République Démocratique du Congo

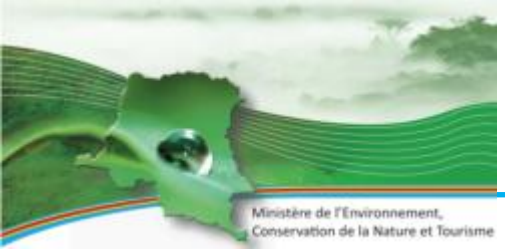
An Emission Reduction Program Idea Note for the Democratic Republic of Congo

Forest Carbon Partnership Facility (FCPF) Carbon Fund Fourth Meeting (CF4)

UN-REDD PROGRAMME

June 24-25, 2012
Santa Marta, Colombia

WWF



Outline

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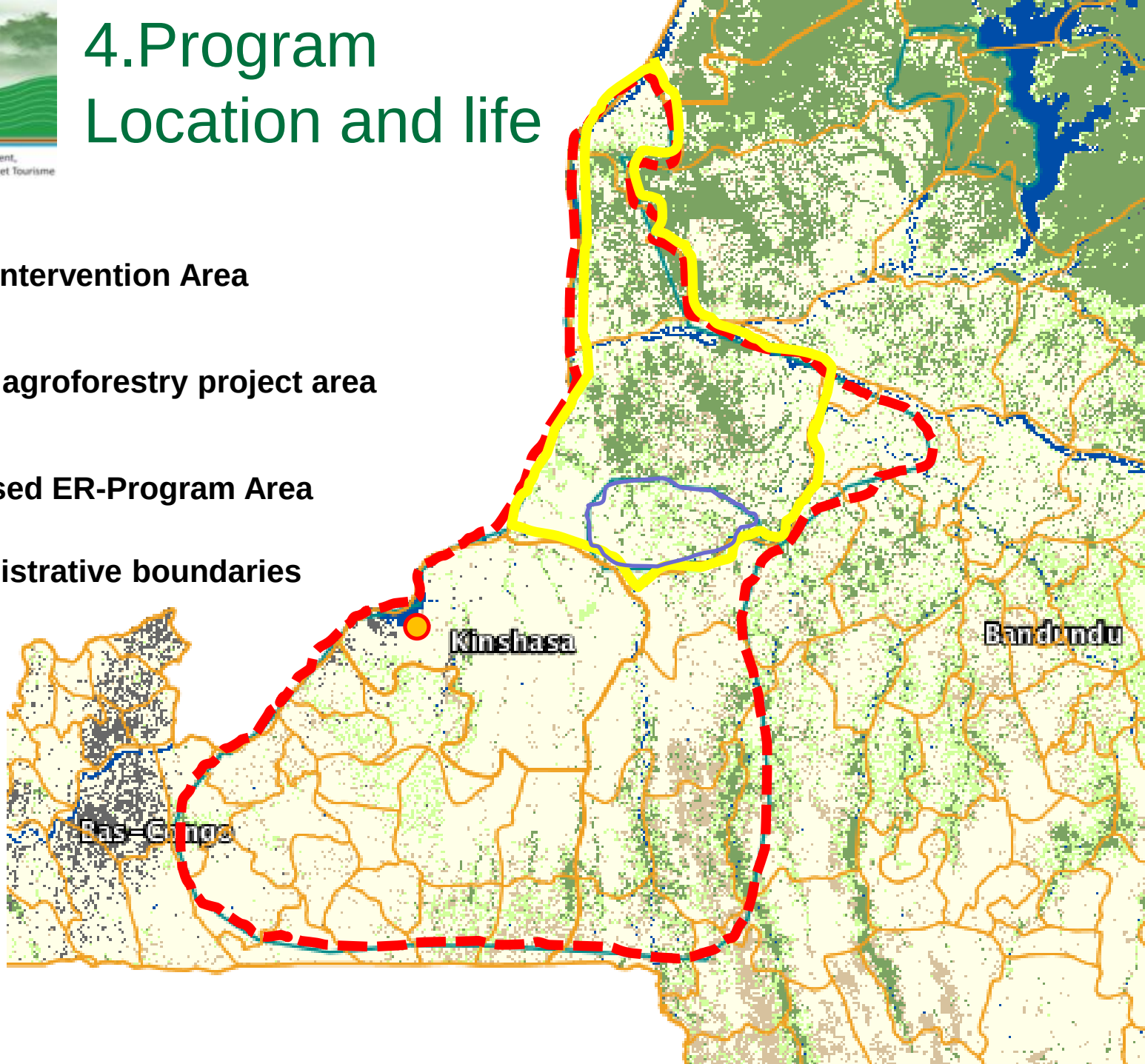
12. Measurement, Reporting and Verification (MRV)
13. Progress on REDD+ Readiness
14. Financing plan

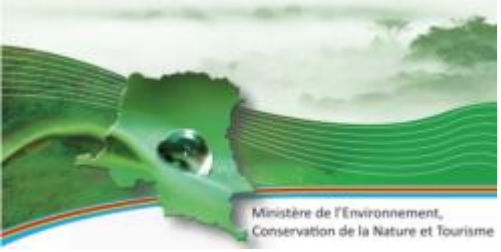
Implementing Partners

Partner	Role
Ministry of Environment	Program management entity through the National REDD+ Fund
UNDP MDTF	Interim Fiduciary management of the National REDD Fund
UN-REDD program	Technical advice in the design of the program and implementation of MRV system
WWF	Technical advice in the design of the program and implementation of local land use planning and
Local government and Rural Committees (CARGs)	Integration and approval of the land use plans and conflict resolution
Customary authorities and Legally recognized local community organizations (ASBL)	Implementation of village level land use plans and adoption of alternative livelihood strategies
Agricultural companies (NOVACEL, SEBO)	Implementation of agricultural/agroforestry alternatives and bush fire control
Legal logging companies	Forest Certification and shifting towards Reduced Impact Logging
Civil society: GTCR, RRN, CEDEN, ISCO Congo, Hans Seidel, Churches	Information, education and communications. Oversight and support for enabling activities
FIP, KfW, CBFF, USAID-CARPE, NORAD, AFD, EU	Donors already supporting investments in relevant enabling and sectoral activities

4.Program Location and life

- FIP intervention Area
- CBFF agroforestry project area
- Proposed ER-Program Area
- Administrative boundaries

