



DEMOCRATIC REPUBLIC OF CONGO (DRC) MAI NDOMBE EMISSION REDUCTIONS PROGRAM

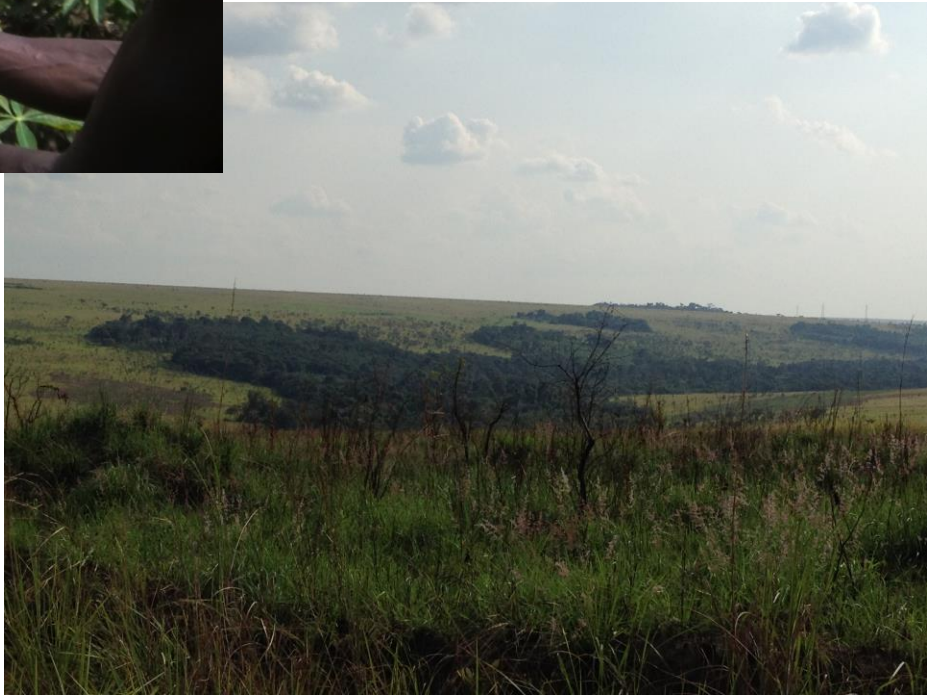
14th Meeting of the FCPF Carbon Fund (CF-14), Paris, 20 June 2016

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COORDINATION NATIONALE
REDD+
REPUBLIQUE DEMOCRATIQUE DU CONGO



Part 1: Presentation of the ER Program



1.1 Objective and Key Features

The ER Program aims at implementing the country's green development vision at scale by providing alternatives to deforestation and rewarding performance to address the challenges of climate change, poverty reduction, natural resources management and protection of biodiversity.

JURISDICTION

Mai-Ndombe Province (2x Costa Rica or 1/3 of Norway)

75% FOREST COVER

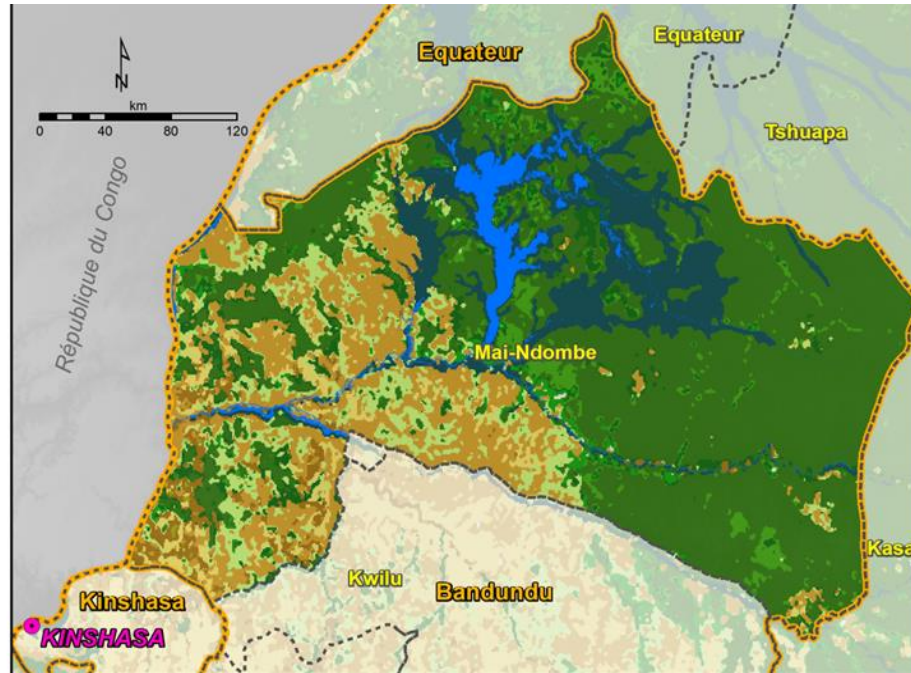
- 12.3 million ha total area
- 9.8 million ha of forests (ca. Germany's total forest cover)

