

THE IMPACTS OF INTERNATIONAL REDD+ FINANCE

DRC CASE STUDY

Tracy Johns

July 2015

The views contained in this document are the views of the author in her personal capacity. The document does not necessarily represent the views of any government, the peer reviewers, or the funders. Financial support was provided by the Climate and Land Use Alliance.

ACRONYMS

AfDB	African Development Bank
CBFF	Congo Basin Forest Fund
CF	Carbon Fund
CN-REDD	National government coordinating body for REDD+
DIAF	Directorate of Forest Inventory and Planning (Directeur Inventaire et Aménagement Forestiers)
DRC	Democratic Republic of the Congo
ERP	Emissions Reduction Program
ERPA	Emission Reduction Payment Agreement
EU	European Union
FCPF	Forest Carbon Partnership Facility
FIP	Forest Investment Program
FPIC	free, prior, informed consent
GTCR	Groupe de Travail Climat REDD+ (the civil society platform for REDD+ and climate change-related issues)
IMF	International Monetary Fund
LDC	Least Developed Country
MEDD	Ministry of Environment and Sustainable Development (Ministère de l'Environnement et Développement Durable)
MRV	measuring, reporting, and verification
NGO	non-governmental organization
RBF	results-based finance
VCS	Verified Carbon Standard
WWC	Wildlife Works Carbon
WWF	World Wildlife Fund

Note that throughout this report all dollar amounts are U.S. dollars.

CONTENTS

ACRONYMS.....	2
CONTENTS	3
INTRODUCTION TO REDD+ FINANCE IN THE DRC	4
OBSERVED IMPACTS OF INTERNATIONAL REDD+ FINANCE.....	6
Environmental impacts	6
Economic impacts	7
Political impacts	7
Policy impacts.....	9
Stakeholder perception and participation	11
Impacts on capacities	13
IMPACTS ON DRC’S FOREST SECTOR PATHWAY	16
FACTORS THAT AFFECT THE IMPACTS OF REDD+ FINANCE	17
CONCLUSIONS AND OUTLOOK	21
REFERENCES	23

Acknowledgments:

The author would like to express her gratitude to the following people for providing information for this report:

Etienne Benoist, Jean-Robert Bwangoy Bankanza, Hans Andre Djamba, Philippe Duchochois, Daniela Goehler, Julien Kabalako, Victor Kabengele wa Kadilu, Guy Kajemba, Jean-Paul Kibambe, Raymond Lumbuenamo, Christophe-Arthur Mampuya Vangu, Landing Mane, Tosi Mpanu-Mpanu, Olivier Mushieta, Leslie Ouarzazi, Minister Roger Pembe Coco, Bruno Perodeau, Carlos Rianno, Marc Rodriguez, Michael Simsick.

Information and comments received during interviews and peer review were considered and incorporated by the author at her discretion. All errors are the sole responsibility of the author.

INTRODUCTION TO REDD+ FINANCE IN THE DRC

REDD+ finance in the Democratic Republic of the Congo (DRC) has played a powerful role in the national REDD+ process. In fact, in the DRC, where domestic resources and technical capacity for climate and forest policy processes are low (but increasing), the REDD+ process has depended heavily on external REDD+ finance. Most actors surveyed for this report found the REDD+ *process* and REDD+ *finance* to be indistinguishable. National ownership and leadership of the REDD+ process has been strong, and political commitment to REDD+ is confirmed at high levels within the government and with civil society. However, without the consistent flow of REDD+ finance thus far, most respondents noted that it is unlikely that many readiness or implementation activities, except for the private sector REDD+ and reforestation projects and a few small-scale non-governmental organization (NGO) initiatives in the country, would have been undertaken.

REDD+ finance has played a fairly consistent role in the national REDD+ process, allowing for significant readiness activities, with increasing reach geographically and among various stakeholder groups, to unfold over the country's six years of REDD+ readiness process thus far. The bulk of this finance to date has been in support of readiness activities such as the development of the National REDD+ Strategy, and the building of systems and institutional architecture for future implementation such as safeguards instruments, and for pilot initiatives intended to test approaches and methodologies for future subnational and national implementation.

