation, but they are likely to include support to medium-, large-scale activities led by the private sector. This is already happening in DRC, tapping into CDM resources. As to the industrial logging sector, an explicit decision, based on consultations with all parties, was made not to focus on this sector.
16	Adequately addresses social and environmental issues, including gender	F	As a very careful approach has been chosen, and a de-tailed consultation process is being applied, including in particular gender. However, it should also be noted that the work calendar of the preparation of the FIP IP was very tied and probably hampered certain stakeholders to fully consult and comment on the plan. As it can be	Comprehensive consultations will continue as part of the preparation of the Investment Programs.

			assessed from the document, the requirement, however, has been achieved.	
17	Supports new investments or funding that is additional to on-going/planned MDB investments	L	Clearly the FIP proposal fills a niche, investing in an area that is barely covered by private sector investors: land restoration, fuelwood, bio-energy, livelihood concerns, small scale multi-purpose forest management based on participatory planning. The economic model, however, is yet not fully convincing: e.g. can such investment be repeated, e.g. through a possible future carbon market or not? This question still need to be tackled.	The existing agroforestry projects (including the thorough evaluation of Mampu) do demonstrate the economic viability of such projects. Ibi, a private initiative, has actually been developed without public funding. It has actually been particularly informative regarding the difficulties that such long-term private initiatives face in DRC and the mechanisms required to facilitate their development. As mentioned before, project models and related business plans shall be developed and adapted to the various areas targeted, bringing more insight into the financial aspects of projects proposed for the FIP.
18	Takes into account institutional arrangements and coordination	F	A very inclusive process; seems to have addressed all interested institutions and promotes coordination between actors.	
19	Promotes poverty reduction	L/P	The proposal is highly focused on poverty reduction; however, it is not completely clear who are the ultimate beneficial and how they benefit in the short and long term; to a certain extent, the proposal does not seem to focus on "prosperity" and goes for small incremental opportunities for income gains.	Beneficiaries include: small scale landholders in savanna areas, landholder / communities in forest areas, urban dwellers depending on traditional sources of energy, national private sector linked to biomass energy and agroforestry, government at all levels, and the Congolese society as a whole.
20	Considers cost effectiveness of investments	P	Heavy public investment. A more entrepreneurial approach (e.g. through strengthening project component b) could reduce the need for heavy public investments in the future; also, the use some of the funds for increased capacity building beyond the 3 core regions might also a cost effective measure for the future.	See comments in boxes 4 and 15 above on private sector involvement

	Criteria	Score	Comments from the TAP	Answers from DRC
	Climate change mitigation potential	L	Mitigation activities proposed relate to REDD+ (Reducing emissions from gradual degradation of fuelwood and utility wood extraction and enhancement of carbon stocks through restoration and afforestation activities, including agroforestry) and energy related	More detailed information has been giving regarding the carbon potential, separating the sequestration potential from the emission reduction potential

			actions (substitution, energy saving). The amount of carbon sequestered in REDD+ will depend on the type soils/degradation status and the type of carbon stock enhancement that will be done. Overall, the mitigation potential is relatively low (the 3 sites combined potentially mingle an avoiding deforestation potential of 56,000 hectares per year and an afforestation potential of maybe 30,000 hectares over the time span of the project (no figures are provided in the document to determine the enhancement of stock estimates)	
	Demonstration potential at scale	P	The relatively high investment levels for the few locations might diminish the demonstration value and scale; there is potential to scale titled community forests and to boost a legal wood/energy sector, but so far, there is yet no legal provision for community forests (see also §44 in the IP). This requirement however needs to be fulfilled before any investment is taken	The priority areas selected represent indeed only few locations, though representative of most of the country. But this should be put in perspective with the sheer size of the country, as the 3 proposed intervention areas total nearly 18 million ha. Heavy investments in a specific area allow the country to prove a model that can then be replicated elsewhere, when additional financing is available. Regarding the legal text on community forestry, the legal text is currently under consideration by the Prime Minister Office. Considering the time expected before FIP funding is secured and available in the country, there is little doubt that the legal text shall have been adopted by that time. In that respect, the FIP (and other current and expected funding in that sector) actually represent further incentive for it to be adopted, which fulfills the role of the FIP to catalyze governance changes.
	Cost-effectiveness	P	See comments under demonstration value beneath. Cost effectiveness will also depend on the costs per area unit for the investment elements (community forestry, afforestation activities, agroforestry realizations; type of wood/energy activities) finally proposed	The estimations given in the IP have been made in transparent way, and additional details have been included. These first estimations shall be refined during the development of the programs, when firm targets are going to be set. See also comments made above regarding private sector involvement.
	Co-benefits	L	The proposed private sector and community level investments in the IP are generally at an artisanal level (small scale). The main co-benefit level relates to poverty reduction. Considering the proposed interventions, only little co-benefit can be derived from a biodiversity angle.	See comments made above regarding private sector involvement. With a strong focus on community forestry in dense humid forests (esp. in Kisangani area, but also in Kasaï, and in a lesser way along the river North of Kinshasa) allowing for a better management of these forests, important biodiversity benefits are expected. It should be kept in mind, for instance, that the largest populations of okapi,

