



ANNEX 1: DEMOCRATIC REPUBLIC OF THE CONGO REDD+ COUNTRY BRIEFING NOTE

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This briefing is based on a systematic and comparative review of the ER-PD prepared by the Government of DRC and submitted to the FCPF Carbon Fund, other REDD+ readiness documents, and recent analysis by civil society and researchers. It focuses on three key issues: tackling the drivers of deforestation, progress on governance reforms needed to make REDD+ effective, and the ability to produce credible emission reductions (ERs) with environmental integrity. It is one of several country briefing notes prepared as the basis of an EIA report on the FCPF Carbon Fund.

SUMMARY OF REDD+ READINESS STATUS

The Democratic Republic of the Congo (DRC) is the first African country to submit an Emission Reduction Program Document (ER-PD) to the FCPF Carbon Fund, after having submitted its “readiness package” to the FCPF Participants Committee. The readiness package is the collection of documents required to document completion of the REDD+ readiness phase and includes: 1) a national REDD+ strategy, 2) a strategic environmental and social assessment (SESA), 3) an environmental and social management framework (ESMF), (the SESA and the ESMF are the two major safeguard instruments required under the readiness grant), 4) a reference emissions level (REL), and 5) a summary of the country’s system for monitoring, reporting and verification (MRV) of carbon emissions. The DRC R-Package documents were posted online at the end

of 2014, and endorsed by the Participants Committee (PC), at its meeting in May of 2015.⁵⁴

The Emission Reduction Program Idea Note (ER-PIN) was accepted into the CF program pipeline in April 2014; a Letter of Intent between the government of DRC and the FCPF CF was signed on June of 2014 to develop a full program, and the draft ER-PD reviewed for this briefing note was submitted in January of 2016.⁵⁵ The final step in the CF business cycle is for the WB and CF Participants to authorize negotiations to sign an Emission Reduction Payment Agreement (ERPA), the purchase/sale agreement for performance based REDD+ credits being pioneered by the FCPF CF.

COUNTRY CONTEXT

The emission reduction program proposed by the Government of DRC is a jurisdictional program based in the new Mai Ndombe province (12.3 million ha, 9.8 million ha of which is forest) and is the first effort to implement the national REDD+ strategy in the country. It consists of both enabling actions and sector interventions, and is based around several key pillars including energy, agriculture, forestry and governance reform.

The REDD+ agenda has high-level political support and the government has moved the process forward in a consistent fashion over the past decade. The DRC has more dense forest than all other Congo Basin countries combined, covering 115 million hectares, an area the size of France.

The DRC has been successful in building international support for its REDD+ effort, with grants not only from the FCPF (\$8.6 million readiness grant) and UNREDD (\$7.8 million National Program), but also from the Forest Investment Program (\$34 million), the Congo Basin Forest Fund, German, US, French and Japanese bilateral aid and the Central African Forests Initiative. International REDD+ support is being mobilized through a national REDD+ Investment plan, to be channeled through a newly established national REDD+ Fund currently administered by the United Nations Development Fund (UNDP).

The ER-PD estimates a budget of \$70m from these sources, no national counterpart monies are identified, to implement the interventions proposed in Mai Ndombe to reduce emissions from deforestation and forest degradation, for which they estimate generating another \$70-\$90 million in results based payments over five years.

While this is substantial funding for a REDD+ project, as described below, it is not adequate funding to control deforestation and degradation in the 12 million hectare ER Program Area. All of the activities proposed attack a fraction of the drivers that they target. The efforts to control slash and burn agriculture will address maybe tens of thousands of people out of a population of 1.5 million; activities to control fuel wood and charcoal production are limited in scope and duration; five new “eco-teams” are unlikely to significantly reduce the 90% rate of illegal logging particularly where these teams are also

supposed to combat wildlife crime where the DRC has lost 60% of its elephant populations in the last 10 years; and finally, given the problems with previous efforts to impose reduced impact logging on concessions far from Kinshasa, there is little in the plan to ensure that these activities occur or that the industrial logging will not open more forests to bush meat hunting and settlement by the rural poor.

ADDRESSING THE DRIVERS OF DEFORESTATION

Several studies of the drivers of deforestation have been undertaken over the past few years, including by universities, international researchers, national civil society and a Congo Basin wide study by the World Bank.⁵⁶ Most of these studies conclude that “slash and burn” agriculture is the main driver of deforestation, this claim has however been contested by civil society, local communities and indigenous peoples. The ER-PD identifies several primary drivers including “slash and burn” agriculture, fuel wood production, uncontrolled bush fires, artisanal logging and industrial logging. It further identifies underlying causes for these drivers including population growth, poverty, lack of economic alternatives to unsustainable natural resource use, poor management of natural resources and what it calls “unregulated” land tenure.⁵⁷ These drivers are all theoretically addressed in the proposed program, although the emphasis is on dealing with smallholder shifting cultivation and the production of charcoal for the Kinshasa market, both through agro-forestry.