AROUND 2 MILLION INHABITANTS

25 MtCO₂ NET ESTIMATED ER BY 2022

DURATION: 2017 – 2022 ERPA but long-term perspective of 20 years

BUDGET: USD 80 million of secured up-front investment finance and a potential of results-based payments



The proposal is for the FCPF Carbon Fund to sign an ERPA about 15 million tCO₂.

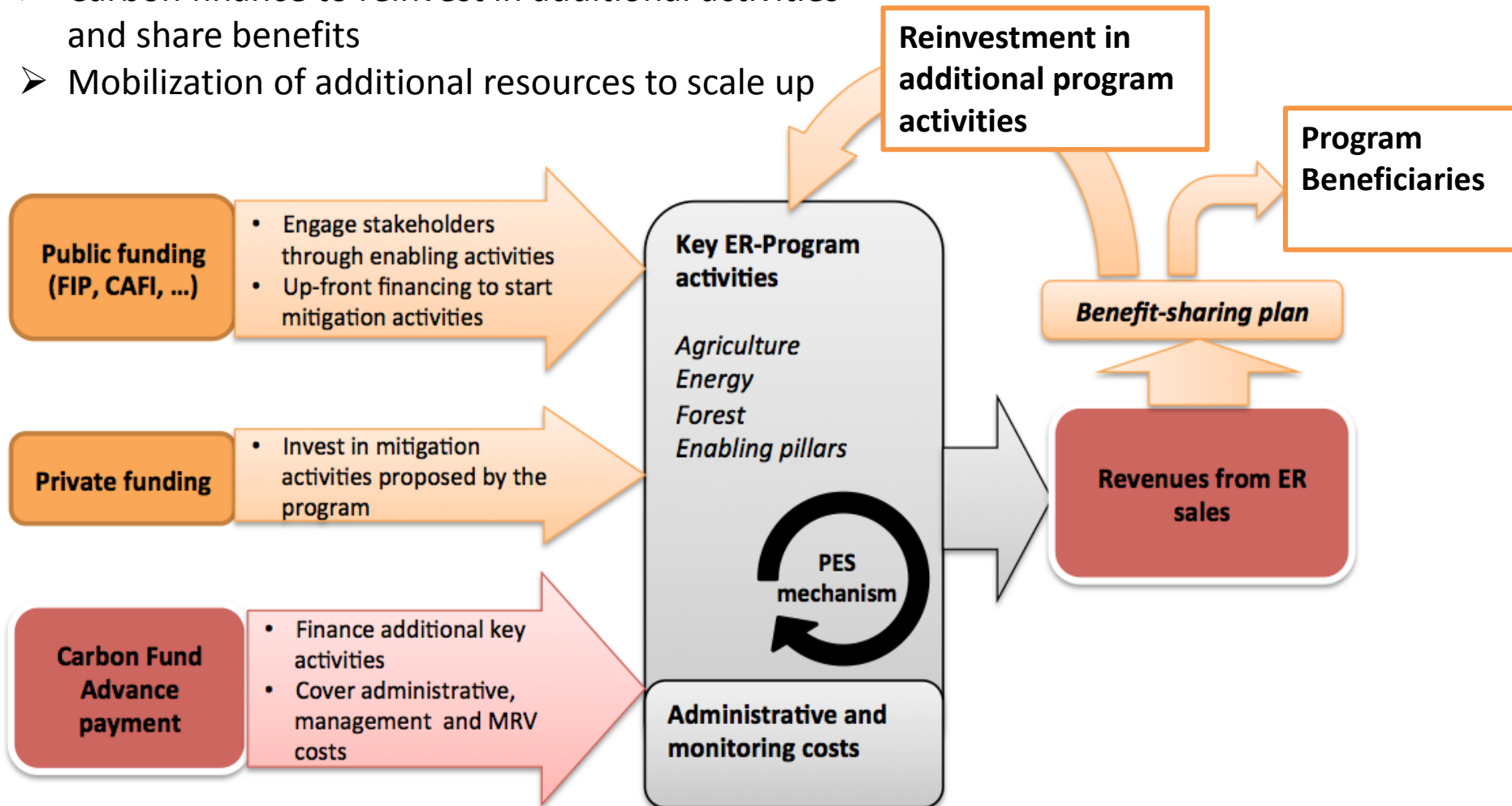
1.2 Intervention Strategy

- Fully in line with National REDD+ Strategy and National REDD+ Investment Plan
- Balanced combination of
 - Sectoral activities to address direct drivers
 - Enabling activities to strengthen governance, build capacities, promote land tenure clarification
- At the heart of the program is local land use planning through multi-stakeholder Local Development Committees and Territorial Agricultural Rural and Management Councils:
 - Through development of local sustainable development plans
 - Using participatory mapping and spatial planning at terroir level to strengthen legal and customary rights of IPs and local communities
 - Resulting in multiple benefits regarding livelihoods and socio-economic development, governance, rights
 - Already tested in the Plateau District (FIP), to be scaled up in Mai Ndombe District (CAFI)

1.3 Finance Plan and Sustainability

Virtuous circle:

- Based on **secured** sources of finance to kick off
- Self-sustaining activities, such as agroforestry, perennial crops, charcoal plantations
- Generating of ER
- Carbon finance to reinvest in additional activities and share benefits
- Mobilization of additional resources to scale up