				an endemic and highly threatened mammal species, are to be found in the Kisangani watershed area. Also, the inclusion of areas of natural regeneration in the A/R projects in savannah areas in a landscape approach are also expected to bring important biodiversity cobenefits.
	Implementation potential	L/P	On the one hand, the implementation potential for the "technical work" is relatively high; his is particularly the case if improved capacity planning can be undertaken; there is relatively low level of technical and scientific knowledge needed for the type of investment proposed. Thus if the tenure and social issues are sufficiently taken into account, the changes of successful implementation are high. Nonetheless, more clarity is needed on the institutional "montage" of project components 4 and 5 (see beneath).	Institutional arrangements for the implementation of each program will be clarified during the preparation of the Programs.
	Natural forests	P	Generally, there is only small areas of high-conservation value forest left in the proposed project areas. Natural forest management by communities is considered at small scale only and mainly on one site (Kisangani). The project, as it is proposed will NOT substantially contribute o the conservation and sustainable management of the 100 million hectares of dense humid forests in the DRC.	As mentioned in box 2 above, the area of natural forest included in the intervention areas is about 9 million ha, including above 6 million ha of primary forests. A better presentation of this has been included in the IP. DRC does believe that the FIP shall substantially contribute to the conservation and sustainable management of the dense humid forests in the DRC as well as in the Congo Basin generally speaking, through the lessons learnt in the priority areas.

	Criteria	**Comments from the TAP**	**Answers from DRC**
	<u>Climate change mitigation potential:</u> The investment plan should provide an estimate of the direct GHG savings	This is done for the 3 regions but in a very general way. In reality, it does not allow the reader to comprehensively understand the figures. Also, the information base should be improved here, e.g. the tables provided in "Taux deforestation" need to be completed with data on the total peri-urban area potentially available for the investment, and, as part of it, the total closed-forest area (e.g. forest cover of 60% and more, the total forest area of open forest, e.g. 30-60% of forest cover; the area of unstocked natural and man-made savannah and the corresponding carbon figures for all these lands. The figures given for C emission reduction in §115, 123, 131 need to be more detailed for reducing deforestation/degradation potential and the enhancement of sinks potential over a time span considered. Also, for each area, at least an indication of quantitative	More information have been included in order to be very transparent