The DRC, given its status as a Least Developed Country (LDC), will require significant implementation finance in order to capitalize on the progress made through the readiness funds received thus far. Currently, though some implementation funding has been pledged or committed, the DRC's REDD+ Investment Plan faces shortfalls in implementation finance at both national and subnational levels that, if not met, may jeopardize the significant momentum it has maintained throughout the readiness process.

A comprehensive third-party accounting and assessment of REDD+ finance in the DRC has not been published, and estimates of REDD+ finance are dependent upon the definition of this term, which varies greatly among donor countries and recipient organizations. The table below provides estimates of REDD+ finance pledged and disbursed to the DRC, both to government and non-government entities.

Table 1: REDD+ Finance in the DRC

Donor	Type of Finance	Committed	Disbursed	Timeframe
		(US\$ million)		
FIP	Readiness, Implementation	66 ^a	2.1 ^a	2015 - 2020
CARPE (funded by the US and Norway)	Readiness, Implementation	60.5	26.5	2014-2018
FCPF Carbon Fund	Results-based payments	Up to ~50	0	2016-2020
CBFF/AfDB	Readiness and Implementation	39.2 ^b	10.2 ^b	2010-2012
Germany (GIZ/KfW)	Readiness	19.8	unknown	up to 2017
EU	Readiness and implementation	19.6 ^c	unknown	2012-2017

The Impacts of International REDD+ Finance in the DRC

Japan	Readiness	19.5	15.7	2010-2017
Wildlife Works Carbon	Readiness, Implementation	10	10	2011-2015
FCPF Readiness Fund	Readiness	8.8	6.0	2009-2016
UN-REDD Programme	Readiness	7.5	5.3 ^c	2009-2014
ITTO	Readiness	0.6 ^d	0.6 ^d	2010-2012
Novacel	Readiness, Implementation	0.6	0.6	2012-2015
COMIFAC	Readiness and Implementation	0.3 ^e	unknown	2013-2015

^a Source: FIP Semi-Annual Operational Report (April, 2015); committed amount is the figure approved by the FIP sub-committee, disbursed amount is as of December 2014.

^b Source: Congo Basin Forest Fund 2013 Annual Report (published September 2014)

^c Source: Voluntary REDD+ Database

^c Source: REDDX data as of 2012

^d Source: ITTO Project Report RED-A023/09 Rev.1 (F); http://www.itto.int/project_search/detail/?proid=RED-A023%2F09+Rev.1+%28F%29

^e Source: Mid-Term Progress Report of the Democratic Republic of Congo (published July 2013);

[http://forestcarbonpartnership.org/sites/fcp/files/2013/July2013/Request for additional funding_FCPF_DRC_07172013.pdf](http://forestcarbonpartnership.org/sites/fcp/files/2013/July2013/Request%20for%20additional%20funding_FCPF_DRC_07172013.pdf)

The major funders of the DRC's REDD+ process have been the Congo Basin Forest Fund (CBFF), the Forest Carbon Partnership Facility (FCPF), the UN-REDD Programme, the European Union (EU), and the Forest Investment Program (FIP). In addition, two private sector projects have financed their REDD+ activities, bringing an additional \$10 million (Wildlife Works Carbon, or WWC) and \$615,000 (Novacel) into the REDD+ process. Most of these funds have been dedicated to readiness activities. However, a few donors have contributed or committed funds for implementation activities. The private sector projects' investments are inclusive of both readiness and implementation finance.

OBSERVED IMPACTS OF INTERNATIONAL REDD+ FINANCE

The observations provided in this section were informed by 18 semi-structured interviews of experts from government agencies, local and international civil society, multilateral and donor institutions, the private sector, and research organizations engaged in, or knowledgeable about, the REDD+ process in the DRC.