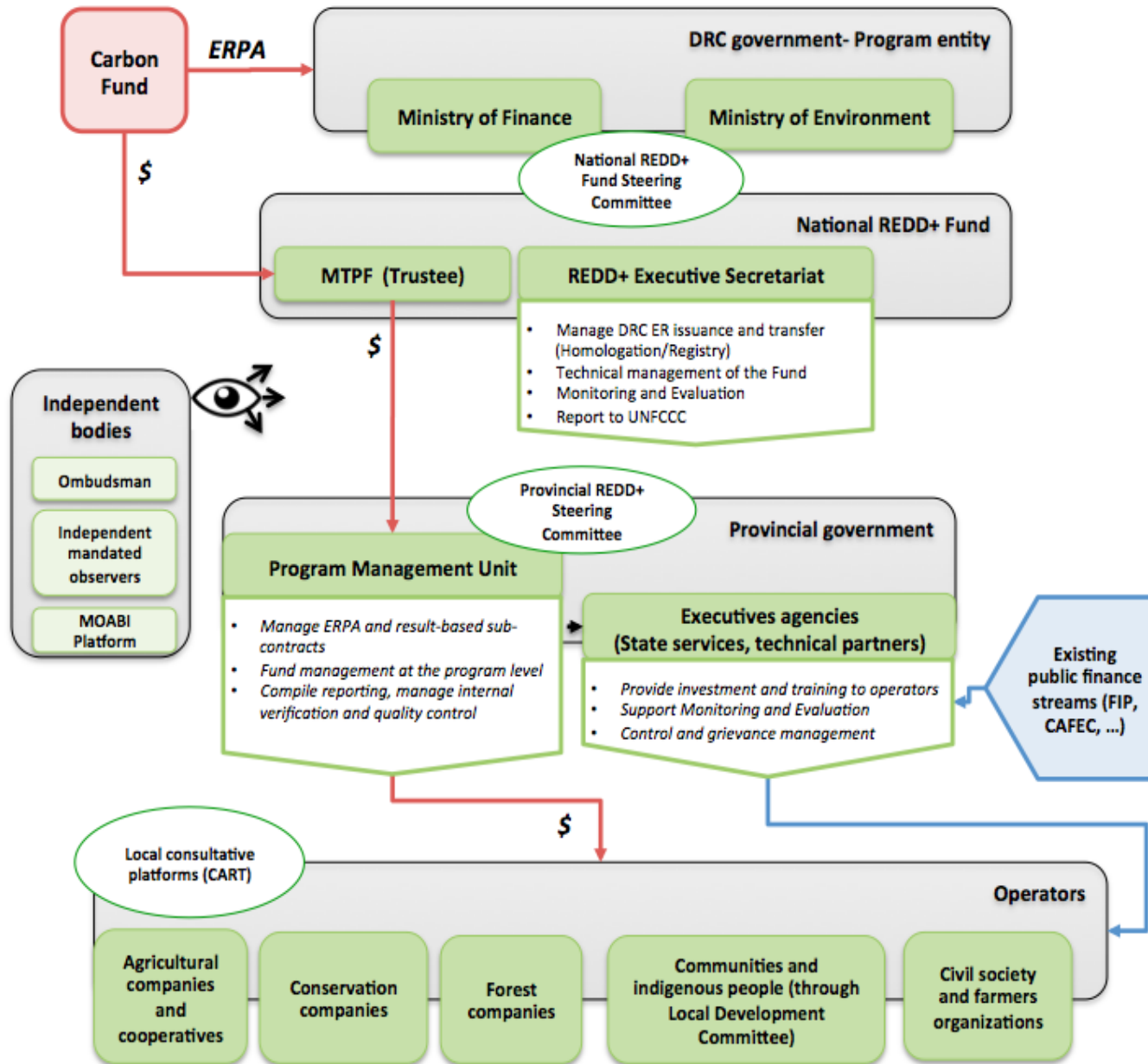
1.4 Consultation Plan for Benefit Sharing Arrangements

Next Steps	Timeline
Design of a risk map to define specific baselines for stakeholders	June-July 2016
Preparation of contract models (carbon related & implementation contracts)	June-September 2016
Consultations & negotiations with stakeholders on contractual arrangements	June-December 2016
Final draft Benefit Sharing Plan is made publicly available in a form & language understandable.	December 2016

This draft Benefit sharing plan will include:

- Draft of carbon-related contracts to be signed with nested projects including indicators, revenue sharing for transaction costs and reinvestments, agreements regarding sale of Emission Reduction Credits
 - Model for implementation contracts agreed among stakeholders
 - Proposal of an adaptive management strategy defining rules of allocation, sales, payments depending of the program and sub-projects performance
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1.5 Implementation Arrangements



1.6 Capacity to Deliver

- ER Program is not a stand-alone provincial effort but embedded into important national reforms (e.g. land use planning, tenure rights) with agreed milestones and \$200million secured investment finance (CAFI)
- Coordination among sectors ensured through high-level, cross-sectoral body: National REDD+ Fund Steering Committee
- Coordination of finance sources supported by using the same institutional arrangements, e.g. National and Provincial Committees, National REDD+ Fund
- Capitalization of the National REDD+ Fund is expected to increase institutional capacity on REDD+ implementation, which improves framework conditions for the program, e.g. MRV program with including MRV for Mai Ndombe (CAFI financed)
- Capacity building of provincial government through Program Management Unit (ToR include training) and measures as part of investment projects (FIP, CAFI)

1.7 Reference Emission Level and ER potential

Reference Emission Level

- Draft ERPD: Historic emissions was estimated at **102** MtCO₂/yr (January 2016)
- Final ERPD: Historic emissions estimated at **62** MtCO₂/yr (May 2016)
- Change is mainly due to (i) spatially explicit Emission Factors and (ii) processing of sample classification