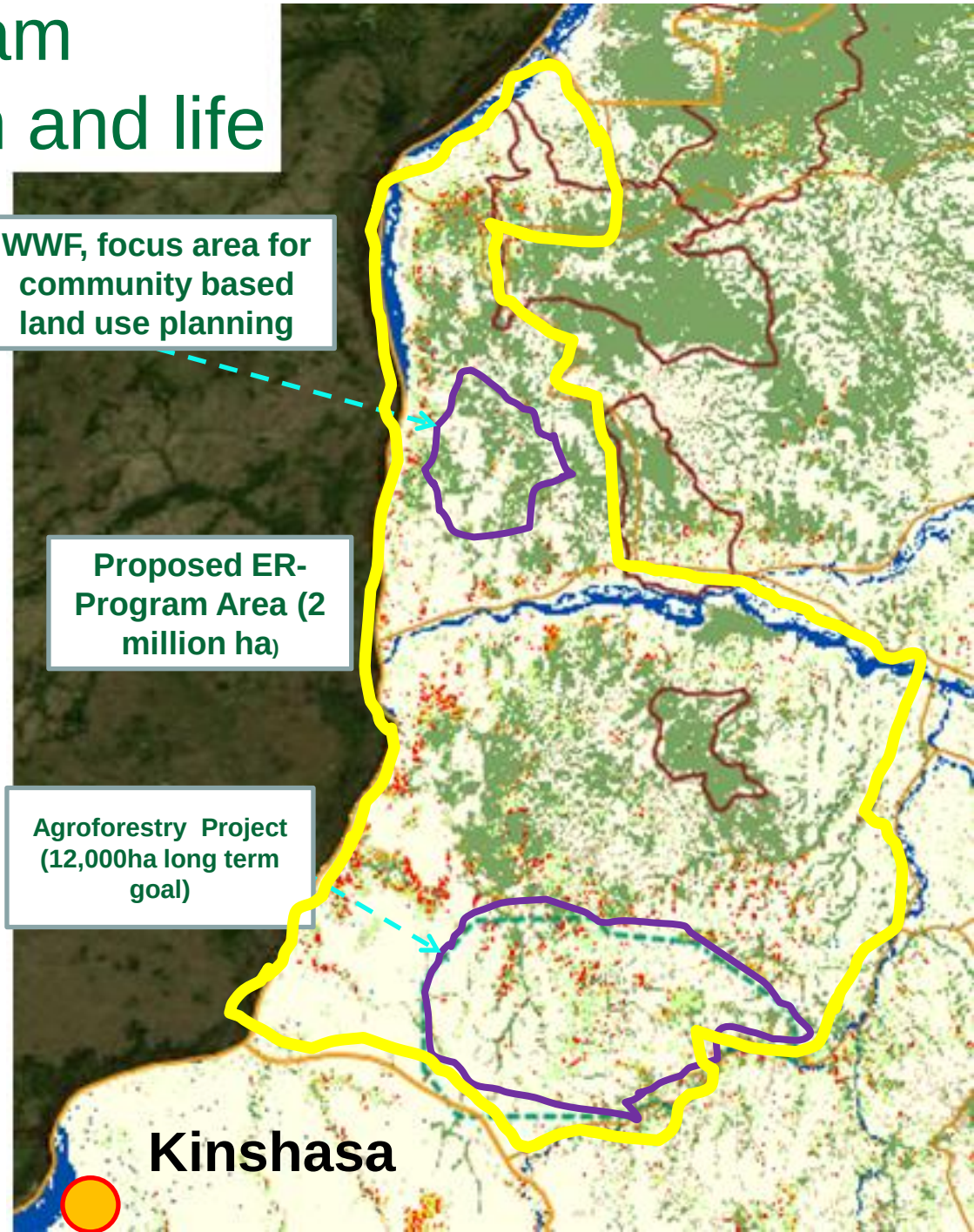




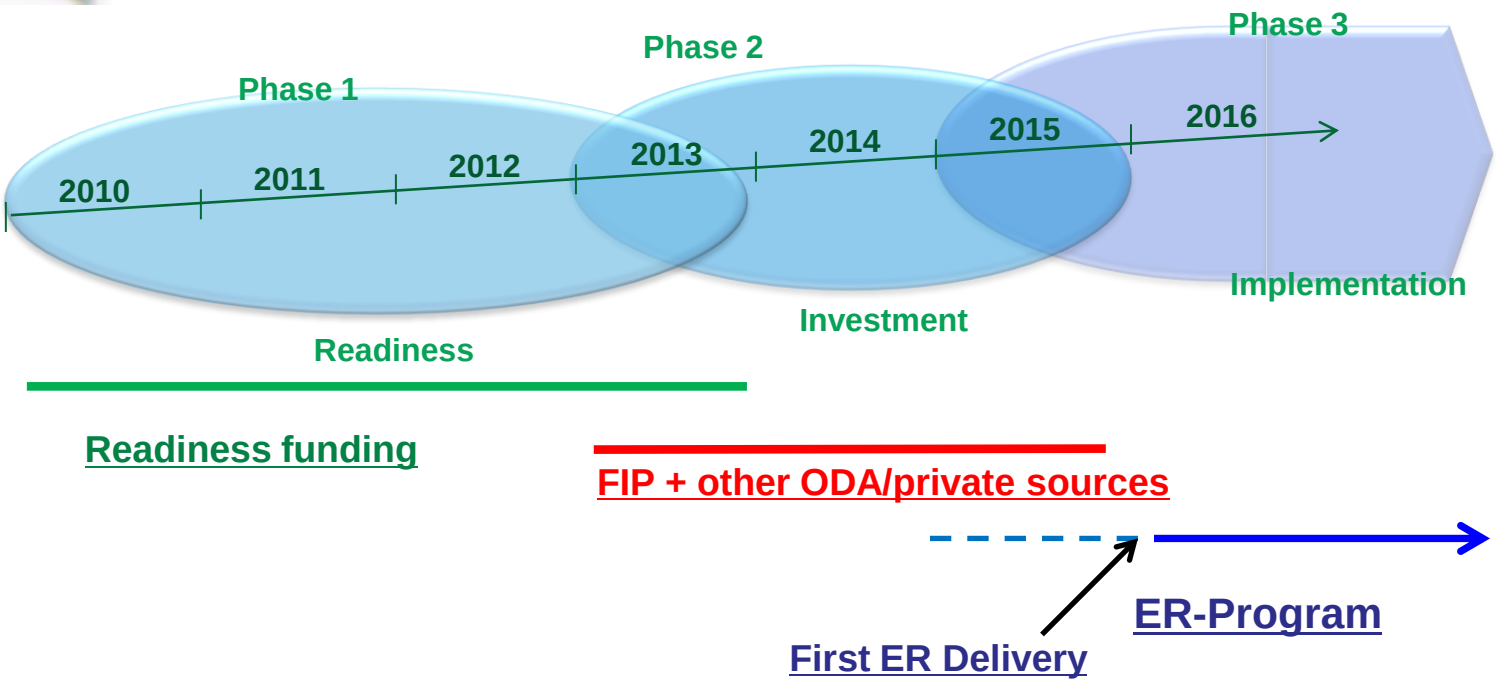
4.Program Location and life

- 1.963.315 ha,
- 38,8 % covered by forests
- 438.350 ha primary
- 194.742 ha secondary
- 128.392 ha woodland savanna
- .Deforestation between 2000-2010 = 75.058ha
- 0.94% annually or 1,9-2,9 $MtCO_2$

Source FACET



Expected lifetime of the proposed ER Program



❖DRC would prefer a longer term agreement **(10 years)**

➢security about the future as government mobilises communities to embark on transformational change

➢Time to further integrate into emerging national framework and most importantly advance on readiness.

5.1 Analysis of drivers of deforestation, degradation, and/or forest enhancement trends

Direct Causes

- Charcoal production to supply Kinshasa
- Slash and burn agriculture (subsistence and commercial)
- Cattle Ranching (large and small holder)
- Bush Fires

- Illegal logging
- Industrial logging

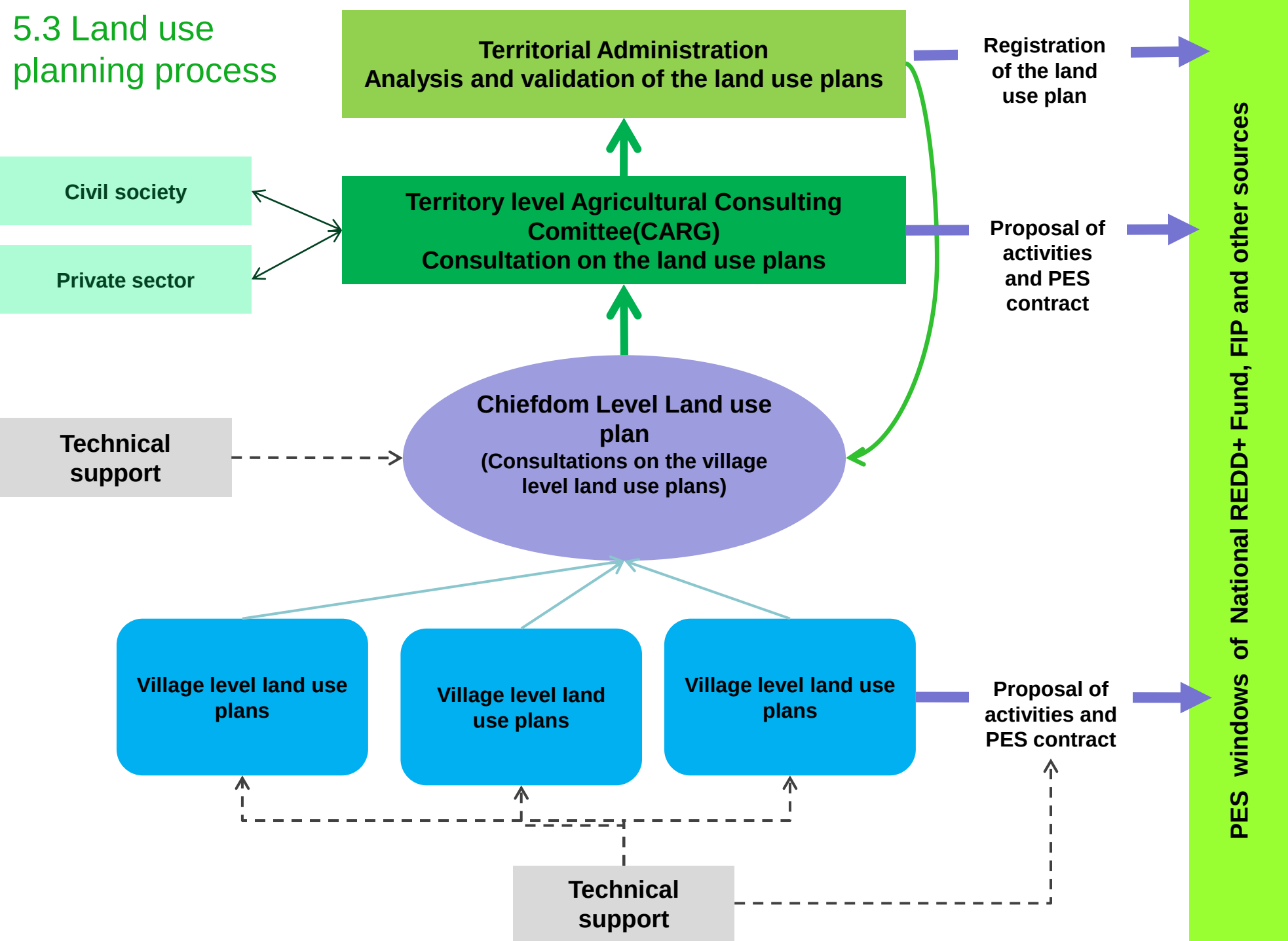
Underlying drivers

- Pop. Growth
- Land degradation
- Lack of alternatives
- Lack of governance
- Low productivity
- Transport network rehabilitation

5.3 Enabling activities under the proposed ER Program: village level management plans

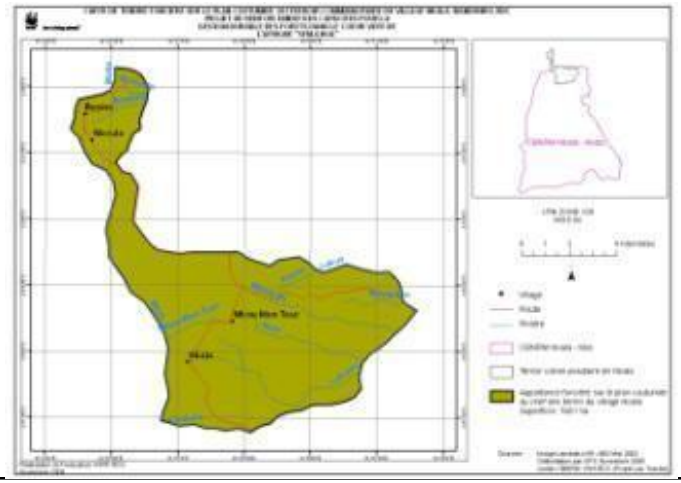
1. Organization and democratic structuring of rural population
2. Sensitization and FPIC
3. Participative zoning and customary rights recognition (village level land management plans)
4. Integration into Territorial level land use planning and validation of local land use plans
5. Identifying economic alternatives to current practices and proposing sectoral activities to be implemented
6. Signing of a PES contract for the implementation of village land management plan.