The analysis of drivers presented in the ER PD lacks a clear basis in the analysis of spatial data, while there are parameters for unplanned deforestation and degradation presented, clear data for planned deforestation and degradation are not presented.⁵⁸ There is no spatial analysis of the impact of industrial logging, nor artisanal logging. The ER PD plays down the impact of industrial logging, while acknowledging “The region is seeing a chaotic expansion of illegal logging including small scale logging and ‘semi industrial’ operators using heavy machinery.” This ignores widespread evidence that in the face of the moratorium on new logging concessions, logging companies are making illegal use of petty

permits and chain saw permits.⁵⁹ It also ignores and fails to provide an explanation for the dramatic spike in deforestation in 2013 and 2014, which the DRC is using in an attempt to raise its reference level to qualify for more ER credits. Recent efforts supported by the World Bank to establish a chain of custody log tracking system failed despite significant financial investment.⁶⁰ The recent approval on September 25, 2015 of Ministerial Order (Arrêté) No. 050 which creates a new type of artisanal logging concession appears to be a measure to legalize the current widespread illegal logging in the DRC and open up new areas to logging in violation of the moratorium.⁶¹

The identification of poor shifting cultivators as the primary drivers deforestation leads to the assumption in much of the program design that the main interventions need to be targeted at getting people to give up their traditional livelihoods and shift from subsistence agriculture in the forest to agro-forestry schemes involving cash crops on the savannahs. While Wildlife Works Carbon (WWC), one of the main private sector partners driving program design, has correctly identified a “cascade deforestation” pattern around the logging concessions, blame is still placed disproportionately on the small holders, and not the industrial logging companies who hold the concessions and open up the roads that lead to further illegal logging and small scale agriculture. While some activities are proposed to address charcoal production, industrial logging and artisanal logging (discussed more below), these do not seem commensurate with the scale of the problem. Program measures are not well aligned to the underlying causes of deforestation, and measures to limit shifting cultivation risk significant negative livelihood impacts on local communities. In general, the activities proposed appear too limited in scale to accomplish the reduction of emissions envisioned in the ER-PD. The agricultural expansion and growing of fuel wood plantations would likely only address a fraction of the deforestation in Mai Ndombe.

Logging companies with long record of being involved in illicit forest activities⁶² and abusing human rights⁶³ such as SODEFOR, are being treated as program partners, potentially

privileged in fact above all other stakeholders (besides the nested WWC project) in gaining support and accessing revenues from the sales of emission reduction credits. This opens the program to potentially severe reputational risks, as well as risks of elite capture of benefits as the social agreements traditionally used between communities and logging companies have a long history of failing to deliver promised benefits.

Reports indicate that less than 10% of industrial logging concessions are independently verified as legal or sustainable, and while regulations require that each logging concession is visited at least four times a year, very few missions are ever undertaken and most concessions go unmonitored, according to the OI-FLEG. The number of properly empowered enforcement officials (*officiers de police judiciaire* - OPJs) is, according to the OI-FLEG, ‘derisory, given the size of the national territory’. Enforcement officers represent just 1% of the total staff of the MECNT, and most are based in cities, many miles from the logging concessions that they are meant to be monitoring.⁶⁴ The proposed 22% across the board cut in the DRC budget due the reduced price of minerals announced in May 2016 will likely further reduce capacity to monitor concessions and enforce the law, let alone requirements of reduced impact logging.⁶⁵ Likewise, four “eco-teams” set up within five years of the start of the ER Program to protect both the protected areas and wildlife are unlikely to be a match for professional illegal loggers or poachers.

The primary proposed intervention to reduce emissions from the industrial logging concessions is application of reduced impact logging (RIL). The science behind RIL actually generating carbon savings is however in question, as investigations in Indonesia and elsewhere have failed to demonstrate any noticeable emissions reduction, and other studies note that small possible reductions are lost by an increase in areas logged.⁶⁶ Even if the correct application of RIL could reduce carbon emissions, there is recent evidence from the field that DRC logging companies’ compliance with the rules is limited; non-application of RIL techniques being among the findings of a FLEGT Independent Monitor field visit to a Cotrefor concession in 2013.⁶⁷

ADVANCING GOVERNANCE REFORMS

Many of the governance reforms needed to make REDD effective in the DRC have been recognized and were incorporated into the Economic Governance Matrix negotiated by the World Bank and the government, and are referenced in the National REDD+ Investment Plan to be supported through the Central Africa Forests Initiative (CAFI). Investments in land tenure, land use planning and REDD+ standards for mining and hydrocarbons are listed as “in progress” in the ER-PD but no information about the timing or content of the plans is provided. The pace of legal reforms in DRC has been slow, with delays in implementing regulations adding years to the process, as with the community forestry law. Community forestry concessions are currently the only way communities can gain legal recognition to their lands, yet the ER-PD proposes the establishment of just three 50,000 ha community concessions over the life of the program, representing a forest area of less than .01% of Mai Ndombe province. It is further proposed to join communities and small-scale logging companies together in the community forestry concessions, another strategy that creates a high risk of elite capture of land and forest resources.⁶⁸

Three of the proposed key activities for governance strengthening: strengthening forest and wildlife law enforcement, legal compliance of industrial logging concessions and development of community forestry have no recorded source of national funds for their implementation, they rely on a proposed up front donation from the FCPF CF—each are budgeted \$1.5m over the five year program—around \$300,000/year for each of the key initiatives, which is unlikely to be enough to make significant changes, especially in the absence of a conducive national policy framework.