ER Program Reference Level	Annual Emission/ Removals (tCO ₂ /yr)
Average annual historical emissions from deforestation	42 823 833
Average annual historical emissions from degradation	25 438 784
Average annual historical removals from enhancement of carbon stocks	(5 986 882)
Adjustment	4 816 136
Total Reference level	67 091 871

ER-Potential

- Potential ER calculated based on secured funding and key activities of the program
- Gross ER potential: 34 MtCO₂ for the 2017-2021 period
- Set-aside of ERs for reversal and uncertainty risks (28%): 8 MtCO₂
- **Net ER potential: 24 MtCO₂ during the ERPA term**

Part 2: Main Changes to Address Key Issues on Carbon Accounting from Review Process



2.1 Reference Period

- DRC's decision for historic reference period of program: 2004 to 2014
- This turned out to be the most appropriate option because it allows to:
 - Align the end date of the reference period with the national reference level to promote consistency
 - Have a start date that is 10 years before the end date as required by the Methodological Framework
 - Use a more accurate estimate for the baseline: the selected period is more representative of the business as usual scenario, reduced gap between the end-date of the reference period and ERPA start date

2.2 Main Changes in RL Design and Calculation

RL has been improved based on comments

- Important efforts to improve the REL in a short time (alignment with IPCC guidelines, emission factors, processing of land cover data)
- Improvements caused a decrease of REL by 40%
- Change mainly due to update of emission factors ($\approx 27\%$)

Roadmap to improve RL further

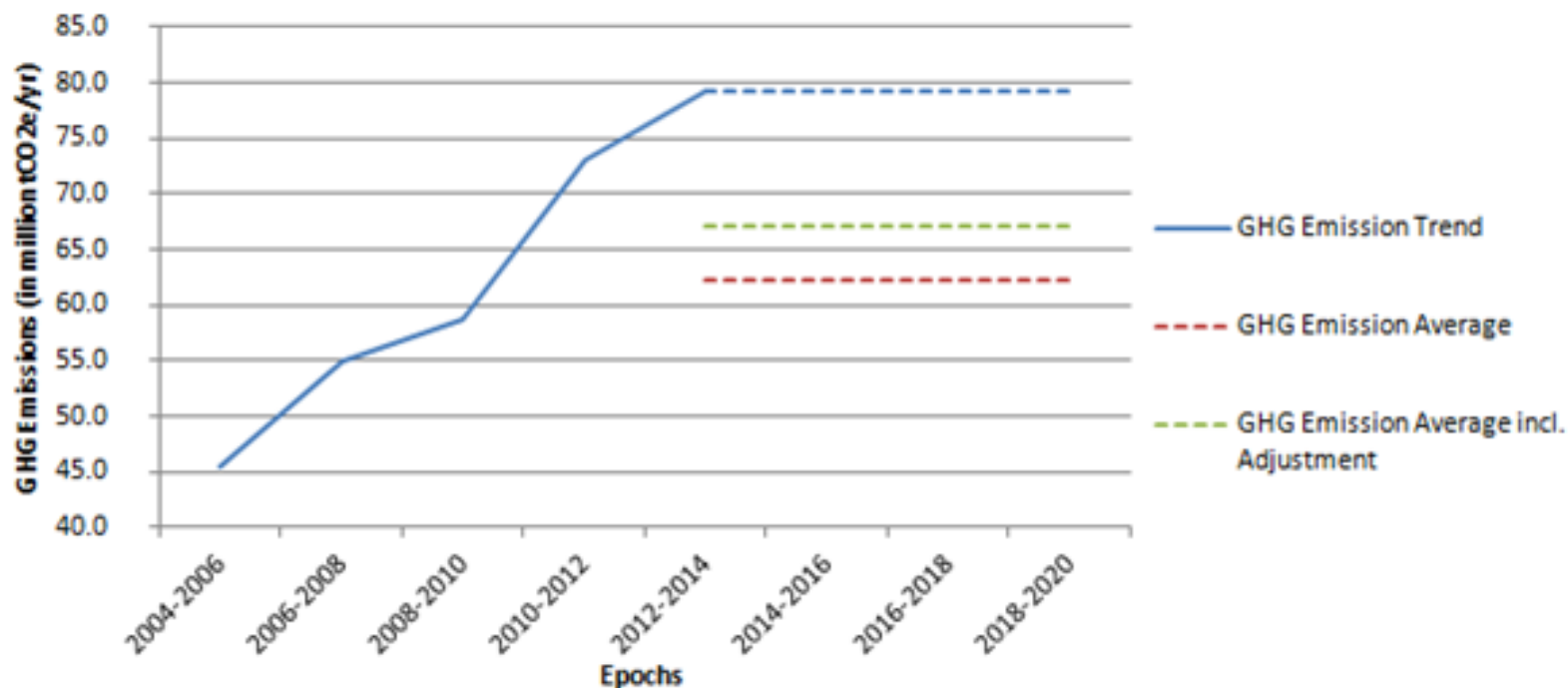
1. Emission factors will be updated based on an updated version of the national biomass map (July-August 2016)
2. Activity data will be updated using the results of a new accuracy assessment (July-August 2016) → Assessment will show the appropriateness of detecting forest degradation
3. Final RL calculation (September 2016)