ENVIRONMENTAL IMPACTS

Though the DRC has been actively pursuing its REDD+ agenda for several years, environmental impacts have not yet been demonstrated at scales beyond the project level. Most feel that the DRC is ready to move into implementation at a subnational scale, as demonstrated by DRC's self-assessment of readiness progress (Readiness-Package), and that until this occurs, the REDD+ process is political and abstract, without sufficient connection to the needs and realities on the ground. Until those on the ground who are affecting the emissions from deforestation and degradation are actively engaged in the program, it will not be possible to demonstrate environmental impacts at scale. However, through the implementation of the subnational REDD+ program and the activities of the FIP, initial efforts are underway to integrate these actors, and if these forest-dependent and agricultural communities are successfully engaged, results are widely expected to follow.

The DRC has more than 10 pilot projects, ranging in scope from a focus on sustainable charcoal to full-cycle Verified Carbon Standard (VCS) verified emissions reduction projects. While most of these projects are financed by donor governments, a small number of projects, at various levels of implementation, are financed by private investors/project developers. Many of those surveyed noted that environmental impacts have been demonstrated from several of these early action projects. These impacts include biodiversity conservation, emissions reductions, carbon sequestration, and soil improvement, as well as training and support for alternatives to unsustainable forest use. Impacts thus far have been due to readiness finance through the Congo Basin Forest Fund pilot projects, and a small amount of implementation and results-based finance (RBF) through private-sector projects in agroforestry and avoided deforestation. When considered at the scale of the country, quantification of these initial environmental impacts and assessment of their long-term sustainability is difficult, as they include a range of proponents and approaches and are not yet linked with broader-scale monitoring on the ground or with national policies or enforcement to incentivize forest protection and discourage destructive practices beyond project boundaries.

The creation of significant environmental impacts also relies on the reduction of the bureaucratic burden on activity proponents. Several respondents noted that the burden on early action projects is great, and the flow of finance is hindered by the bureaucratic requirements of the donors or multilateral funding institutions. Tensions around the implementation of the Congo Basin Forest Fund were also highlighted as having significant impacts on the ability of actors to successfully demonstrate impacts. The CBFF, which finances most of the pilot projects in the country through the African Development Bank (AfDB), has been the source of significant friction due to bureaucratic delays and problems with disbursement, which have hindered and jeopardized the full implementation of project activities. Reducing bureaucratic burden and providing timely access to funding will be key to the success of projects and activities at all scales, and thus of the entire program.

Expectations among most participants of the time needed before the DRC will be able to demonstrate environmental impacts at scale fall between one and 10 years, assuming that implementation finance materializes at sufficient levels. The FIP is beginning implementation in 2015, and is expected to demonstrate early impacts in the Plateau District of the Mai Ndombe province. In the neighboring Mai Ndombe district, the Mai Ndombe ERP is finalizing its program design and is in the pipeline of the FCPF Carbon Fund (CF), thus working toward an Emission Reduction Payment Agreement (ERPA) for RBF.

ECONOMIC IMPACTS

It is also too early in DRC's REDD+ process for any significant economic impacts to occur. While the readiness process has attracted significant finance, this finance, mainly focused on studies, stakeholder engagement, and an inclusive design process, has not contributed significantly to economic changes in the country. Several respondents noted that even when results-based payments come, if they are not carefully and effectively directed to actors on the ground, they will still not have a real economic impact on communities or the country in general.

However, plans for REDD+ implementation include planned and expected economic impacts. These include increased government revenue, diversified and expanded income opportunities for poor communities, indigenous people, as well as women and other vulnerable communities, and increased food security through agricultural improvements. Carbon finance, improvements in agricultural production, reduction in illegal logging, green development-focused taxation strategies, and incentives for public-private partnerships are all included in the overall design of the DRC's REDD+ program at both national and subnational levels.