ILLEGAL LOGGING AND LAW ENFORCEMENT

The ER-PD proposes vague efforts around law enforcement, mentioning an increase in the number of forest guards and check points, but proposes to continue industrial logging in the concessions, by getting concessionaires to file management plans, practice reduced

impact logging and comply with sustainable harvest limits, all of which is currently highly problematic as documented by the FLEGT independent observer.⁶⁹

The ER-PD states “The resources made available to the State for controlling the legality of wood transported and for controlling compliance with management plans and standards will contribute to a substantial reduction in illegal and semi-industrial logging, and will help to formalize the small-scale sector.”⁷⁰

The recently (2015) closed World Bank Forest and Nature Conservation Project had the objective to increase the capacity of the MECNT to monitor and enforce the laws around industrial logging concessions. The final report for that project concluded that “The project could not take on entrenched vested interests in the forest sector, making some successes elusive, as illustrated by the failure of the *Programme de contrôle de la production et de la commercialisation des bois* (Timber production control and marketing program, PCPCB).”⁷¹ The failure to create a chain of custody timber tracking tool was because “the government decided not to honor its contractual commitment to attempt to rescue the PCPCB, thus sealing its fate in August 2014.”⁷²

The most recent (2014) Chatham House report on illegal logging in the DRC reports fourteen separate reforms identified by the FLEGT Independent Observer needed to create a coherent policy framework.⁷³ based on a review of the sector legislation. These include the absence of regulations for artisanal logging, and the need to harmonize the Forest Law with other sector legislation, among others. The report concludes “Forest law enforcement structures in the DRC are fundamentally flawed in all important respects. Enforcement is so under-resourced and ill-coordinated that infractions are rarely uncovered. Even where they are, the penalties applied are insufficient to dissuade those responsible from continuing to behave illegally.”⁷⁴

CORRUPTION

The ER-PD does not propose clear measures to prevent continued corruption in the forest sector despite the solid evidence that it is ubiquitous and embedded in all levels of government, and does not describe program

measures that would prevent risks of corruption, malfeasance, nepotism and elite capture that have been identified as prevalent in the program area and nationally. Given the governance context in the DRC, corruption risk was identified early on as a concern among both national stakeholders and international donors. The 2011 PwC study documented that not only is corruption a significant enabler of deforestation, but stands to block and undermine the REDD+ effort.⁷⁵

A number of the risks identified are relevant for the Mai Ndombe project, including “Agricultural or timber conglomerates bribe sub-national officials responsible for forest protection to ignore violations of conservation laws” and “Local administrators extract rents from environmental service schemes aimed at benefiting local communities”.⁷⁶

A more recent (2015) study by U4 documents another series of risks related to kick backs, nepotism, politicization of REDD+ staff positions and the misappropriation of funds, providing evidence that some of these risks are already in fact being realized.⁷⁷ The ER-PD mentions that a training plan for the Judiciary was to lead to a plan for fighting corruption in REDD+, targeted for completion in June 2015, but does not report on the contents of the plan, and there is no further discussion of the issue in the ER-PD. In light of the recent report from the World Bank citing significant ineligible expenditures and the corruption investigation of a government person working on the Forest and Nature Conservation Project, further treatment of this issue seems warranted.

LAND AND FOREST TENURE

The land tenure and land use planning initiatives proposed are insufficient to the task of reconciling complex mosaics of de facto customary rights over land and forests among Bantus and Pygmies over vast areas with an unclear national legal structure. The feasibility study carried out by the WB Bio-Carbon Fund proposes one week to develop local committees and one week to develop a local land use plan that would then be ratified by the Provincial government.⁷⁸ It further suggests working outwards from the main towns, roads and rivers, suggesting that reaching distant scattered communities in the forest would

be impractical. This fast paced, cookie cutter approach to local development, especially in the absence of strong local institutions, is a recipe for elite capture, continued corruption and conflict in the program area, with huge risks for rural populations and indigenous peoples of losing access to their traditional lands and forests. The ER-PD shows no sign of recognizing any forms of sustainable shifting cultivation, nor of incorporating customary law or indigenous traditional knowledge or livelihoods into modern forest management systems. It does not discuss the current sources of conflict, discrimination and abuse of rights of communities and indigenous peoples around logging concessions.

The ER-PD says that investments in land tenure reform (\$10m), land use planning (\$12m) and governance (\$23m) are being sought from CAFI, but does not describe the proposed activities, mention a national budget allocation or when they might be implemented.⁷⁹

There is no mention of a land tenure assessment having been conducted as required by criteria 28 of the Carbon Fund Methodological Framework. The description of the land tenure situation in the ER-PD is high level and brief, an overview. There is no land tenure assessment in the national SESA report, the section of which on tenure issues and natural resource management is short and provides little or no discussion of the specific situation of communities in the Mai Ndombe province. The SESA report concludes that despite protections in the constitution and the Forest Code, the land rights of communities cannot be effectively exercised or enforced because of a lack of regulations and institutional capacity.⁸⁰

The ER-PD refers to “thousands” of villages, but there is no accurate estimate of the population or a detailed description of where and how they live.⁸¹ Equally the social and environmental management frameworks for the overlapping WB Forest Investment Program project are in large part identical to the national ESMF, with some customization for the FIP program activities, but no specific information on the tenure status of communities in the Mai Ndombe area. Two other sources, the Bio Carbon Fund Feasibility Study and the social assessments for the Dedicated Grant

Mechanism for Indigenous Peoples, provide a little bit more information, but do not constitute land tenure studies for the province.⁸²

It is not sufficient to cite the fact that the DRC government owns lands, as this land is divided into different categories, as the official land tenure system overlaps with the customary system which is recognized by the Forest Code, but not by other laws, creating a confusing situation that benefits the state and local elites. In order to effectively plan and execute activities related to tenure security, there needs to be a detailed analysis of the situation of the communities on the ground and a plan in place to strengthen governance at the national level, including through the recognition of community rights to land, resolving conflicts between existing laws and developing implementing regulations and identifying national sources of financing for robust law enforcement.