		targets should be given (using e.g. the classification given in §105 of the IP)	
	Demonstration potential at scale: The investment plan should support replicable pilot programs in order to demonstrate how to scale up public, private and other resources and activities so as to achieve transformational change. FIP investments should address REDD+ priorities as presented in national REDD+ strategies or action plans (or equivalents)	Three peri-urban hot-spot areas have been chosen. They are all, in a certain way, similar to each other. At least in the text, there are few evidences for substantially different investment approaches. The demonstration and scale value is thus somewhat reduced. There are other hotspot deforestation/degradation situations in the country that could have been integrated in a FIP approach in order to diversity the investment options and broaden the experience in respect to relevant forest investments for a future REDD+ implementation. The demonstration potential at scale is an important FIP criterion that finally has not been fully taken into account in the IP.	The 3 identified areas are actually substantially different from one another, with Kinshasa woodshed mostly in the savannah area, Kananga et Mbuji-Mayi located at the forest transition, while Kisangani is entirely in the dense humid forest. (26%, 56% and 98% forest cover respectively) The woodshed approach used does allow similar activities in the 3 different areas; but these activities are going to be balanced in very different ways and most likely follow different models according to the local context. Also, the selection of the priority areas has been done according to a matrix validated by the 1st FIP joint mission, by a panel of government and civil society representatives
	Cost-effectiveness: The investment plan should leverage additional financial resources, including from the private sector where feasible. It should catalyze self-sustaining economically viable models for REDD+ at scale without the need for continuing subsidies and promotes coordination among relevant institutions at the country-level with respect to implementing and financing proposed investments	The programmes proposed by the initial investment plan have only little potential for leveraging additional financial resources. There is an element in Programme 4 with the private sector, but the contribution remains modest.	As reminded several times above, along with local communities and indigenous peoples there is strong focus in the IP on private sector involvement. Again, the sectors selected for FIP investments were heavily informed by the likelihood of attracting private sector investments.
	Co-benefits: The investment plan should consider the potential to contribute to the livelihoods and human development of forest dependent populations,	The investment proposals well describe the poverty reduction co-benefits that are envisaged to be targeted besides the carbon benefits. The FIP's contribution to the livelihoods and human development of forest dependent people could most probably be higher (poverty reduction) with larger artisanal initiatives would be considered. The comprehension of the reviewer is that the great majority of investments in Programme elements	The IP does provide for larger scale investments, as highlighted in box 4 above. Also assistance in the structuration of local communities and the development of SME & SMI is expected in the community forestry sector, as well as energy-efficient stoves, as well as potentially in

	including indigenous peoples and local communities, and to sustain biodiversity and ecosystem services and enhance the adaptive capacity of forest ecosystems and forest dependent communities to the impacts of climate change	1-3 and 5 are centered on small scale, artisan stakeholders. This might include larger involvement of private sector, but also include organizational issues, e.g. initiating and supporting "groupements", associations and community enterprises that might have the potential to survive in the long term.	agroforestry and improved charcoal making.
	Implementation potential: The investment plan should have a high potential for successful implementation	While the technical implementation of the proposed projects is relatively easy materialize, the program on attracting private sector for investments in the biomass/energy sector and the small grants mechanism (Programme 4 and 5) are rather weak in their formulation and can hardly satisfy the respective stakeholders (private sector on the one hand, civil society/communities on the other hand). These programme components need to be particularly addressed in the further preparation of the FIP.	Point well taken and acknowledged by the team
	Geographic Programmes: (1) *Bassin d'approvisionnement de Kinshasa, (2) Bassin d'approvisionnement de Kananga and Mbuji-Mayi and Programme (3) Bassin d'approvisionnement de Kisangani*	The information provided for the 3 regions is very general and does not allow a more in-depth assessment on the differences and particularities of each region. Often, the same text is used to describe the areas. More specific information should be provided. Also, a link between the 3 regions should be made, e.g. for allowing cross-learning. The "technical packages" for the three regions are all very similar. What remains unclear is the management structure applied in each geographical region. While community forestry and small scale woodlots, agroforestry activities and other small type investments are promoted, it remains unclear how the interested communities/associations etc can access funding. Also, the text remains to general: "*visant les communautés locales, les peuples auchtones…*" In peri-urban areas?	A more detailed description of each region has been included The national coordination unit and the monitoring system described (including the public national registry and various workshops) are going to provide for information sharing and cross-learning The institutional arrangements include coordination units in each landscape. Civil society organization and international NGOs are going to be involved in the FIP as well as local media are going to be engaged in order to insure adequate circulation of the information as well as assist communities in formulating and implementing projects. The areas of intervention identified are still very vast, qualifying in only an extended way as "peri-