5.3 Land use planning process

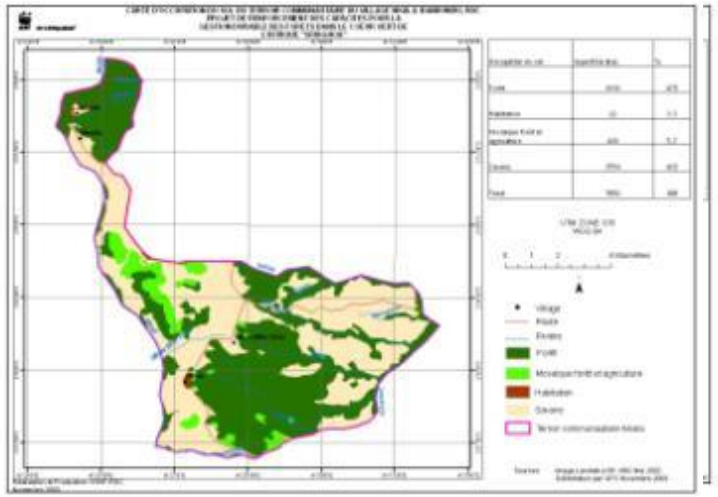


5.3 Enabling activities under the proposed ER Program: village level land management plans

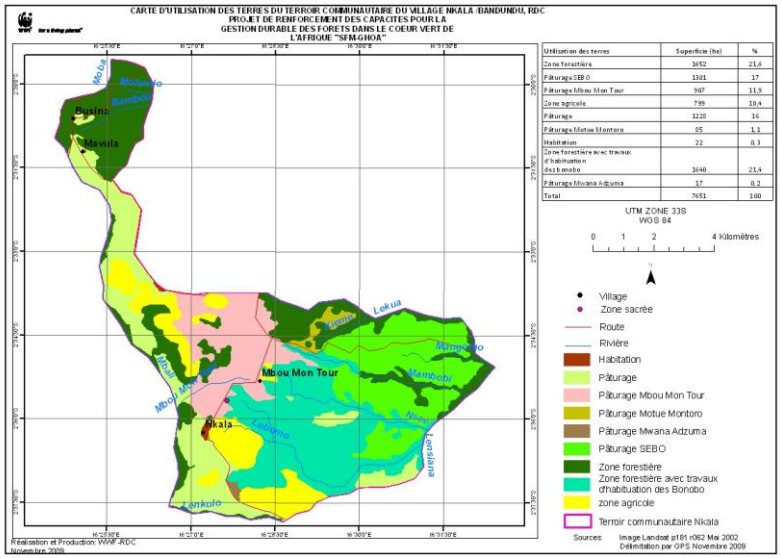
Step 1- Assessing customary land rights recognized by the within the community and by neighboring communities



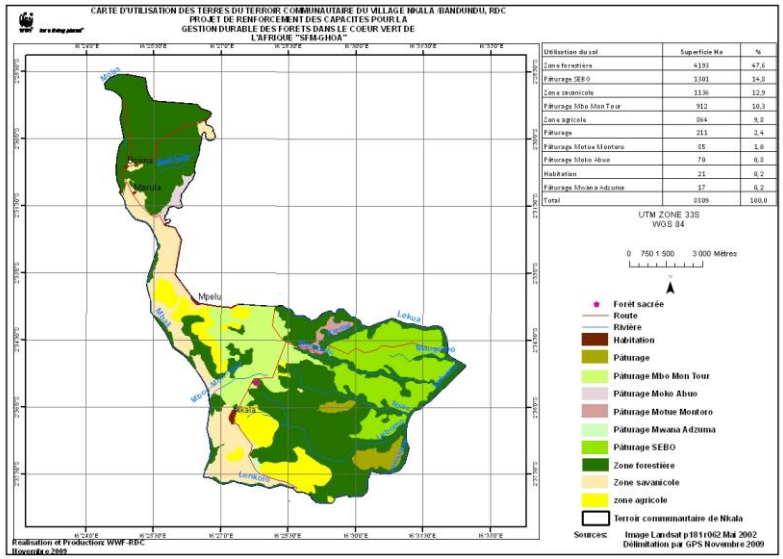
Step-2 Using satellite imagery to create a land cover map



Step-3 Create a baseline land use map

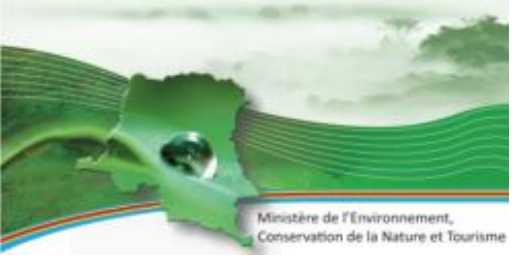


Step 4- make a simple management plan for the village for the next 5 years



5.3 Sectoral activities under the proposed ER Program

- Agroforestry on degraded land to sustainably produce food and fuelwood.
- Agricultural intensification using cash crops where possible as a strategy to phase out slash and burn agriculture (palm oil, coffee, cacao)
- Bush fire control
- Community forestry
- RIL and Forest certification
- Access to markets (contract planting)
- Improved value chain



5.4 Activities to address risks of reversal (non-permanence) of greenhouse gas benefits

5.5 Description of the potential risks of domestic and international leakage

➢Permanence

✓ The strategy is aimed at addressing the drivers of deforestation and hence generate permanent ERs.

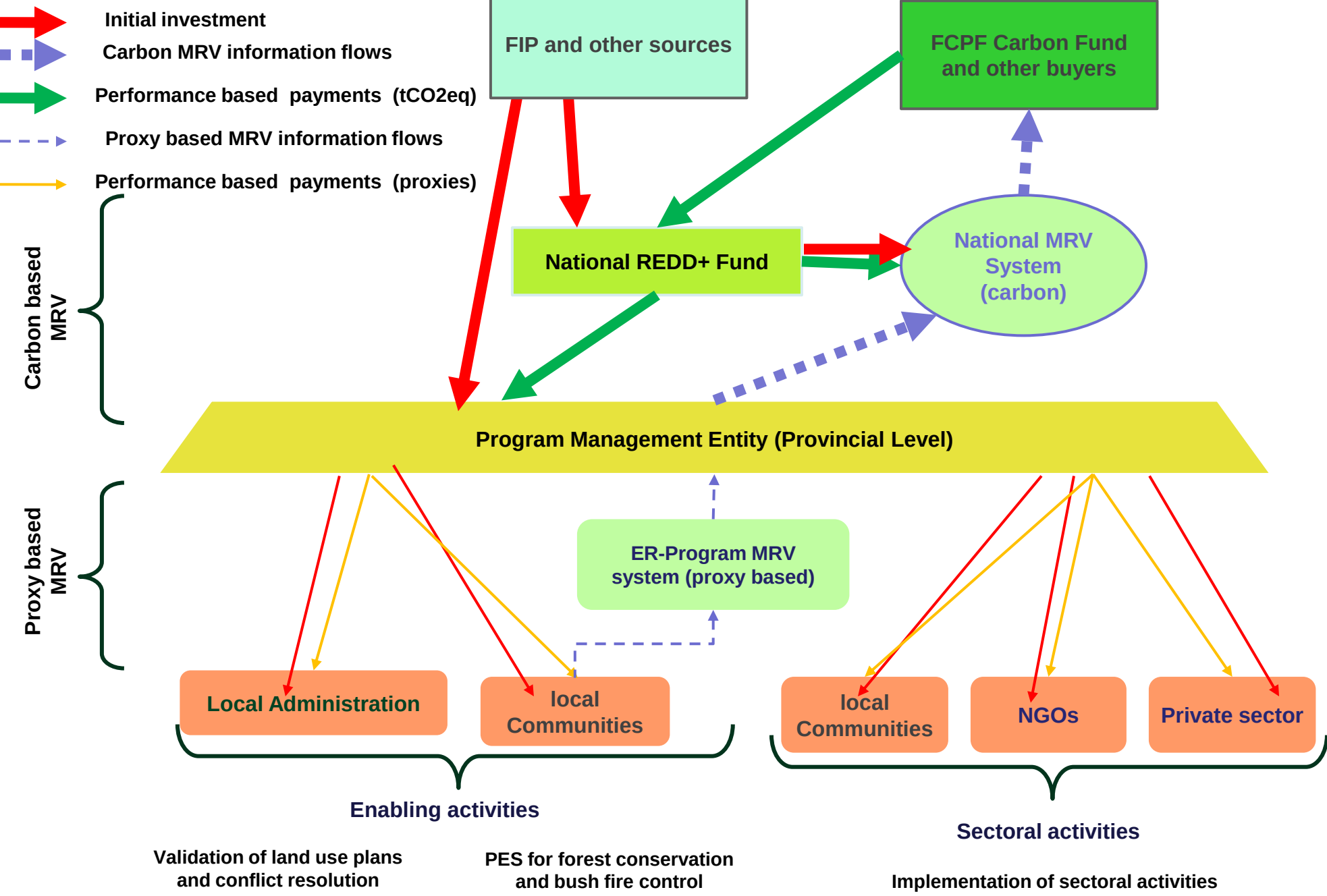
✓ A National buffer system is being envisaged