CARBON RIGHTS

The section in the ER-PD on carbon rights reaffirms that the government owns all carbon, has the right to transfer credits to whomever it chooses, and can regulate and prohibit others from doing so. The non-recognition of carbon rights in DRC law is based on the fact that they lack physical form, are not a forest product, and are not tied to a particular form of usage. What this does seem to establish is that (logging and conservation) concession holders will have the right to generate credits, but other land users will not. This is reflected also in the proposed benefit sharing arrangements, which privileges government and project holders who hold contracts with government to commercialize carbon, and denies all others any legal basis for claims to carbon revenue, except through judicial claims of unjust enrichment. This does not appear to be a sound basis for benefit sharing of carbon revenue.

PRODUCING ENVIRONMENTALLY SOUND EMISSION REDUCTIONS

There are a number of potential problems in how both the historic reference level (RL) and the projected reference emission level (REL) are calculated for the proposed Mai Ndombe program, which combined with the lack of transparency in the presentation of the data upon which these calculations are based, raise

questions about the environmental integrity of any eventual ER credits that would be issued. The presentation of historic emissions present deforestation rates significantly higher than those available from other sources, and also show a spike over the last two years, with no explanation or narrative for what might be happening on the ground.

It is not clear that the data presented in the calculation of the REL support the conclusions about drivers, and the assumptions around oil palm, population and gross domestic product growth, and food crop production made to adjust the reference level above historical also seem questionable. The possible unwarranted upward adjustment of the reference level, in combination with payment incentives for reduced impact logging means that industrial logging in primary forests in the current concessions could continue, and actually increase, whilst still garnering REDD+ payments for industrial logging companies. This could lead to continued deforestation and degradation (hence program failure) as well as the issuing of “hot air” credits, which would be detrimental to the whole REDD+ effort internationally, in addition to the damage to DRC’s forests.

For the industrial logging concessions specifically, annexes to the ER-PD provide estimates for annual emissions on a historical and adjusted basis. The adjustments allow for a tripling and in some cases quadrupling of emissions, while still staying below the REL, thus remaining eligible for REDD payments.⁸³ Almost half (48%) of the allowable adjustment to the reference level is allocated to planned deforestation, i.e. the logging concessions.⁸⁴

The linear regression analysis used to construct the REL relied on sparse data and ignores the narrative in the ER-PD that cite charcoal production, artisanal logging, and widespread illegal logging as drivers of deforestation. There is no rationale presented as to why oil palm should be a good proxy measure for future deforestation and potential problems with the GDP and population figures used. The total adjustment sought is 0.1% of total forest carbon stocks in the program area, or 1.434 million tons of carbon and 5,259,494 tons of carbon dioxide. Given the low population density, the lack of data of any illegal palm oil plantations, and low industrial logging or industrial palm development, the real drivers of

this 250% increase in deforestation do not appear to be properly characterized.

In terms of leakage, if fuel wood and charcoal is reduced from Mai Ndombe, and there are no similar actions implemented in the other forested lands surrounding Kinshasa, it is only logical to think that forests to the East, South and West would be accessed for fuel wood and charcoal as Kinshasa grows. Additional program measures to address leakage and impermanence, uncertainty and double counting require further development to adequately manage these risks and raise further challenges to being able to produce emission reductions with environmental integrity.

CONCLUSIONS

A spatially explicit analysis of the documented drivers of deforestation and degradation rather than a statistical model should be conducted to

ensure that the correct drivers of deforestation are identified and are the target of ER Program activities. This is particularly important where a country is seeking to increase its reference level above its historic baseline.

In the ER-PD there is insufficient information to judge whether there are indeed credible plans to move land and forest tenure reform, land use planning, enhanced forest law enforcement, anti-corruption measures and institutional strengthening for effective environmental and local management by local, provincial and national public institutions. Program activities in Mai Ndombe if isolated and unsupported by broader reforms, are unlikely to be effective in slowing or stopping deforestation and degradation. This is especially true if management of the ER Program is delegated to an independent project implementation unit, and not embedded directly in

provincial and local governments, and resources for program implementation are insufficient given the large size of the ER program accounting area.

Further, many of the fundamental design elements in the Mai Ndombe program are problematic- continued support for industrial logging, restrictions on traditional community livelihoods and efforts to move people out of shifting cultivation in the forests and into commercial agriculture in the savannahs, benefit sharing arrangements that privilege existing REDD projects and timber concessionaires for access to revenue streams generated by sale of ER credits, and attempts to limit fuel wood harvesting and charcoal production without monitoring displacement are just a few of the main features that pose significant risks for forests and people that DRC is not well positioned to manage adequately.