			urban", and they also include zones that are not currently part of the woodshed, providing for future extension of the woodshed (starting preparing also for community forestry in currently little-threatened areas, in comparison to areas already under pressure)
	Programme 4 (*Engagement with private sector*)	In general terms, this programme is complementary to the community-based investments as proposed to be implemented through the three geographic programmes. Also, the idea to develop collaborative approaches between private sector and community-based investments is interesting and can have some longer-term effects. Nonetheless, the information provided is yet still very general and does not allow a full assessment of the planned activities. It is proposed to create a proper *"Société Financière de Développement"* for sustaining private sector activities beyond the life of the project. The question remains if there is really a need to create own lasting structures or if there is potential to link this finance agent to an existing structure (e.g. rural banks?).	The proposal of creating a DFC is based on deep understanding of current institutions in the country, especially rural development institutions. We should never lose track of the fact that DRC is a post conflict country trying to rebuild its institutions at all levels.
	Programme 5 (*Small subsidies to local initiatives outside the geographic focus areas*)	(1) Identify clearer what is meant with "small project". Give an idea of the criteria (listing "énergie, foresterie, agriculture, etc", see §136 does not suffice (2) Who will finally be the beneficiaries of these grants? Not clear. (3) How will such a programme be monitored and the carbon gain will be counted? Justify that this small grant programme can really add value to the overall FIP objective. In the reviewer's opinion, either there is a considerable small grants programme put in place that goes far beyond the 3 million US$ proposed and that might address investments in the other, not considered hot-spot areas of the countries, OR, the money is used to upscale the "activités habilitantes" through a more comprehensive capacity building programme	(1) Although no threshold has been set so far, the preliminary proposition is USD50 000 for community projects and USD100 000 for private sector from the FIP, with a requirement of an additional 25% cofounding from other sources (donors, NGOs, Dedicated grant mechanism) (2) The beneficiaries of these grants shall be both local communities and private sector (3) The same monitoring requirements are going to apply for these projects than for the others and the REDD focal persons in each Province should be mobilized for actual monitoring in the field. As presented in box 5 above, the small-grant program has been increased to 5 million dollars. Moreover, the DRC will aggressively seek potential co-financing to this program, to increase its size.
	Natural forests: The investment	The large tracts of DRC's Congo Basin forests are not included in the FIP	As explained above, an explicit choice, resulting

	plan should safeguard natural forests and should not support the conversion, deforestation or degradation of such forests, inter alia, through industrial logging, conversion of natural forests to tree plantations or other large-scale agricultural conversion	investment plan. The DRC has the largest forest area of all countries in the Congo Basin, but only relative small formally forest protected areas and less than 20 million hectares of production forests. While forest governance remains challenging in the DRC, the reviewer is of the opinion that some encouraging policy developments are underway regarding natural forest management. The investment climate appears to have improved over the past two years and a number of private sector investment interests have been observed in forest industry that are ready to invest in high standard forest industry development. Third party forest management certification and chain of custody certification, through the FSC system, has started for a number of DRC operations and the FLEG-T process is underway. The reform process undertaken over the past few years has set some groundwork for transparency, accountability and SFM of protection and production forests in the DRC. Today, for the first time, complete information on logging titles is available publicly (see work of the World Resources Institute). Information on the progress, constraints, limitations and results of the entire forest titling process is also available in reports and on websites. A number of NGOs have prioritized DRC for forestry and REDD work (e.g. WWF, WCS, etc.) and have already worked with the government, communities, local NGOs and forest industry on the design of specific REDD projects, e.g. the Bonobo Conservation Initiative in northern DRC - projects that may be worthy of future support or investment through a compliance market. While it is recognized that particularly in the Kisangani area, investments in community-based high forest management are proposed in the Investment Plan, the proponents might want to carefully reflect on the possibility to explore also some pilot investment scenarios in REDD+ in a complementary way to effectively protect high forest zones.	from multi-stakeholder consultations, was made not focus FIP Investments on logging areas. During Program preparation, the team will reach out to all NGOs working on the landscapes supported y CARPE to exchange knowledge.