The use of updated emission factors and activity data will result in changes of the RL numbers.

2.3 Adjustment

- **Key Issue:** Quantification of adjustment was based on regression analysis and found to be too complex and not fully convincing
- **Main Change:** Use of simpler approach by replacing the regression analysis with a trend analysis. Trend analysis is based on the interpretation of transitions of samples between epochs. In order to be conservative, the result for 2014 was projected forward statically.

Figure 12: Results of the Adjustment compared to the Adjustment Cap



Part 3: Views of Indigenous Peoples and Civil Society



3.1 Indigenous Pygmy Peoples (IPP) and Gender

- Special recognition of IPP's (3% of population) role for forest protection in the benefit sharing plan
- 38 mandated representatives of IPP and local communities from all territories participated fully in program development facilitated by the local NGO OCEAN
- IPP in Mai Ndombe are not silent and marginalized but express their views actively, loudly and clearly
- Dedicated Grant Mechanism (DGM) for IPP fully integrated
- **Gender:** Adequate representation of women in Local Development Committees (LDC); participation in development of local development plans; multiple benefits from farming activities resulting in increased household incomes

3.2 Stakeholder Participation

- Program design based on many consultations at all levels
 - GTCR fully participated in ERPD working groups
 - 5 workshops with 500 participants in Mai Ndombe Province
- GTCR involved in development of and capacity building for safeguards information system for Mai Ndombe
- Representatives of civil society, women and IPs fully included in institutional arrangements, e.g. Provincial Steering Committee, Local Development Committees
- FPIC will be conducted at terroir level
- Finance plans includes budget to maintain communication and consultations