RECOMMENDATIONS:

While the DRC has made fast progress through the FCPF readiness process and the CF planning process, many of the REDD+ readiness documents have not effectuated change on the ground and the severe governance challenges in the DRC create a substantial risk of failure of the proposed ER Program. If not addressed, the result could be continued deforestation and degradation, displacement of indigenous and forest dependent people and the generation of "hot air" credits that do not represent sequestered carbon. The DRC would therefore benefit from early performance based payments being tied to demonstrated improvements in governance which will improve the chances of this ER Program's success. The governance reforms and improvements to the ER-PD include the following:

1. Participatory land and forest tenure and social assessments should be conducted in Mai Ndombe to inform time bound action plans for the legal recognition of indigenous and community customary lands. If this includes the establishment of community forests, expand that component of the ERP to cover all communities within Mai Ndombe.
2. Provide more detail, and enhance the level of effort and investment for strengthening forest governance including monitoring of legal compliance in forest concessions,

monitoring RIL requirements and social agreements in forest concessions, strengthening law enforcement actions around above, strengthening judicial capacity to address issues above, timber legality assurance system, and delaying the implementation of the ER Program until forest governance has been improved.

3. Make clear and spatially explicit the historical impact of the different identified drivers in the ERP area; provide an explanation of the surge of DD in last few years.
4. Conform the timeframe of REL to the MF, conform overall REL adjustment to MF; provide a clear and transparent rationale for adjustment that is not based on partial data or assumptions, not involving regression analysis; incorporate monitoring of leakage in key areas where it can be anticipated such as shifting of fuel wood and charcoal production to forests surrounding Kinshasa that are not in Mai Ndombe.
5. Reduce proposed ER program accounting area to a size commensurate with the resources available.
6. Revise the benefit sharing plan so that the people and communities in the ER Program Area have access to a continuous flow of

resources from the sale of ER Credits and ensure that the majority of ER credits and proceeds therefrom do not flow to the industrial loggers responsible for much of the DD occurring in the DRC and more often associated with illegal logging and human rights abuses.

7. The extent to which RIL leads to the sequestering of carbon should be fully analyzed before this program goes forward. If RIL is not effective for carbon sequestration, modify ER Activities.
8. The REL must be recalculated without the two proposed upward adjustments and all data (mostly timber concession harvest estimates) used to calculate the REL must be disclosed. The assumptions used to develop the REL must be scrutinized to ensure they are representative of conditions in the ER Program Area, are consistent and make logical sense. An assessment of whether the ER Program will actually reduce DD must be conducted and modified according to the results of the assessment.
9. The monitoring reporting and verification (MRV) systems needs to be revised to remove inaccuracies and potential for gaming the system, so that the MRV does not lead to the generation of ER credits that are not actually based on sequestration of carbon.