➢Leakage

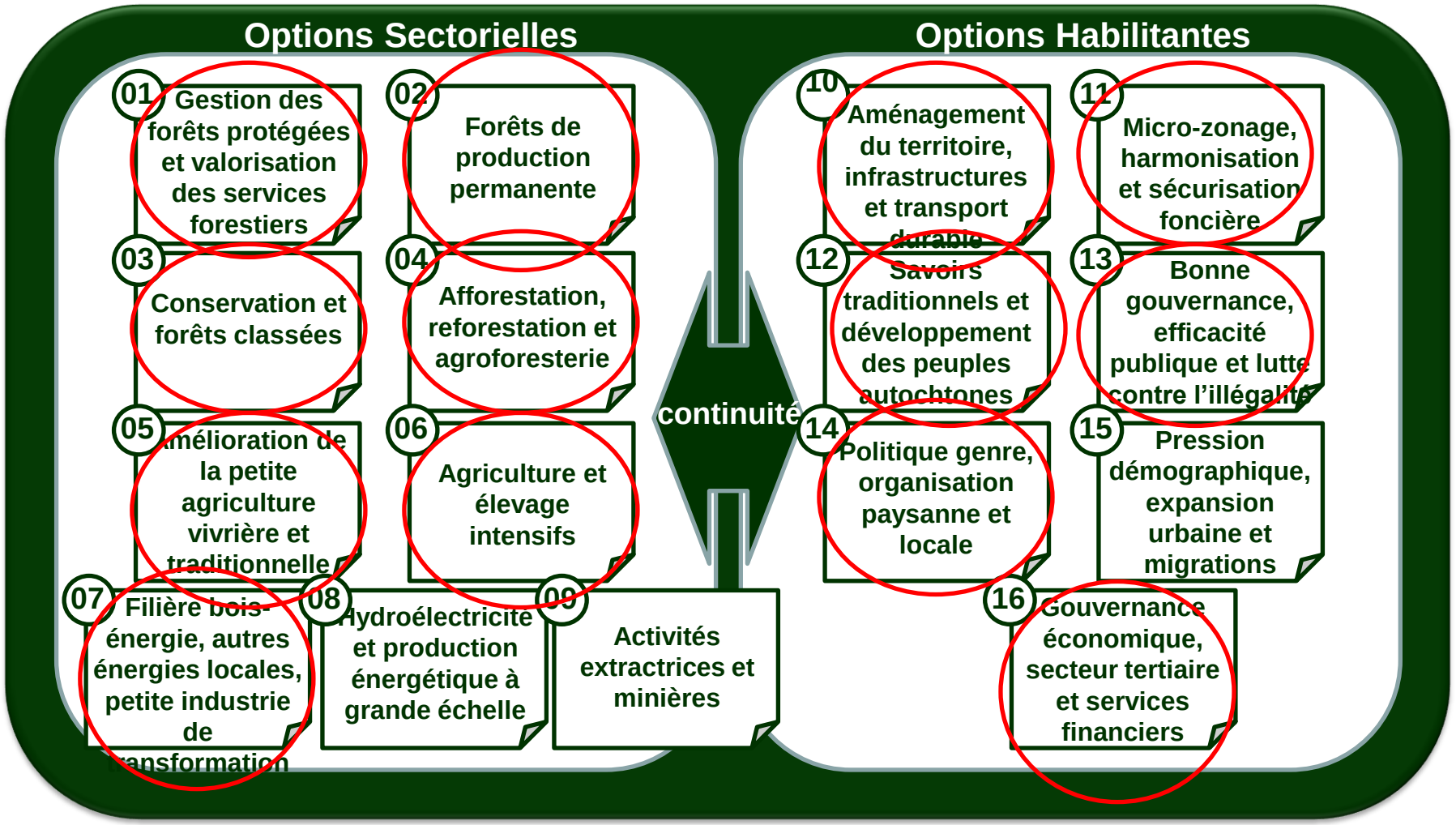
✓Strategy is aimed at improving efficiency (agriculture and fuelwood)

✓will be monitored (activity data for Bandundu will be produced as part of the national MRV system)

6.2 REDD+ Implementation Framework: from investment to operation



6.3 Consistency with national REDD+ strategy



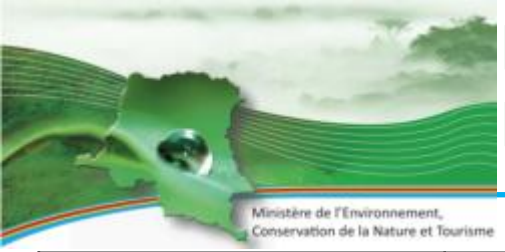
The program looks to implement activities relevant to 13 of the 16 Thematic areas of a future national REDD+ strategy

6.4 National registry

Full Integration of ER-Program Data into the National Forest Monitoring system for REDD+ :

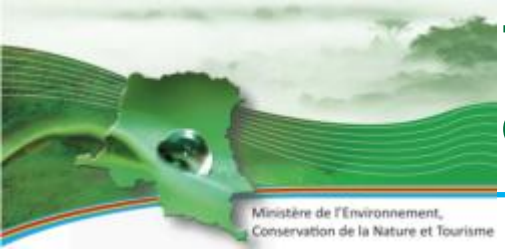
1. REDD+ Registry
2. Terra Congo (satelitte land monitoring system)

accessible online at www.rdc-snsf.org



Preliminary assessment of the proposed ER Program in the context of the national SESA

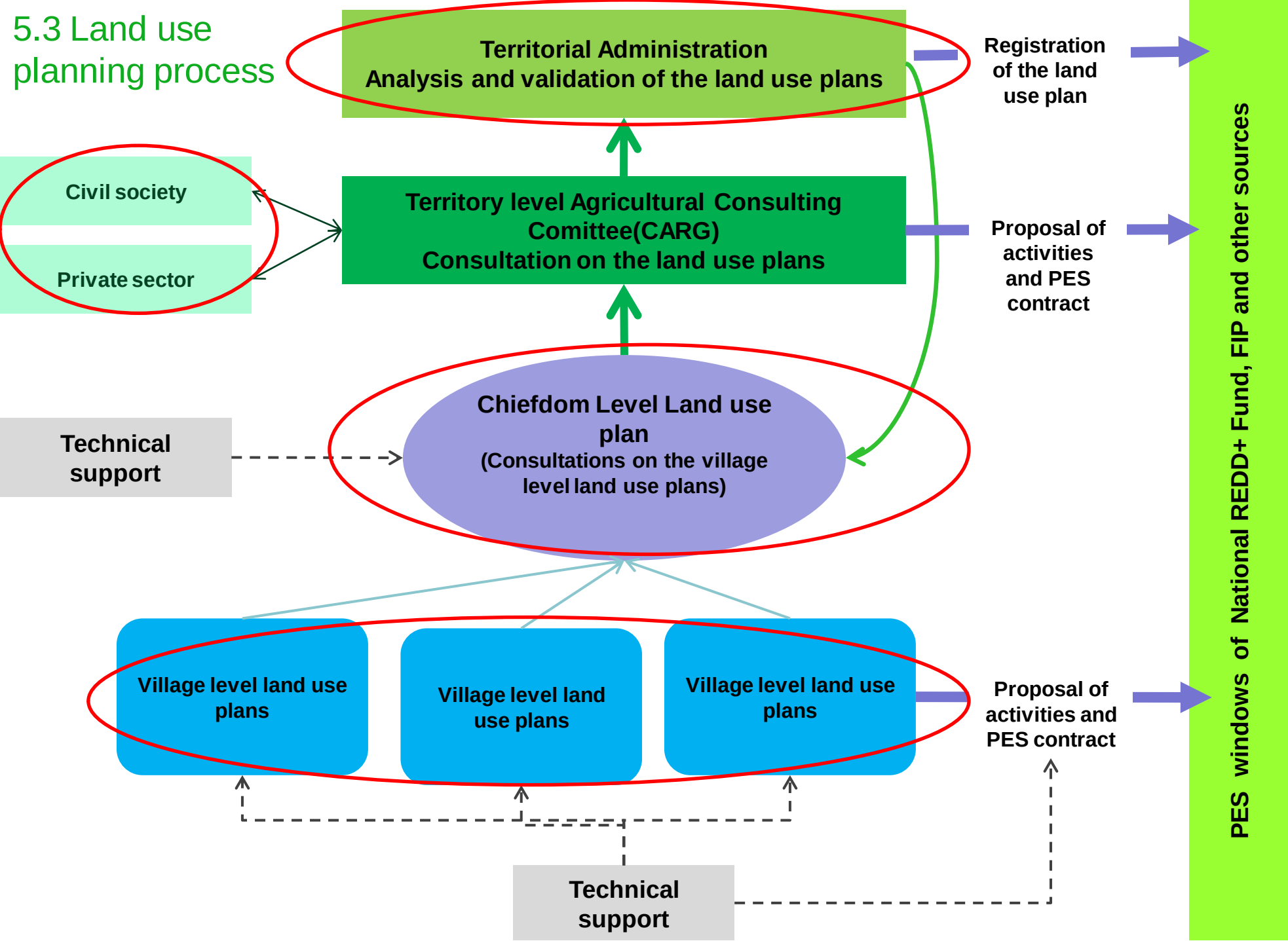
ER-Program activities	Risk Factor
Alternatives to slash and burn	*1. Traditionnal practices well entrenched* *2. Lack of knowledge about alternatives*
Alternatives to woodfuel	*1. Low cost woodfuel is accessible* *2. Lack of knowledge about alternatives*
Forest Management and land-use planning	*1. Lack of political will* *2. Lack of capacity in the face of the significant expertise required*
Governance of REDD+, Forest sector governance and communications	***1. Governance of the REDD+ process :*** *a. Corruption and misuse of funds;* *b. Lack of ownership at the national, provincial and local level increasing permanence risk* *c. Environmental monitoring and result based payment are new and run counter to current practices;* ***1. Forest sector governance :*** *Illegal loggin activities go on;* ***2. Communications :*** *Risks of non-appropriation if messages are too complex;*