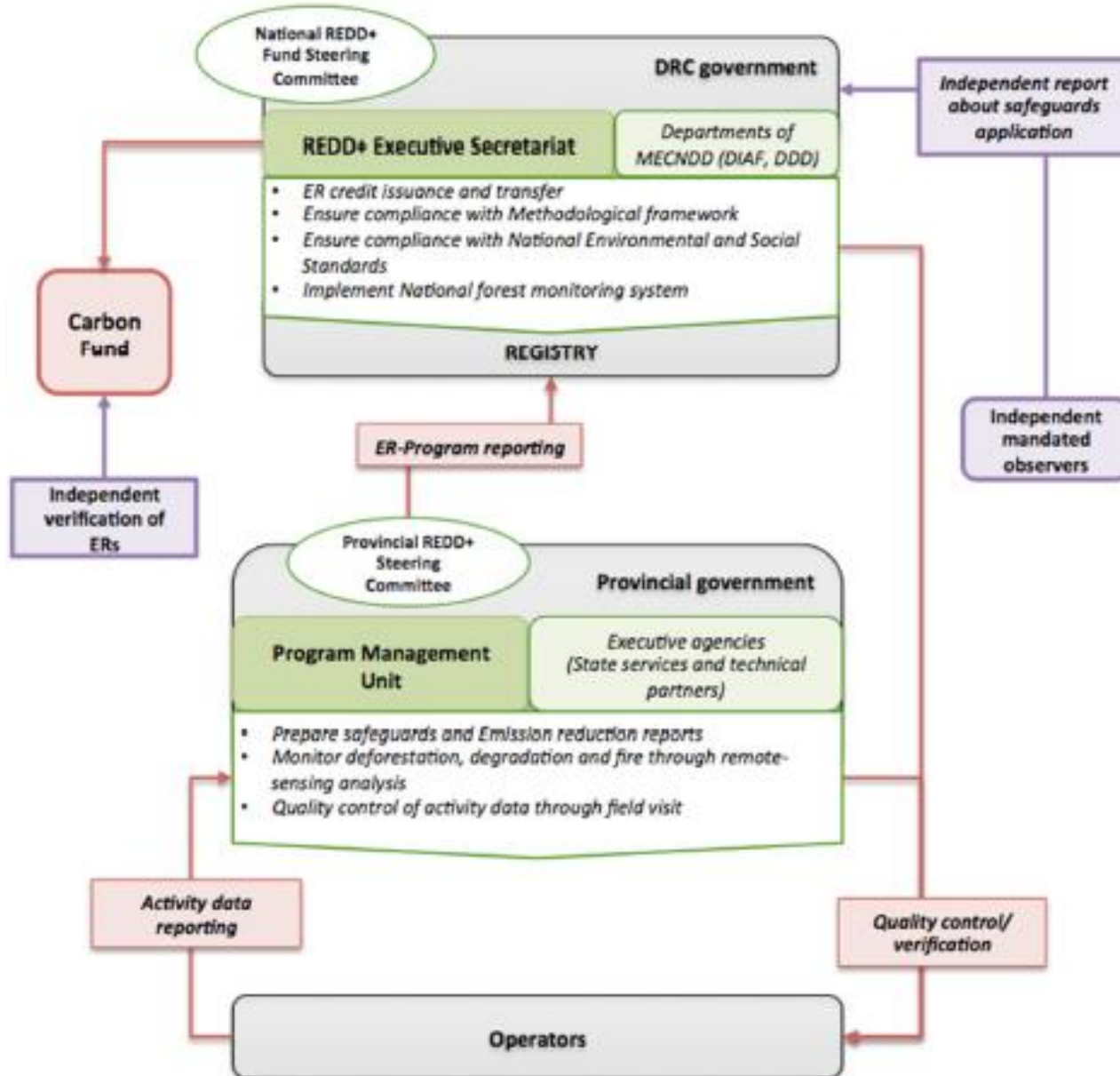
Part 4: Final Remarks

- Paris Agreement recognizes importance of results-based payments for REDD+ and encourages Parties to take action to implement and support REDD+
- Enormous collective efforts on ERPD and significant technical improvements over a two-year period
- What is needed most is the proof of concept for sustainable low-carbon development through REDD+ by learning from practical experience, we can improve further along the way
- ERPD development has created high expectations, people on the ground now need action that improve their livelihoods and save the forest
- “We’re not naive about the challenges in the complex dynamics of the DRC, and the economic and political drivers of deforestation. But not trying to do anything about the second-biggest rainforest is not a responsible course of action.” (Norwegian Environment Minister, 2016, Financial Times article)

MERCI et BISO NA BISO !



Monitoring Arrangements



Main Changes in REL Design and Calculation

Component	Key issue	Main changes
Alignment with IPCC Guidance	Carbon accounting was not aligned with IPCC guidance	Harmonization of carbon accounting using remote sensing data for the whole accounting area (i.e. specific methodology for concession areas was removed)
Emission factors	ER Program did not use spatially explicit emission factors (criterion 14.3)	Land cover classification system of activity data and emission factors has been aligned, e.g. primary forest has the same definition (REL decreased 27%)
Processing of land cover data	Rules for filtering of samples for degradation and regrowth were not consistent, which caused a bias	The processing of data was revised (REL decreased $\approx 13\%$): <ul style="list-style-type: none">- Amelioration process is now comprehensive in order to ensure a consistent application of rules;- Age classes are now considered in the estimation of emissions and removals