WORKS CITED

- 1 The CF currently has US\$702 million in contributions from donors, but has begun planning for possible scenarios with \$800 million, see: https://www.forestcarbonpartnership.org/sites/fcp/files/2015/October/CF13%20a.%20Setting%20the%20stage%20for%20ER-PIN%20reviews_1.pdf
- 2 See IEG Evaluation of FCPF, August 2012
- 3 The CF currently has US\$702 million in contributions from donors, but has begun planning for possible scenarios with \$800 million, see: https://www.forestcarbonpartnership.org/sites/fcp/files/2015/October/CF13%20a.%20Setting%20the%20stage%20for%20ER-PIN%20reviews_1.pdf
- 4 See for example the IEG external review of the FCPF, p.xix and Kissenger 2012, p.12
- 5 See Manang, et al 2014
- 6 As evidenced by the drivers analysis and data for the REL in the ER-PINs and ER-PDs
- 7 Global Witness, *The Art of Logging Industrially in the Congo*, 2012, p.3
- 8 Lawson, S., *Illegal Logging in the Republic of Congo*, Chatham House, 2014, p.2
- 9 See IEG Review of the WB Forest Strategy Managing Forest Resources for Sustainable Development 2013
- 10 See Chatham House 2014 Reviews on Illegal Logging in DRC and RoC
- 11 In the DRC ER-PD, it is proposed that the WWC REDD project receive 15% of benefits from sales of ER credits, logging concessions receive 7% and “nested communities receive 8%, p. 181; in the Draft RoC ER-PD, logging, mining and oil palm companies are all proposed to receive payments from the sale of credits directly, while indigenous communities and local communities would not, they would receive benefits through traditional social contracts via logging companies, ER-PD, p.207-208.
- 12 See for example Miller et al., PNAS 2011, Reduced impact logging minimally alters tropical rainforest carbon and energy exchange, <http://www.pnas.org/content/108/48/19431.full>
- 13 FERN 2014, p.5
- 14 See governance sections of EIA Country Briefing Notes on DRC, RoC, Cameroon and Madagascar
- 15 See governance sections of EIA Country Briefing Notes on DRC, Cameroon and Madagascar
- 16 The CF MF rule relating to this is Criterion 13, MF p.13
- 17 The RoC draft ER-PD (P.135) for example, says: “The adjustment exceeds the 0.10% of carbon stock limit in the Methodological Framework. However, capping the limit at 0.10% is arbitrary and unilaterally limiting the establishment of Congo’s ER Program REL to this amount over historical emissions inherently sets the program up for failure.”
- 18 The “willingness to pay” announcement was not well received by REDD+ countries, see letters from DRC, Ghana, Mexico, Nepal and Costa Rica here: <https://www.forestcarbonpartnership.org/CF10>
- 19 See FAO 2015
- 20 See WWF Comments on DRC ER-PD: <https://www.forestcarbonpartnership.org/sites/fcp/files/2016/Mar/DOC%20WWF%20ERPD0001.pdf> or EIA Comments on DRC ER-PD at: <https://www.forestcarbonpartnership.org/sites/fcp/files/2016/Mar/EIA%20Comments%20DRC%20ER-PD.pdf> or FERN/FPP Briefing 2014
- 21 For a detailed discussion of this, see case EIA studies on DRC and RoC
- 22 The RoC ER-PD was drafted by Terra Global Capital; much of the accounting work for the DRC ER-PD has been done by Wildlife Works Carbon; the Cameroon ER-PIN relies on spatial analysis by the company Planet Labs, while the Madagascar ER-PIN builds on carbon accounting work developed by the Wildlife Conservation Society and Conservation International.
- 23 See Ochieng (2015), p.50
- 24 CF MF, p.13-14
- 25 See CF Buffer Reserve Guideline, p.2
- 26 See EIA Country Briefing Notes on DRC, RoC Cameroon, and Madagascar
- 27 The carbon funds at the WB have grown from about US\$160 million in 2000, to over US\$3 billion today, the Bio-CF was founded in 2004 and was the first to focus on LULUCF, see: <https://www.forestcarbonpartnership.org/sites/forestcarbonpartnership.org/files/Documents/PDF/Sep2010/Pioneering%20Carbon%20Asset%20Creation.pdf>
- 28 Dooley 2014; Watts undated
- 29 See Munden Report
- 30 See Norton Rose (2010), Pesket and Brodnig (2011), Karsenty (2012), Loft et. al. (2015), among others.
- 31 R-PP Template, pp. 33-34
- 32 Ibid, pp.50-60
- 33 See: Global Witness *The Art of Logging Industrially in the Congo* (2012), Global Witness, *Exporting Impunity, June 2015*, Greenpeace, *Artisanal Logging=Industrial Logging in Disguise* (2012); Greenpeace, *Illegal Logging in the DRC* (2013), Greenpeace Africa, *Trading in Chaos*, Johannesburg, May 2015
- 34 See for example Sam Lawson: *Illegal Logging in the Democratic Republic of Congo*, Chatham House 2014
- 35 See Food First Institute *The World Bank Group’s 2013-15 Agriculture for Action Plan: A Lesson in Privatization, Lack of Oversight and Tired Development Paradigms*
- 36 See governance sections, EIA Country Briefing Notes on DRC, RoC and Cameroon