7.2 Incorporation of SESA outputs and/or outcomes into the proposed ER Program

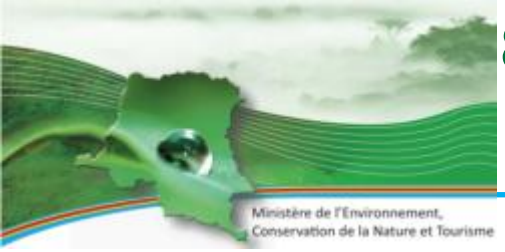
- ER-Program will use the ESMF developed by the SESA to ensure its socio-environmental compliance
- Particular importance will be given to the integration of the socio-environmental MRV framework developed by the SESA with the proxy-based MRV system for PES.

5.3 Land use planning process



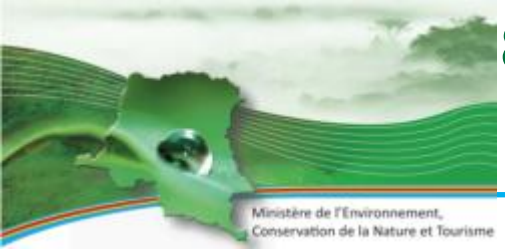
8.1 Stakeholder engagement to date on the proposed ER Program

- ER-Program orientation note Mai Ndombe, initially presented in Cancun in December 2010
- Numerous consultations in Bolobo Territory through NORAD's R-PAN project implemented by WWF since 2010 (micro-zoning is already underway).
- Consultations in the elaboration of the FIP investment plan during 2011
- Numerous consultations in the South of Kwamouth Territory through Novacel Sud-Kwamouth pilot project 2011-2012.
- Field mission of the National REDD Coordination Mai 2012
- Seminar with Provincial Government on ER-Program (Mai 2012)



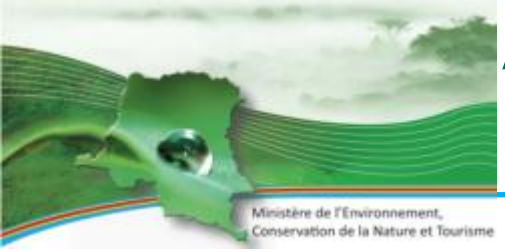
8.2 Planned outreach and consultation process

- FIP and REDD pilot project consultation plans will be implemented
- Based on firm commitment from the FCPF Carbon Fund, consultations specific to the ER-program will be planned with local actors (communities, CSOs and Private sector)
- It is expected that World Bank due diligence will be applied



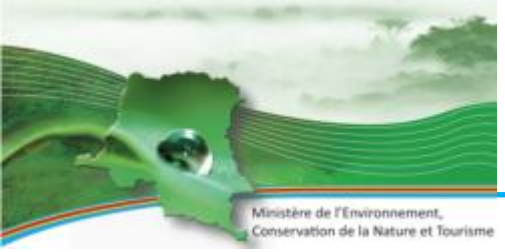
8.3 Dispute resolution mechanisms

- The local administration expects to play an important role in the conflict resolution process.
- The National REDD Fund will have a complaints mechanism
- Further reflection on this issue as part of the readiness process



Additional Social and Environmental Benefits

- ➢ Proposed strategy is certainly **pro-poor**
  - Based on the village as planning unit
  - Alternatives to slash and burn to improve livelihoods
- ➢ High biodiversity value of forest habitat
  - **bonobos**, elephants
- ➢ Regulation of water flow vital for Congo River's hydroelectrical potential
  - Southern edge of proposed RAMSAR site



Benefit Sharing

Investment in Enabling and sectoral Activities

MRVed ERs

FCPF carbon buys ERs from National REDD+ Fund

National REDD Fund:

1-Payment to implementation entity

2-Cover fiduciary management costs (1%)

3-Covers National MRV system costs (10%)

Implementation Entity:

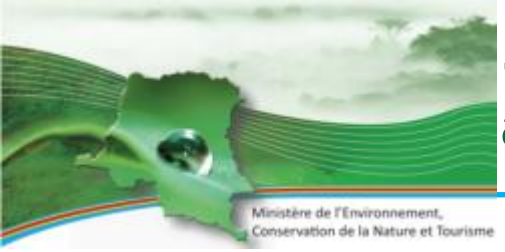
1-PES to participants based on contribution to MRVed results

2-Cover program management costs (5%)

3-Covers proxy MRV system cost (15%)

National REDD+ Fund:

Assesses proposals for program expansion



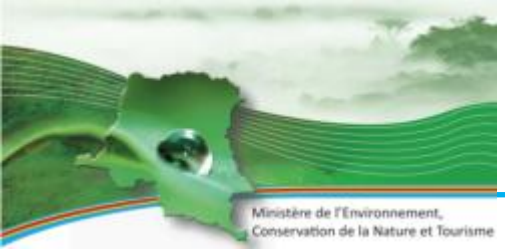
10.1 Description of envisioned benefit-sharing arrangement for the proposed ER Program.

Proceeds from the sale of ERs are earmarked to the ER-Program:

- Cover program management costs (fixed %)
- National MRV system (fixed %)
- PES fund of the ER-Program (fixed %)
- Expanding program activities (enabling and sectoral activities within and around the program area)

Performance based payments as MRVed through proxies (PES scheme)

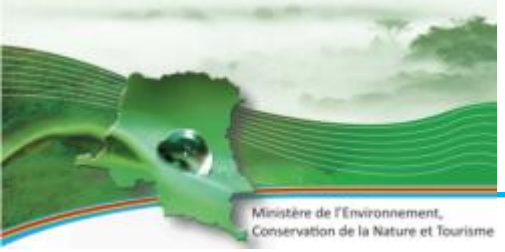
- Area of action (e.g. number of ha under agroforestry, under RIL,)
- Volume of activities implemented (incidence of improved cook-stoves, number of improved kilns)
- Emission Reduction Impact (based on studies)
- Opportunity costs
- Source of investments (public/private)



Reference Level and Expected Emission Reductions: activity based

Activity to be valued	Justification
Reducing unplanned deforestation and degradation*	Main drivers : ▪ Slash and burn agriculture ▪ Bush fires for pastures, agricuture and hunting ▪ Fuelwood and charcoal production ; ▪ Artisanal logging
Reducing planned degradation	Logging concessions are present in the area
Increasing forest carbon stocks through reforestation and natural regenaration	Intervention Strategy : ▪ Natural regeneration through bush fire control ; ▪ Plantations (agroforestry models)

***Unplanned deforestation and degradation are not separate phenomena as degradation due to fuelwood extraction of illegal logging is generally followed by deforestation due to slash and burn agriculture within a 10 year interval**



11.1 Approach for establishing the Reference Emission Level (REL): 3 approaches

- REL is spatially explicit (deforestation risk map is created)
- Approach 1 : average historical emissions (2000-2010).
- Approach 2 : trend over the last 10 years
- Approach 3: model based on correlations between drivers and observed deforestation to adjust trend.