Appendix 10: Presentation of the proposed national monitoring and MRV system for REDD+

Rationale

The establishment of a monitoring and MRV System in the Democratic Republic of Congo is a crucial step in preparing the country to implement and manage a REDD+ mitigation mechanism. To that end, DRC is laying the groundwork for a national forest monitoring and MRV system in support of the broader National REDD+ Strategy.

In designing the monitoring and MRV system, DRC and its technical partners have made it a priority to reinforce the forest monitoring capacity of existing DRC state agencies – in particular the Division of Forest Inventory and Management (DIAF). This capacity building approach serves the dual purpose of helping the DRC fulfill its UNFCCC REDD+ commitments (according to its national circumstances and capabilities) and reduce its dependence on external expertise in managing REDD+ activities on national territory.

The approach taken in the DRC seeks to combine experiences from existing REDD+ readiness initiatives (e.g. UN-REDD Programme and FCPF) together with the forest monitoring experiences of Brazil, which is currently the only country with an operational National Forest Monitoring System.

The DRC MRV System

The DRC forest Monitoring and MRV system follows a 'three pillar' approach to implement the REDD+ mitigation mechanism adopted under the UNFCCC.

"**MRV**" refers to the development of a Measurement, Reporting and Evaluation system that follows the IPCC Good Practice Guidance:

- The MRV method proposed the IPCC's Good Practice Guidance combines information on the frequency and extent of a particular human activity (activity data, AD) with coefficients that quantify the emissions or removals per unit of activity (emission factors, EF); together, this data comprises the "Measurement" contingent of MRV. The DRC adopted this approach (*Emissions* = *Activity Data* × *Emission Factor*) , translating the IPCC's Guidance into three pillars of ongoing data collection and calibration:
  - Pillar 1 = Activity Data: SLMS (Satellite Land Monitoring System) to assess forest area and forest area changes;
  - Pillar 2 = Emission Factor: A NFI (National Forest Inventory) to assess EFs on carbon stocks and changes in carbon stock;
  - Pillar 3 = Emissions: GHG-I (National GHGs Inventory) to report on emissions and removals.
- Together, and in *sensu stricto*, these 3 pillars will fulfill the national DRC **MRV System**. In *latu senso*, the MRV system can be regarded as part of a broader "National Forest Monitoring System" (Paragraph 71(c) Decision 1/CP.16; Paragraph 1(d) Decision 4/CP.15) and fulfils the MRV commitment under the Convention (Art. 4) to "*assess anthropogenic GHG emissions by sources and removals by sinks related to forest land"*. This system must enable identification and tracking of actions and processes related to the five activities identified under REDD+, following the most recently adopted or encouraged IPCC methodological approaches (Decision 4/CP.15).

The DRC Monitoring System

"**Monitoring**" refers to the development of a system in the DRC which:

- In Phase II of REDD+, (i) validates that sub-national Demonstration Activities are results-based (i.e. result in measureable positive outcomes), which is a requirement of the Convention (Par.73

Decision 1/CP.16); and (ii) provides basic national-level coverage data, *e.g.* forest cover changes. The SLMS (part of the MRV system) will generate the requisite data on the location, extent and related changes of the REDD+ activities at the sub-national and the basic national coverage data;

- In Phase III of REDD+, validates, in combination with the MRV system, that the implementation of national policies and measures on all the national territory are results-based (*i.e.* determines how much of each REDD+ activity is taking place over the national territory and how these are changing).

The DRC Monitoring and MRV System and Action Plan is being developed following the three phases of the REDD+ mechanism, ensuring results-based demonstration activities in the Phase II, and fully measured, reported and verified (*i.e.* performance-based) REDD+ mitigation activities in Phase III (see figure 29). Each phase aims to build capacity, help the country prepare for the subsequent REDD+ phase and integrate the various on-the-ground experiences into a coherent REDD+ strategy. This means that there will be a degree of overlap between phases, *e.g.* preparing and building capacity for the NFI and REDD+ GHG in Phase II. However, this overlap provides a political, technical and operational safety net for the DRC while it is moving from Phase I to III.