Further Improvements of REL Calculation

Change in Emission Factors

- The national LiDAR-based biomass map will be updated
- Emission Factors will be re-calculated based on the new biomass map

Change in Activity Data

- An extended accuracy assessment will be undertaken (July 2016), which will comprise:
 - Samples from all epochs and all strata
 - Increased number of samples
 - Estimation of adjusted areas
- The accuracy assessment will be conducted by an experienced and internationally recognized third party
- The Activity Data will be updated using the adjusted areas

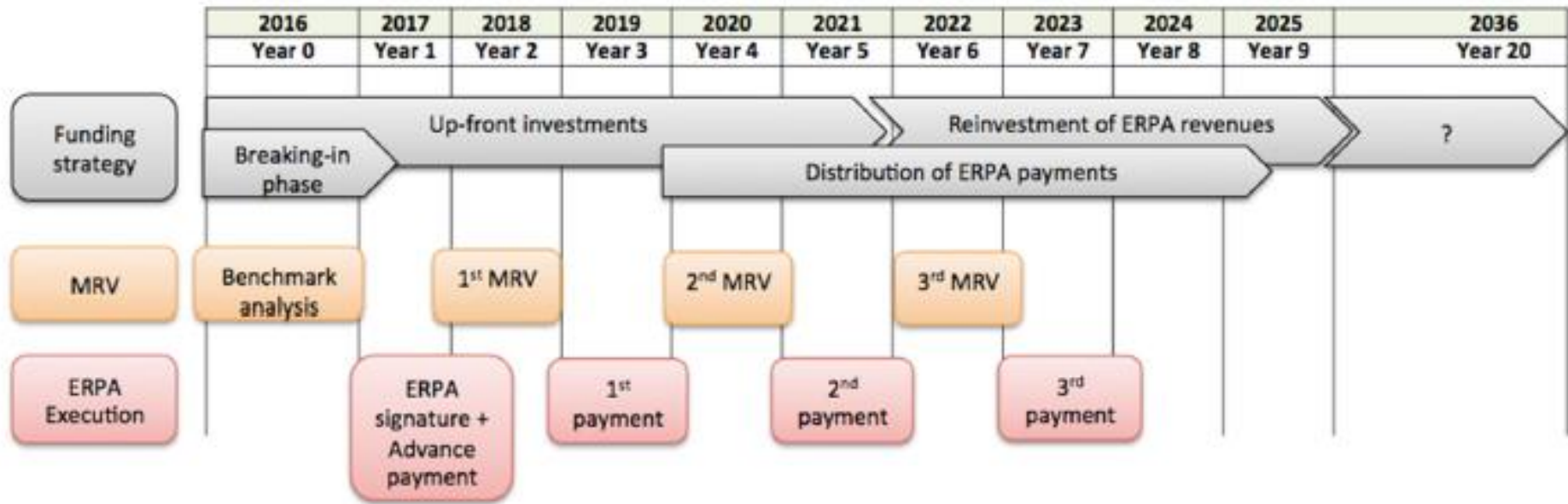
The use of updated Emission Factors and adjusted areas will result in changes of the REL numbers.

National Transaction Registry

- ER Transaction Registry is needed at the moment of first issuance (2018)
- Purpose: Track and monitor all ERs generated and provide regular information about issuances, transfers and sales of ERs
- Administrative procedure to link registry with the Homologation Regulation exists and is currently being updated

Next Steps	Timeline
Operational manual to support registry administrators	July 2016
REDD+ data management system publicly online (test version)	July 2016
Administrators & users training to fully operationalize the REDD+ data management system	September 2016
REDD+ data management system is operational	October 2016
Establishment of link with third-party platform for ER serialization and transfer functions	1st trimester 2017
ER Transaction Registry is fully operational	End of 2017

Implementation Timeline



Work Program on Readiness

- See ERPD Annex 4