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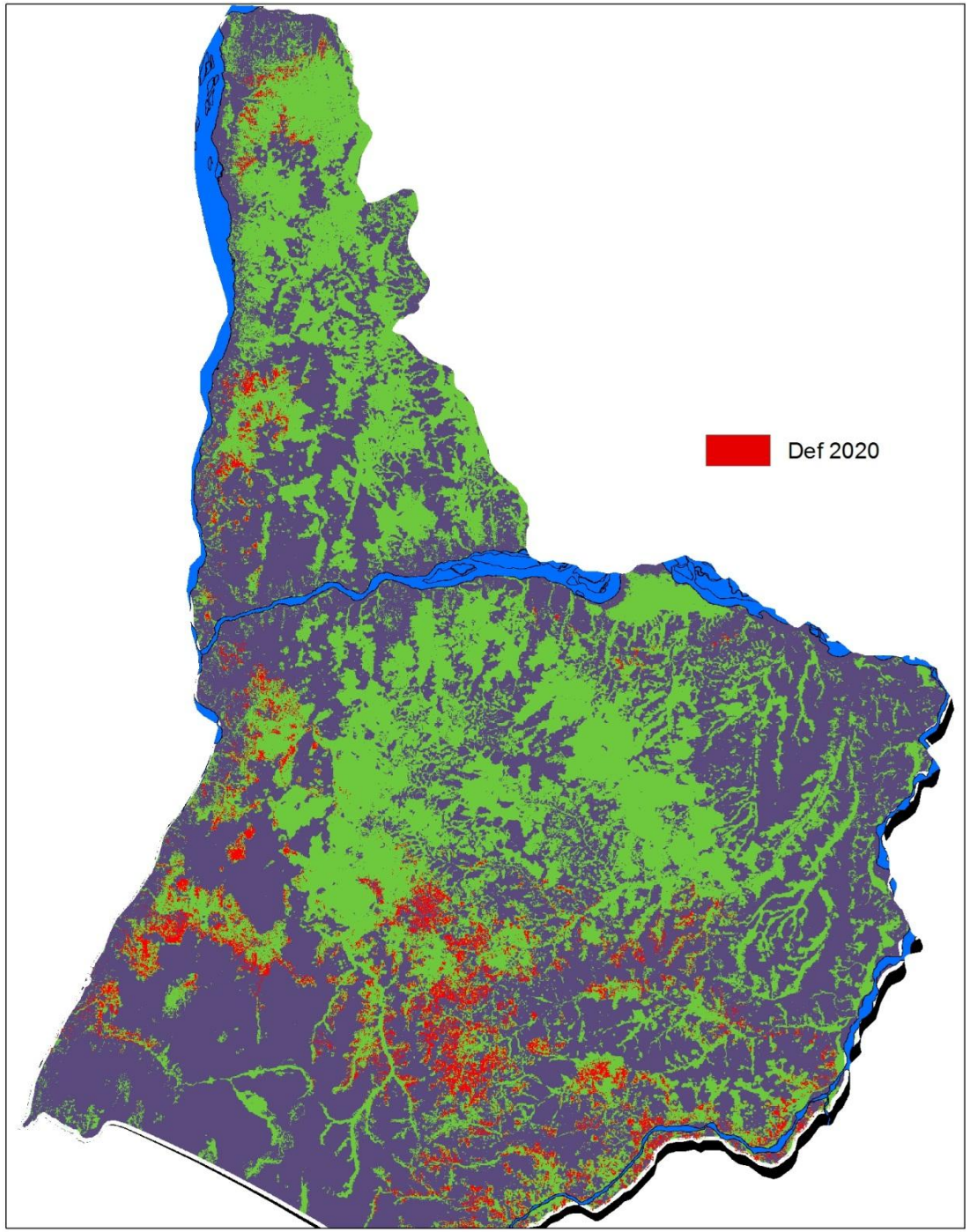
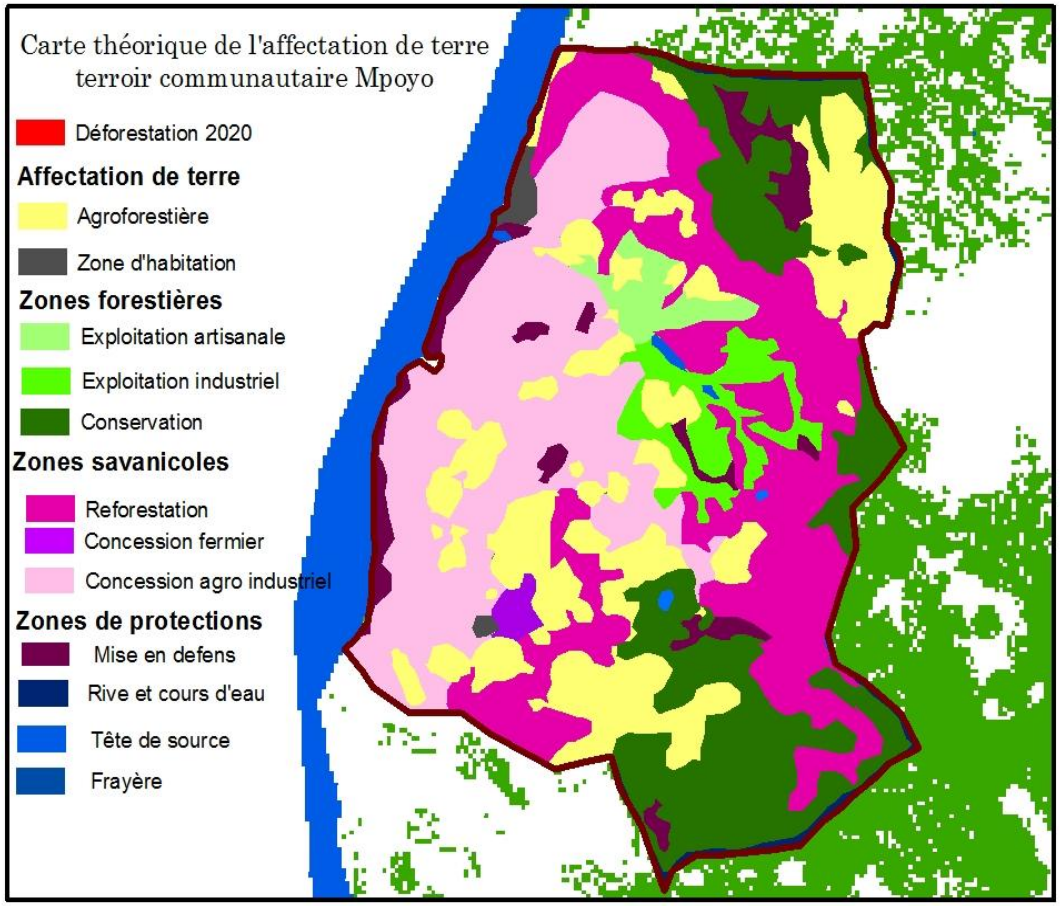
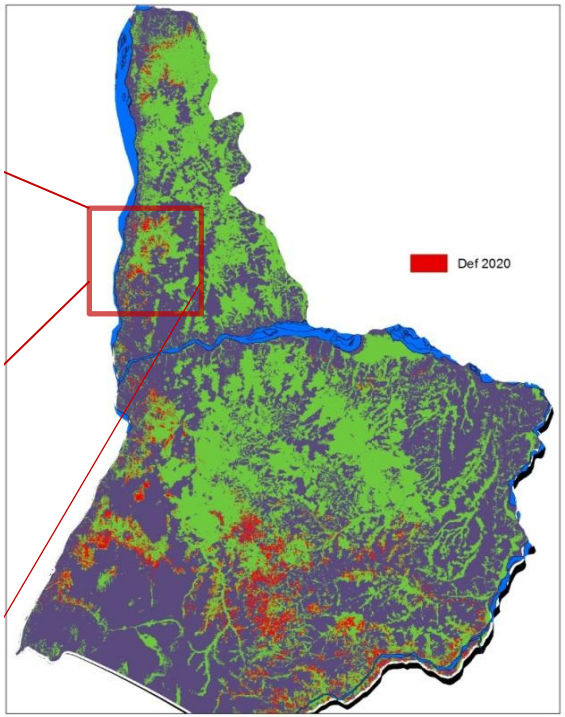
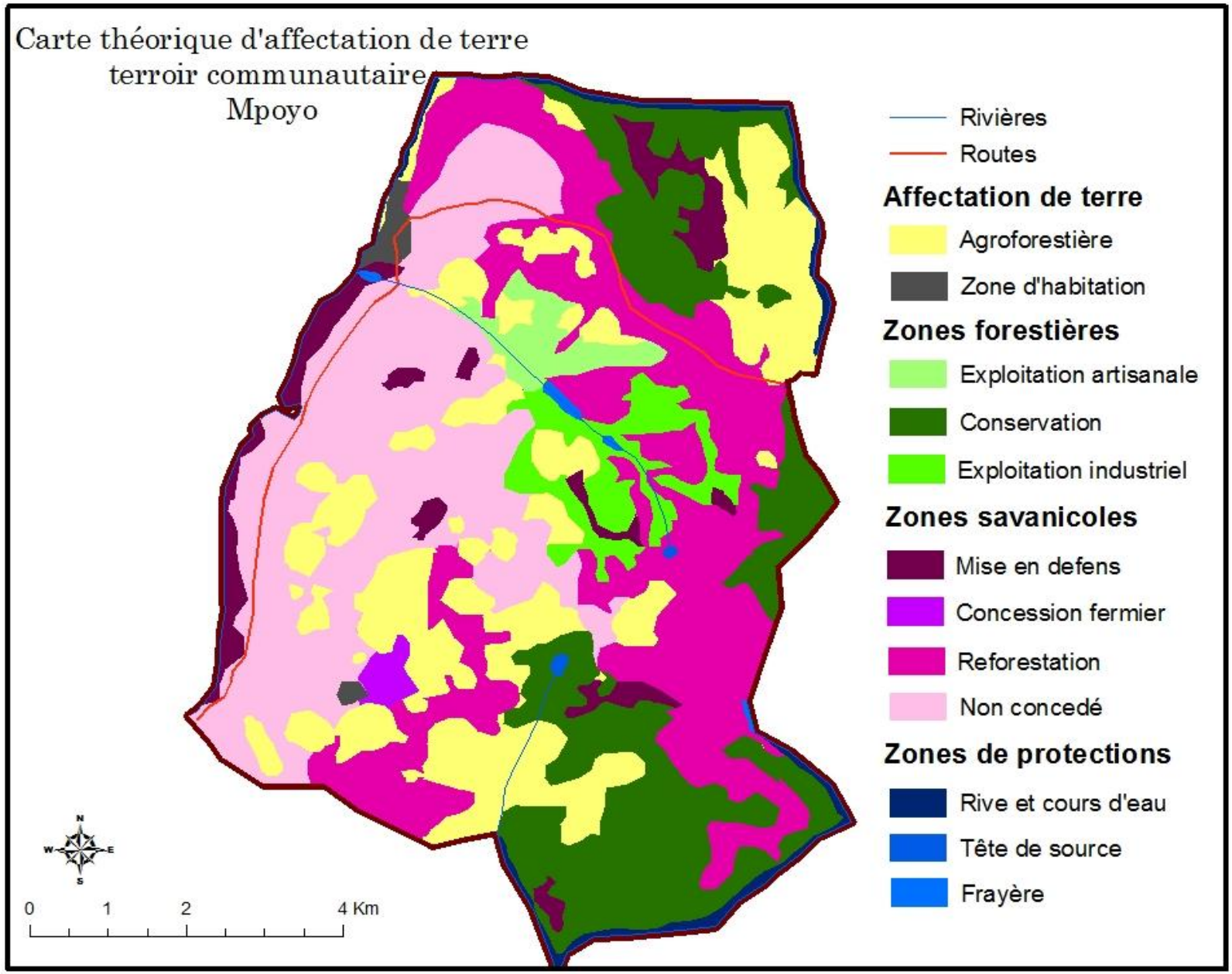