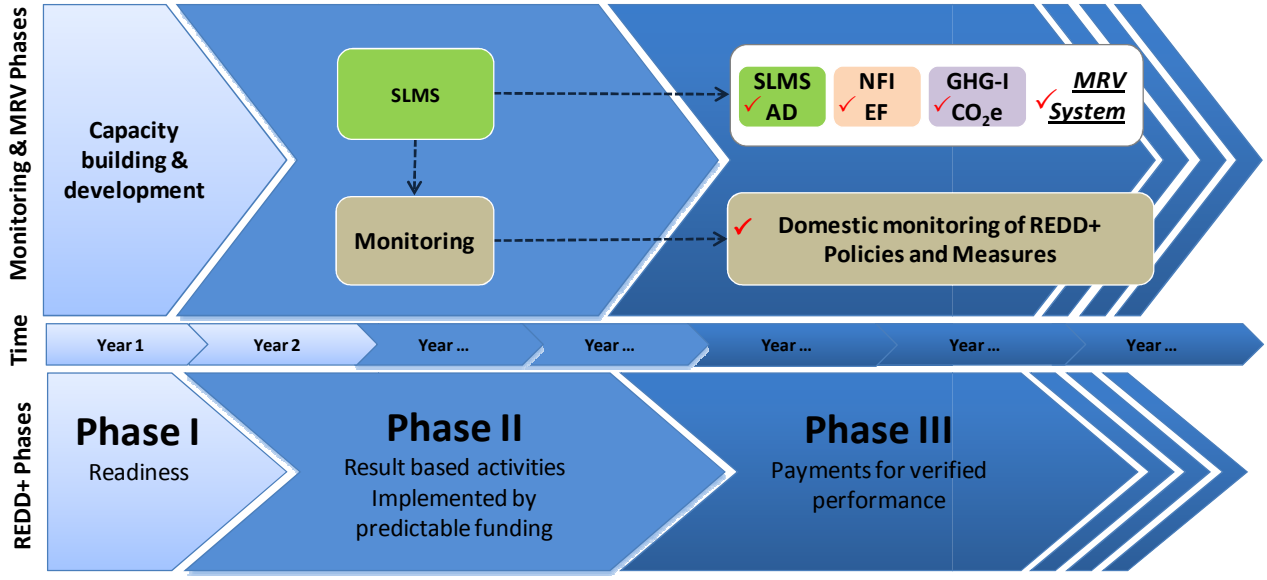


Figure 29 Multiphase implementation of the Monitoring and MRV system.

Phase II will involve the operationalisation of the Monitoring System, comprising sub-national monitoring through SLMS land representation data. The transition to Phase III will be achieved through the operationalisation of the full Monitoring and MRV System, involving the full operationalisation of the SLMS (to produce AD), a National Forest Inventory (NFI) and a REDD+ GHG Inventory, in addition to the operational elements of Phase II.

The link between the FIP and the DRC Monitoring & MRV System

The activities presented in the FIP can be defined as sub-national demonstration activities. They will be directly validated by the DRC Forest Monitoring System in Phase II of REDD+ implementation in the country.

It is envisaged that the DRC Forest Monitoring System will be in direct communication with the DRC REDD+ Projects Registry. This will enhance the transparency of the FIP results-based demonstration activities.

It is expected that this system will allow the country to access funds similar to the Amazon Fund in Brazil to further finance demonstration activities in Phase II and ultimately lead to a full development of MRV'able results (performance?)-based actions in a Phase III.

Timeline of activities

Since October 2009, several Forest Monitoring and MRV consultation meetings have taken place in the DRC. A draft National Forest Inventory method has been presented and discussed with the DIAF and relevant stakeholders.

Training courses have started for the National Forest Inventory, which will be completed by June 2011. Equipment to support the National Forest Inventory and the remote sensing lab for the Satellite Land Monitoring System has been purchased and is housed in DIAF.

In May 2011, the 'start-up phase' for the definition and development of the National Forest Monitoring System has begun. A first version of the National Forest Monitoring System is to be launched at COP17 in Durban (end of 2011).