- 37 Some recent evidence of this includes the Forest and Environmental Conservation Project in DRC, the Forest and Economic Diversification Project in RoC, and the Forest and Environmental Development Program in Cameroon, see the WB Implementation Completion Reports cited in the EIA Country Briefing Notes.
- 38 See for example the CIFOR Global Comparative Studies on REDD+: <http://www.cifor.org/gcs/>
- 39 This was particularly true for the DRC R-Package self-assessment, which scored almost all indicators with “green” indicating significant progress.
- 40 All bi-annual country reports can be found here: <https://www.forestcarbonpartnership.org/redd-countries-1>
- 41 See for example Cotula and Mayers 2009, Sunderlin 2013
- 42 TAP Review of DRC ER-PD, dated 7 February 2016, pp.40-42
- 43 CF MF, p.21
- 44 Frameworks provide rules and guidance as to the process that needs to take place when the specific locations and interventions are known, at which time the specific action plans for avoidance or mitigation of negative impacts are to be developed and implemented.
- 45 See for example Implementation of World Bank’s Indigenous Peoples Policy Learning Review (FY06-08) and Involuntary Resettlement Portfolio Review, Phase II Resettlement Implementation, June 2014
- 46 Section 10.02 of the ERPA Commercial Terms, which override the General Conditions, have a presumption of confidentiality.
- 47 The DRC is a good example of this, where separate indicators and monitoring systems are being developed under the national safeguard system and for the World Bank ESMF.
- 48 For example, FCPF readiness analytical work in Congo Basin countries has not supported SIS design. Despite inclusion of references to UNFCCC decisions in FCPF guidance documents, WB staff in the regions and country offices may have little familiarity with UN processes and reporting requirements.
- 49 This is reflected in both the systematic operational risk tool (SORT) and in the R-PP Assessment Notes prepared by the World Bank.
- 50 FCPF Carbon Fund ER-PIN selection criteria, see: <https://www.forestcarbonpartnership.org/sites/forestcarbonpartnership.org/files/Documents/PDF/June2012/FMT%20Note%20CF%202012-2%20ER-PIN%20Selection%20Criteria%20rev.pdf>
- 51 CF MF, Criterion 13, p.11
- 52 In the Draft RoC ER-PD, logging, mining and oil palm companies are all proposed to receive payments from the sale of credits directly, while indigenous communities and local communities would not, they would receive benefits through traditional social contracts via logging companies, ER-PD, p.207-208; Global Witness, *The Art of Logging Industrially in the Congo*, 2012, p.3.
- 53 FMT Note 2012-8, p. 6
- 54 The DRC Readiness Package documents are available here: <https://www.forestcarbonpartnership.org/democratic-republic-congo-r-package-reference-documents>
- 55 Letters of Intent do not commit the WB to purchase ER’s, or the producing country to sell them, they create an exclusivity period while the country is preparing their ER-PD. The Emission Reduction Purchase Agreement (ERPA) is the purchase/sale agreement for ERs.
- 56 See CIFOR (2015) for a summary of recent studies
- 57 ER-PD, p.16
- 58 The ER PD states that during the reference period (2004-2014) unplanned deforestation and degradation activities including slash and burn agriculture has caused a loss of 154,175 hectares annually whereas planned degradation activities including based on the concession data from industrial logging has impacted an area of 229,126 ha over the same period.
- 59 See for example: Global Witness *The Art of Logging Industrially in the Congo* (2012); Global Witness, *Exporting Impunity* (2015), Greenpeace, *Artisanal Logging=Industrial Logging in Disguise* (2012); Greenpeace, *Illegal Logging in the DRC* (2013), Greenpeace, *Trading in Chaos* (2015).
- 60 World Bank Implementation Completion Report on Forest and Nature Conservation Project, P.23
- 61 See CSO letter at http://loggingoff.info/sites/loggingoff.info/files/NGO%20letter%20on%20DRC%20Arrete%20050_5.10.15_final.pdf for a full discussion.
- 62 See Global Witness: *Exporting Impunity* (2015)
- 63 See Greenpeace complaint to FSC
- 64 Chatham House 2014, p2; p.14
- 65 <http://www.africanews.com/2016/05/07/dr-congo-proposes-22-percent-budget-cut-in-2016/>
- 66 Griscom, B., et.al., Carbon emissions performance of commercial logging in East Kalimantan, Indonesia, *Global Change Biology* (2014) and Martin, P.A., et al. Impacts of tropical selective logging on carbon storage and tree species richness: A meta-analysis. *Forest Ecol. Manage.* (2015)
- 67 Greenpeace 2015, p.6
- 68 ER-PD, p.61
- 69 Lawson, S., *Illegal Logging in the DRC*, Chatham House 2014, p2; p.14
- 70 Ibid, p.57
- 71 World Bank Implementation Completion Report on Forest and Nature Conservation Project, P.23, the ICR