12.4 Role of communities in the design or implementation of the proposed ER Program monitoring system.






Carte théorique d'affectation de terre
terroir communautaire
Mpoyo
Rivières
Routes
Affectation de terre
Agroforestière
Zone d'habitation
Zones forestières
Exploitation artisanale
Conservation
Exploitation industriel
Zones savanicoles
Mise en defens
Concession fermier
Reforestation
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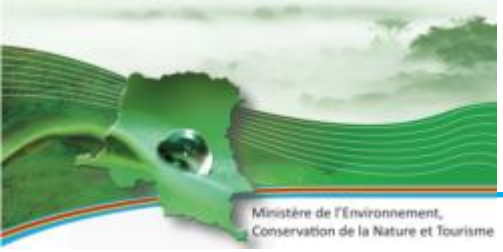


11.2 Estimate of expected reference emission level/forest reference level

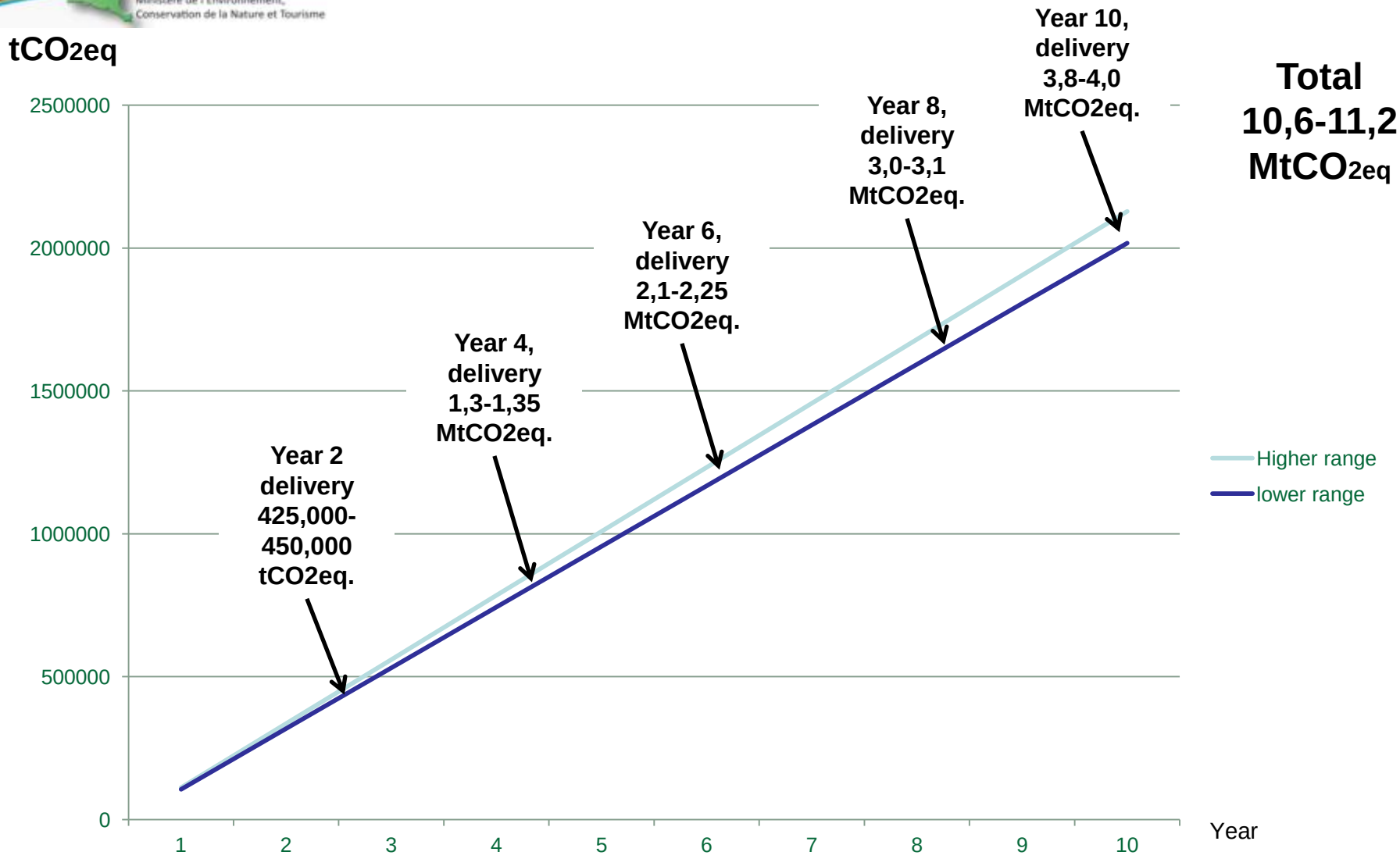
REDD+ activity	REL based on Historical data
Unplanned deforestation and degradation	•Forest loss 2000-2010: 75.057ha •Historical emissions for 2000-2010 comprised between 5,2 and 8,1 millions tC or **19,1 and 29,6 millions tCO2e**. *
Planned degradation	102 037tCO2e
Afforestation and reforestation	No BAU reforestation

*** lower end assumes deforested areas enter a swidden and fallow cycle**

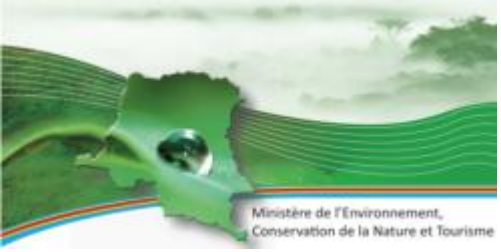
11.3 Emission Reduction Goal (10 year program)

REDD+ activity	Intervention strategy	Agent	Mitigation potential $MtCO_2e$	Effectiveness	Emission reduction goal $MtCO_2e$
Reducing unplanned deforestation and degradation	Conservation	Communities	**18,5 and 20**	High	13,8 -15,0
	Sustainable forest management				
	Bush fire control			Medium	9,2 -10,0
	Community agroforestry			Low	4,6-5,0
	Agricultural intensification				
	Reducing illegal logging	Artisanal loggers and customary chiefs			
Reducing planned degradation	Reduced impact logging	Forest Concessionaires	0,005	High Medium Low	0,0045 0,004 0,0035
ARR	Bush fire control for natural regeneration	SEBO and Communities	1	High Medium Low	0,7 0,6 0,5
ARR	Industrial agroforestry	NOVACEL and other private cies	1,2	High Medium Low	1,0 0,9 0,75
TOTAL			**20,8 to 22, 8**	High Medium Low	**16-18** **11-10** **5,9-6,4**

11.4 Expected ERs, assuming medium effectiveness (50% averaged over program lifetime) and linear improvement in this effectiveness



Total 10,6-11,2 $MtCO_{2eq}$



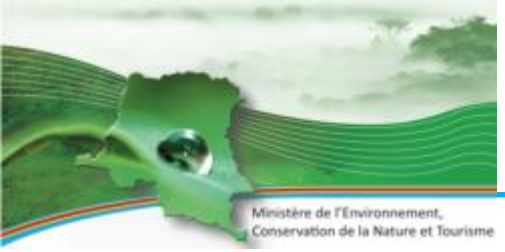
12.3 Describe how the proposed ER Program monitoring system is consistent with UNFCCC guidance available to date.