The capacity building and reinforcement for the GHG Inventory will begin in June 2011 and Letters of Understanding are currently being discussed.

The DRC Forest Monitoring and MRV Action Plan is currently under development. It includes the identification of activities and budget lines, donors, overlaps, synergies and funding gaps for each of the activities in the three pillars that need to be undertaken. It is expected that this Action Plan will be finalized by mid 2011.

Current status

The overall status of the DRC forest Monitoring and MRV system is currently as follows:

- The main government partners involved in the Monitoring and MRV System in the DRC are the DIAF, the Direction for Sustainable Development, the National REDD+ Coordination, the University of Kisangani and the local branch of the Wildlife Conservation Society. On the international side, the main partners are the Japanese cooperation, the International Tropical Timber Organization's REDDES project, the UN-REDD Programme, the Forest Carbon Partnership Facility, the OFAC, OSFAC, SDSU and UCL.
- Amongst these partners there is an understanding of the need for a collaborative approach to coordinating activities and budgetary lines;
- In reference to the budget, it is expected that Japan will be the largest contributor (especially to the National Forest Inventory), although the exact sums and activities are still under discussion between the Japanese and DRC authorities. Clarity on this issue is expected around the beginning of June 2011. Given this element, it is currently not possible to present a clear budgetary and activity overview;
- With regards to both the National Forest Inventory and the Satellite Forest Monitoring System, it is proposed that the DRC uses a multi-stakeholder and multi-data approach. This will significantly reduce risks from a politico-financial perspective and enhance the success of the national monitoring and MRV system as the government will not be dependent on one stakeholder or one data source;
- The main risk is a lack of coordination and communication between the international stakeholders resulting in activity and budgetary gaps. Hence there is an important need for a strong national leadership on such a coordination;
- It is clear that there is an important funding gap for the monitoring and MRV system in the DRC. An outcome of the National Forest Monitoring and MRV action plan will be to provide a preliminary assessment of how big this gap is and for which activities.

Appendix 11: DRC's REDD Preparation Plan (R-PP)

This document will be sent separately, considering its important length

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REPUBLIQUE DEMOCRATIQUE DU CONGO
Ministère de l'Environnement,
Conservation de la Nature
et Tourisme

Kinshasa, le 01 juin 2011

Le Ministre

N°1029/CAB/MIN/ECN-T/30/JEB/10

A Madame Patricia Bliss-Guest
Program Manager
Climate Investment Funds
Administrative Unit

Madame,

Concerne : Plan d'Investissement FIP de la RDC

Comme vous le savez, la République Démocratique du Congo (RDC) a été sélectionnée en juin 2010 comme un des huit pays pilotes du Programme d'Investissement pour la Forêt, reconnaissant ainsi les importants progrès accomplis par le pays dans le processus de préparation à la REDD+. En novembre 2010, le Sous-comité du FIP avait décidé d'allouer à la RDC, un financement de 40 à 60 millions USD dans le cadre de son Programme d'Investissement pour la Forêt.

Deux missions conjointes des Banques Multilatérales de Développement se sont tenues à Kinshasa (du 21 au 27 février et du 09 au 13 mai 2011). L'objectif principal de ces missions était d'appuyer la RDC dans l'élaboration de son Plan d'Investissement.
A l'occasion de ces missions, le Gouvernement de la RDC a réaffirmé sa volonté de présenter le Plan d'Investissement à la réunion du Sous-comité FIP de juin 2011 pour approbation.

Ce Plan d'Investissement vient d'être finalisé. Il est joint en annexe à la présente.
Je vous la soumets pour présentation auprès du Sous-comité FIP qui se réunit le 29 juin prochain à Cape Town (Afrique du Sud).

Je reste convaincu que ce Plan d'Investissement qui est le résultat d'un travail de large participation de toutes les parties prenantes concernées de la RDC, obtiendra l'approbation du Sous-comité FIP.

Veuillez agréer, **Madame**, l'assurance de ma considération distinguée.

José E. B. ENDUNDO

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