There are, however, some risks of increased finance. Several respondents noted that the advent of significant finance being directed to specific areas in the country actually raises the potential for negative outcomes such as migration, leading to tenure disputes, unintentional strengthening of power imbalances affecting women, indigenous groups, or other vulnerable communities, as well as corruption and waste of funds due to limited absorption capacity. In fact, if not carefully planned and executed, these flows could actually exacerbate some of the underlying issues driving these emissions. These hazards are not unique to REDD+ finance, and increased financial flows alone will not address the poverty and poor land management practices driving deforestation and degradation. REDD+ finance alone cannot solve broader issues of human rights and overall development priorities within a country. Financial flows, at each step from their donor sources to the forest and rural communities changing their practices, must be transparently managed, performance based, effectively disbursed, equitable in their reach, and designed to transform the economic drivers of deforestation on the ground, or they risk entrenching them instead.

There have been some limited economic impacts from the pilot projects underway. However, few of them are testing payment approaches, and those that are privately financed have struggled with funding in a limited voluntary market, leading to relatively small economic impacts thus far.

The FIP program, which provides up-front investment in sustainable agroforestry and other land management practices to address the drivers of deforestation and degradation, was launched in early 2015. Given its geographic overlap with the subnational REDD+ Program as well as its focus on supporting agriculture in non-forested areas such as savannahs, this will be the first large-scale REDD+-linked program, with the potential to create significant economic impacts on the ground.

New business models have emerged as well. WWC's Mai Ndombe REDD+ project, a partnership between WWC, the Ministry of Environment and Sustainable Development (MEDD) and communities in the project area, has presented the second carbon-based business model to the DRC (the first was presented by Novacel, in its landmark Clean Development Mechanism agroforestry project), and the first REDD+ project in Central Africa. In its fourth year of operation, it has been able to demonstrate results and to provide some benefits to local communities and tax revenues to the DRC government. The pilot projects financed through the CBFF are testing new models as well, based on combinations of agroforestry, sustainable charcoal, and carbon revenues. The Mai Ndombe subnational ERP is developing models to attract commodity agriculture in innovative combined commodity and carbon business models.

POLITICAL IMPACTS

While several participants noted little impact of REDD+ finance on politics, others claimed that it has already had significant impacts. In listing all of the identified impacts on politics, it does indeed appear that REDD+ has had real, if

incremental, impact on the political process. Those who saw little impact noted that REDD+ is a long-term process, and politicians think in the short term. However, it was noted by almost all participants that once RBF becomes a real and estimable possibility in the shorter term, politicians will respond.

Political ownership at this stage appears to be somewhat limited to specific ministries, and Parliament has had some engagement, but not yet a strong sense of ownership at this level. This is one reason given for lack of political impact—the stakeholders most familiar with REDD+ finance and what it has to offer to the DRC are those closest to the international process, rather than to actions on the ground. Many respondents noted that while there is awareness of, and some engagement in, REDD+ from several ministries, the Parliament, and even in the office of the President and Prime Minister, the sense of ownership and commitment is concentrated in the Ministry of Environment and Sustainable Development (MEDD), and this hinders its impact on politics. A need for improved communication within the government and constituents was noted as a priority in order to have political impact. However, a small number of respondents claimed that Government is fully committed to REDD+, and that this is clearly demonstrated through the Matrix of Economic Governance signed by the Government, World Bank and International Monetary Fund (IMF), described in more detail below (Section 2.4).

RBF is seen by many to be the key to political impacts. Even the prospect of RBF, if quantified, and deemed realistically achievable, has the potential to significantly impact political decisions and priorities. But as long as this finance remains small compared to other competing interests such as logging or other extractive industries, its impact will also be limited.