- also reports that a number of other objectives were not met, and indicators designed to monitor them were dropped at midterm through a restructuring, with no monitoring carried out, these include an increase in field supervision missions, preparation of monitoring reports, prosecutions of violators for illegal logging infractions, extension of illegal logging roads, areas of participatory zoning, percentages of forest users aware of their rights, number of people trained in safeguard measures, number of mitigation measures implemented, and the list goes on.
- 72 World Bank Implementation Completion Report, Forest and Nature Conservation Project, p. 23
- 73 Lawson, S. *Illegal Logging in the Democratic Republic of the Congo*, Chatham House, April 2014
- 74 *Ibid*, p.2
- 75 PwC, *Implementing REDD+ in DRC - How to manage the risk of corruption*, 2011
- 76 *Ibid*, p.20
- 77 Assombe, S. *National-level corruption risks and mitigation strategies in the implementation of REDD+ in the Democratic Republic of the Congo: An overview of the current situation*, U4 Anti Corruption Resource Centre, Issue 2015-9
- 78 BioCF Mai Ndombe Investment Plan 2015, p.36
- 79 *Ibid*, p.46
- 80 DRC National REDD+ SESA report, p. 57
- 81 ER-PD, p.35
- 82 The BIO CF Feasibility Study contains the most information of any of the documents, and is specific to the ER program area. It states that there are 1,371 villages and 1,110 farm tracks in Mai Ndombe (p.59). It however treats the issues of rights to land and forest as a question of access to property, concluding that it is only problematic on the outskirts of cities where demand for land is high. It provides an overview of the legal situation, noting state ownership, considerable informality, and itemizes nine different types of land conflicts that can ensue, although does not attempt to provide any indication of how widespread or prevalent any of these conflicts are, nor propose any means to mitigate.
- 83 While there might be a (weak) rationale for allowing the concessions that are not currently operating to get underway, the Annex 26 shows historic emissions from all but three concessions, indicating the logging is happening whether or not the required management plan is in place. The historical average annual emissions (for years of exploitation) is 1,011,701, the adjusted annual emissions is 3,148,942. Looking at the individual concession numbers, for example the largest of SODEFOR's concessions (contract #030/03), the historical emissions are noted as 84,196 while the adjusted emissions are 379,993, more than a four-fold increase.
- 84 ER-PD, p.128
- 85 See draft ER-PD, p.17; FCPF Project Paper for Additional Readiness Grant October 2015, p.6
- 86 See UNREDD 2015 Semi Annual Progress Update, p.8;
- 87 Lawson, p. 2
- 88 Draft ER-PD, p.18
- 89 Lawson, p.2-5
- 90 Draft ER-PD, p.34, note: page numbers are those on the bottom left of page, not PDF page numbers
- 91 *Ibid*, p.6
- 92 See Brandt, et. al. (2016), although Karsenty, et. al. have disputed these findings.
- 93 CIA World Fact Book, page updated June 30, 2015 available at: <https://www.cia.gov/library/publications/the-world-factbook/fields/2002.html>
- 94 ER-PD, p.38
- 95 *Ibid*, p.20
- 96 Miaro III, L, Feintrenie, L., De Wachter, P., (2014) *Compte-rendu de mission de la délégation WWF-CIRAD en République du Congo du 27 février 2014 au 11 mars 2014*
- 97 OI-APV FLEGT (2014) *apport N°01/CAGDF. Mission du 06 au 23 avril 2014*
- 98 Karsenty, A., Vogel, A., & Castell, F. (2014). "Carbon rights", REDD+ and payments for environmental services. *Environmental Science & Policy*, 35, 20-29.
- 99 Draft ER-PD, p.38
- 100 *Seeds of Destruction*, pp. 24-29
- 101 Draft ER-PD, p.40, see maps of mining permits pages 29-30
- 102 *Ibid*, pp.40-41
- 103 Draft ER-PD, pp.53-57
- 104 See, *Seeds of Destruction*, RFUK 2013, for a summary of impacts
- 105 Draft ER-PD, p. 41
- 106 See <http://infocongo.org/i-lost-the-redd-debate-in-cabinet-to-palm-oil-congolese-minister/>
- 107 Draft ER-PD, p.52
- 108 *Ibid*, p. 93
- 109 *Ibid*, p.154
- 110 *Ibid*, p.140
- 111 *Ibid*, p.166
- 112 ER-PIN, p.57
- 113 See *Plateforme Congolaise pour la Gestion durable des forêts*, letter on R-PP February 2011
- 114 See WB Restructuring Paper, Forest and Economic Diversification Project, September 22, 2015
- 115 WB ICR Transparency and Governance Project, p. 22
- 116 *Ibid*, p.25
- 117 *Ibid*, p.20
- 118 A Letter of Intent between the CF and REDD country governments is a commitment to develop a full ERP, it is not a commitment to sign an ERPA. Madagascar's Loi can be found here: <https://www.forestcarbonpartnership.org/sites/fcp/files/2015/November/Signed%20MG%20Loi.pdf>
- 119 Madagascar ER-PIN, p.12
- 120 See WB Waves Report (2012)
- 121 See for example: WB Country Environmental Analysis 2013; Aquino 2014
- 122 McConnell and Kull, 2014, p.95
- 123 WB REDD Readiness Assessment Note, p.3
- 124 See Gorenflo, et. al. 2011; McConnell and Kull 2014
- 125 See EIA 2014
- 126 See Hockley (2007); Birmont (2015); Poudyal (2016)
- 127 ER-PIN, p.49
- 128 ER-PIN, p. 49
- 129 Aquino 2014, p.10, The case of precious wood is another example of elite capture, corruption, lack of transparency and illegality, see EIA 2010 & 2014
- 130 ER-PIN, p.35
- 131 WB 2015, Analysis of CFM in Madagascar, p.11
- 132 EP3 ISR23. P.21 December 2015
- 133 Poudyal et al, 2016
- 134 Aquino 2014, p.6
- 135 WB CEA, p.30
- 136 *Ibid*, p.30
- 137 WB CEA, p. 41, CIRAD 2014, p. 5
- 138 Aquino, p.8
- 139 WCS Comments on ER-PIN, p.3
- 140 ER-PIN, p.32
- 141 EIA Briefing for CITES 2014
- 142 WCS Comments on ER-PIN
- 143 ER-PIN, p.87
- 144 See: <http://www.perr-fh-mada.net>
- 145 ER-PIN, p.41
- 146 See EIA, 2014
- 147 ER-PIN, p.56
- 148 Cameroon's Readiness Preparation Grant was approved in November 2013, see also Dkamela 2010 for a detailed account of the early readiness phase.
- 149 See SESA Work Plan, Annex V, World Bank Assessment Note for Cameroon R-PP
- 150 See Procurement Plan, Annex IV, World Bank Assessment Note for Cameroon R-PP
- 151 World Bank Grant Reporting and Monitoring Report, 6/14, p.2
- 152 *RAPPORT DE PROGRESSION ANNUEL REDD+*, P.23
- 153 ER-PIN, p.12
- 154 *Ibid*, pp. 15-16
- 155 *Ibid*, p.27, USDA is the United States Department of Agriculture, WWF is the World Wildlife Federation, SNV is the Netherlands International Cooperation Agency, IUCN is the International Union for the Conservation of Nature
- 156 *Ibid*, p.35
- 157 *Ibid*, p.30
- 158 Ongolo, S., Badoux, M., Sonwa,D., *Aux frontieres du reformisme environnemental: l'Etat et la gouvernance forestiere au Cameroun*, p.18
- 159 ER-PIN, p.23
- 160 *Ibid* pp.20-1
- 161 *Ibid*, p.35
- 162 WB IEG ICR Review of Cameroon Environment and Social Capacity Building for the Energy Sector Project, p.5
- 163 WB IEG ICR Review of Cameroon Forest and Environment Development Program, p. 3
- 164 Ongolo and Karsenty, p. 204
- 165 WB ICR Forest Environment Development Program
- 166 Dkamela, et. al 2014
- 167 *Ibid*, p.65
- 168 *Ibid*, p. 64
- 169 *Ibid*, pp.76-7
- 170 ER-PIN, p.16
- 171 *Ibid*, p.17
- 172 *Ibid*, p.70, This is based on Decree n°2005/481 of 16 December 2005 which calls for the transcription of all land titles.
- 173 *Ibid*, p.71
- 174 *Ibid*, p.26
- 175 Ngendakumana et al. p.12
- 176 Schwartz, et.al 2012