- Activity Data: Approach 3 (Wall-to-Wall using Landsat and SPOT)
- Emission factors: Tiers 2 (RLs may be established using Tier 1)

Forest Monitoring System

11.5 Volume proposed for the FCPF Carbon Fund

- DRC is interested in attracting other buyers
- Implementing partners will be looking for assistance from the World Bank team for the marketing of potential ERs as well as in the negotiation of additional ERPAs.



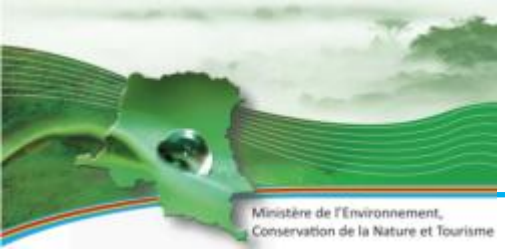
13.3 Next steps to finalize the proposed ER Program implementation design

2012-2013:

- Institutional arrangements: creation of the National REDD+ Fund, agreement between institutions providing funding for the investment phase and the National REDD+ Fund in charge of the operation phase
- Feasibility studies and Sensitization of stakeholders
- R-package submission

2014-2015:

- Negotiations and contracting with main implementation partners following FPIC (based on solid commitments by FCPF Carbon Fund.



Conclusion and next steps

- Many partners already working together with strong leadership from the MECNT and strong support from UN-REDD, FCPF and WWF.

- Government looking to create strong synergies with the FIP
- Looking to finish a draft ER-PIN during 2012 or early 2013
  - ✓ Preliminary studies (drivers, RLs and MRV needs)
  - ✓ strategy operationalisation and institutional structure
  - ✓ Definition of a common approach with all stakeholders
  - ✓ Financial Analysis (relative to secured investments)

- Government willing to commit resources from ongoing projects to support the development of this program at an initial stage but will be looking for funds to support detailed program development.

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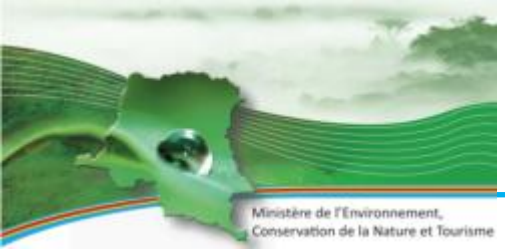
Merci pour votre attention

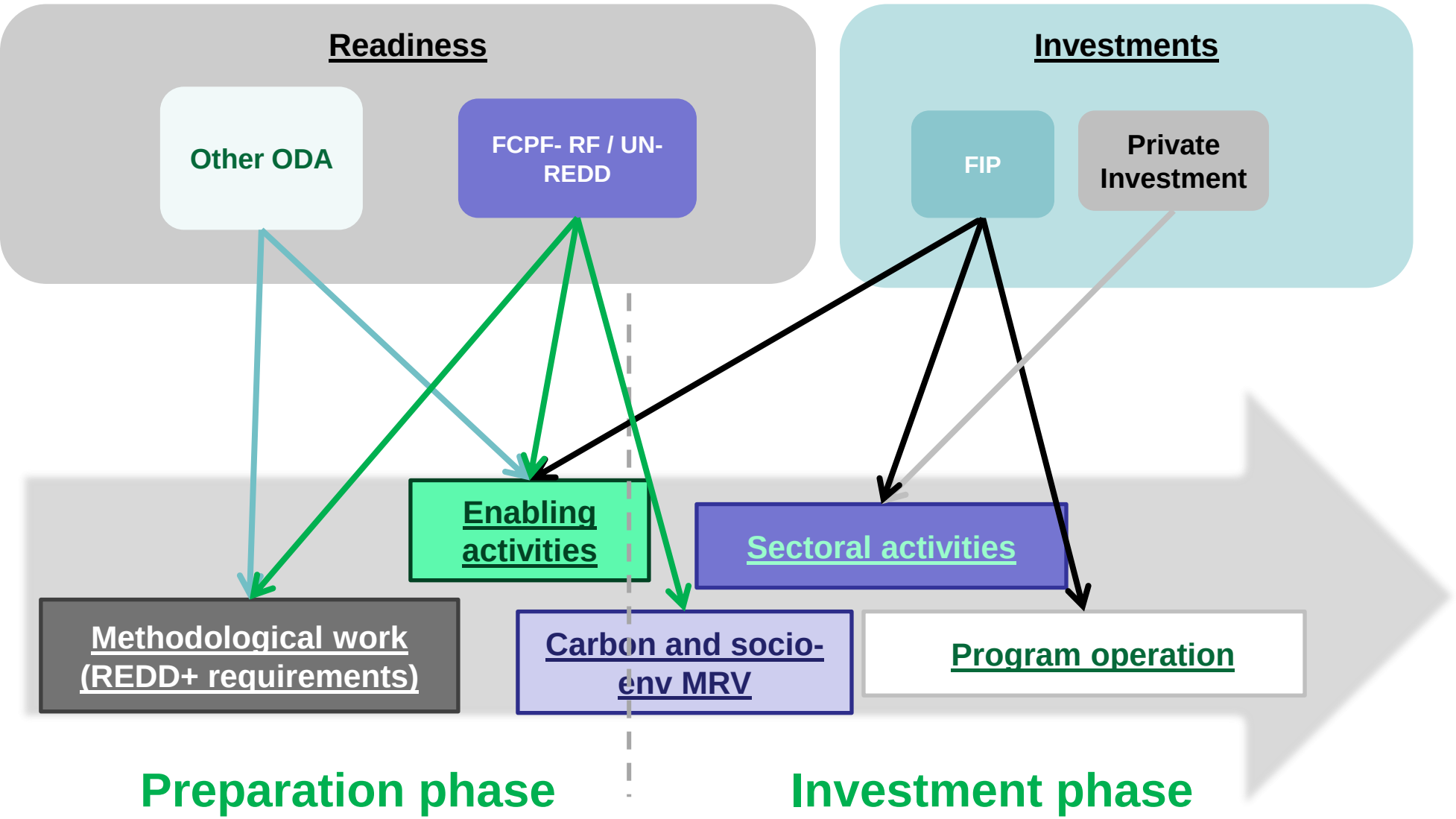
activities	indicators	MRV	Contract modalities	Paiment modalities
reforestation	ha planted and maintained according to quality standards	Area: remote sensing or GPS cameras quality: GPS Photos and filed visits (using ODK where capcity exists) Multiples levels of verification including field visits	1 to 5 years	$/ha vérified paid annually
agroforestry	ha planted and maintained according to quality standards		5 years	$/ha vérified paid annually
Bush fire control (assisted natural regeneration)	ha without fire at the en of the dry season		5 years	$/ha vérified paid annually at the end of the dry season
Improved agricultural practices	ha planted and yields		1 year renewable (conditionnal to respect for village land management plan)	$/ha vérified paid annually
Simple land management plan at the village level	ha conserved vs. village reference level		5 years	$/ha vérified paid annually
RIL and SFM (artisanal and industrial)	ha under RIL and SFM		25 years	$/ha vérified paid every 5 years

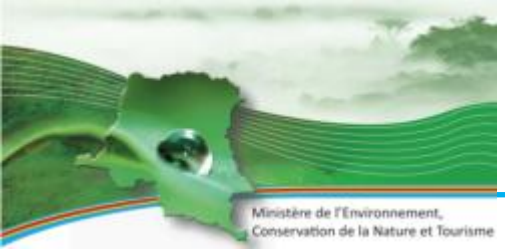


10.2 Progress on benefit-sharing arrangements

- Apply internationally recognised social and environmental standards untill national ESMF and National Standards are in place and fully operational as we advance on readiness.
- REDD+ registry will be capable of tracking benefits sharing agreements as well as progress on their implementation by the end of 2012.
- Innovative technologies could be developed to deliver financial flows down to the local level (reducing opportunities for corruption, increasing strict conditionnality in the delivery of payments).

Financing plan





Financing plan

Up-front Investments

Result-based financial flows

Operations

FCPF Carbon Fund

Other ER purchasers

National REDD+ Fund

Capacity building window

PES window

Investments

FIP

Private Investment

Enabling activities

Sectoral activities

General program operations

Readiness Funding

Carbon and socio-env MRV

Investment phase

Operation phase

Financing plan (US millions)

Uses of funds: Expected ER Program costs	*U1. Preparation costs*	
	U2. Implementation costs (please specify)	
	U3. Other costs (please explain)	
	U4. Total Program costs = U1 +U 2 +U 3	
Sources of funds: Funding to be sought or already identified. Specify if funds have already been identified.	*S1. Investments (Private sources)*	
	S2. Grants (FIP, CBFF, KfW)	
	S3. Loans (no loans)	No loans
	S4. Not identified = U4 - S1 - S2 - S3	