Important political impacts that have already occurred include the increased capacity in MEDD to manage the REDD+ process and an enhanced role for MEDD in bringing finance into the country, as well as structures that have been developed to effectively and transparently manage and disburse incoming REDD+ finance. The DRC's National REDD+ Fund, with involvement of MEDD and the Ministry of Finance, offers a tool for funds management according to international standards. The process of creating the National Fund has increased capacity in both ministries, with the expectation that these changes and new structures will facilitate greatly increased investment in the DRC's REDD+ program at both national and subnational levels.

In 2011, the DRC hosted a high-level international forum entitled 'DRC Forests in the Context of Climate Change and Sustainable Development', presided over by President Kabila, in which he stated that DRC would embark upon a green development pathway. There is consensus that MEDD is strongly committed to REDD+, but a range of views on the level of commitment in other ministries, or higher levels of government.

Efforts have been undertaken by multilateral institutions in partnership with MEDD to engage additional ministries such as finance, land tenure, and land planning. Many respondents noted however, that understanding of REDD+ is weak outside of MEDD, and that it won't be possible for higher level commitments until the process and the potential scale of benefits is more clearly understood by a wider range of government actors. In addition, international and civil society support and engagement is focused primarily on MEDD, and without a similar level of support and finance, REDD+ will not be taken up in a more meaningful way by other ministries and Parliament.

REDD+ finance has influenced the manner in which MEDD has conducted its design process, due to international focus on stakeholder participation and consultation. The REDD+ readiness process has been participatory by design, including a wide range of local and international stakeholders. More recently MEDD has reached out to other relevant ministries such as mining, land planning, and land tenure, to engage them in cross-sector discussions and information sharing.

REDD+ has been perceived since the beginning as a large potential source of funding for the country to increase its ambition on avoiding deforestation beyond its own capacities. Brazil and Indonesia, the other two of the top three tropical forested countries, received pledges of \$1 billion dollars from Norway in addition to other significant finance.

While support to the DRC lags far behind these levels (currently approximately \$300 million including both disbursed and pledged funding), this funding, and the expectation of future larger amounts of funding, have been enough to trigger tensions within the government over management of resources. MEDD has been the official government recipient of nearly all REDD+ finance, and while this has strengthened its position relative to other ministries, it has also caused some conflict, exacerbated by the fact that MEDD is still not seen as a strong ministry in comparison with more powerful ministries such as finance, agriculture, or mining.

These tensions are seen as a normal part of the political process of determining the appropriate place of REDD+ in the national process. A small number of respondents with access to higher levels of government noted that the central government is waiting to see if the larger flows of finance materialize before taking control of the process at a level above individual ministries. As MEDD has been leading the REDD+ process since its inception, in UN climate negotiations and in the intensive national readiness process and the subnational implementation process, it is clear that this ministry has a strong interest and rationale for maintaining some level of control and leadership. However, as REDD+ is increasingly acknowledged to depend more upon forces outside the forest than inside—for example from agriculture and extractive industries—there is an increasing push to broaden or raise the level of management to include additional ministries, or perhaps to be directed from the office of the Prime Minister.

POLICY IMPACTS

REDD+ finance has great potential to positively impact policies and cross-sector collaboration. Indeed, it has already had early impacts on both of these, setting the stage for increased integration of planning and policy alignment. The ongoing revisions to the mining code and the agricultural code have been influenced by the REDD+ process. They include reforms such as limitations on environmental impact and safeguards measures, which are a direct result of REDD+ influence related to the potential for REDD+ benefits. These updates will be applied to make the laws compliant with the Environmental Law enacted in July 2011 (Law 11-009).

One policy impact that may prove to be key in the REDD+ process going forward is the integration of REDD+ into the Economic Governance Matrix, an agreement between the DRC and the World Bank and the IMF in which the two financing organizations cancel debt in return for the DRC's commitment to reforms. In 2013 this matrix was revisited to include REDD+ in the list of necessary reforms. REDD+-specific reforms include land tenure, land use planning, environmental impacts of extractive industries, as well as the development of the National Fund. This agreement commits the DRC to take REDD+ goals into account in its economic development planning and implementation.

Cross-sectoral integration is in its early stages, but it is beginning to take form. This is confirmed by the inclusion of REDD+ measures and reforms in the Economic Governance Matrix referred to above. In the agriculture sector, a new law mentions REDD+ and also within the Ministry of Rural Development and the Ministry of Energy, the REDD+ process has been acknowledged. At this stage, integration is regarded by many as weak, but some initial agreements among environment, mining, public works, and land tenure have set the stage for future collaboration. As the potential for RBF becomes more real, and if it is of sufficient scale, this integration will likely strengthen, as more ministries begin to see potential benefit in alignment. One of several cross-sectoral ministry and donor groups set up by the government to enable coordination of aid and programs across sectors, Sectoral Thematic Group #15, is under the responsibility of MEDD, and deals with environment, forests, climate change, and biodiversity. In addition, an inter-ministerial committee has been initiated, though is not yet operational, that includes the Secretaries General of administrative ministries, such as ministries of planning, environment and sustainable development, agricultural, energy, rural development and finance, to provide a venue for discussion of cross-cutting issues related to the environment.

CN-REDD, the national government coordination body for REDD+, was created in 2009 to manage the REDD+ process at the national level, as well as to coordinate the pilot projects and subnational REDD+ programs. Provincial REDD+ focal points have been selected and commissioned in several provinces where REDD+ implementation is planned. A

national REDD+ focal point has also been commissioned. These new readiness-financed structures, while causing confusion among some stakeholders due to the perception of overlapping missions between national and provincial representatives, have facilitated coordination and management of the various projects and levels of activity in REDD+ in the country, and are building capacity in the provinces, where REDD+ programs will be implemented.

MEDD has been strengthened relative to other ministries because of its management of the REDD+ process and readiness finance, and because of the integration of environmental issues into the Economic Governance Matrix as detailed above. Inside MEDD, the Department of Sustainable Development is playing a crucial role of linking environmental and sustainable development goals with the REDD+ strategy, and it is under this department that CN-REDD is housed. MEDD conducted the design process of the National REDD+ Strategy, through intensive consultations, including a wide range of stakeholders, with a focus on the participation of civil society organizations, which led to the validation of the REDD+ strategy at national level by the Council of Ministers, making it an accepted policy tool to prioritize and align efforts across ministries and sectors.

The Ministry of Finance has been directly involved in the development and design of the National Fund, along with MEDD, following a directive from the Prime Minister's office. The two ministries signed a Memorandum of Understanding with the UN Development Program, which will serve as interim Trustee for the National REDD+ Fund. However, since the development of the Fund, expected REDD+ finance to capitalize the fund has not yet materialized. This lack of financial commitment to the National Fund has dampened the momentum created in the country by the engagement of different ministries, and as a consequence the decree to operationalize the Fund has not yet been signed by the Prime Minister.

Other policies and legal instruments that have been affected by the REDD+ process in DRC include:

- A law related to the environment was passed in 2011, which includes provisions for REDD+ and provisions for payment for ecosystem services (PES). In addition, this law includes provisions for a national environmental protection agency.
- A decree (14-018) focused on community use of forests, titled the "Allocation of Forestry Concessions to Local Communities", was passed last year, and gives new rights to communities to manage forests, and clarifies the role and rights of forest communities. It directly refers to a provision for recognition of "forests of local communities" as defined in the 2002 Forest Code. This decree is widely seen as a result of the REDD+ process. In addition, several decrees for its implementation are under finalization.
- A new law focused on the rights of Indigenous Peoples is under discussion, and has been submitted to Parliament. The REDD+ process has had significant influence on it, and many of the key participants in the REDD+ process have contributed to the drafting of this law. If passed, it will provide clarity of rights to Indigenous Peoples within their territories, setting the stage for their effective participation in REDD+ implementation and rights to future REDD+ finance.
- In addition, the DRC government has supported the implementation of FPIC (Free Prior Informed Consent) in the country, through the creation of a harmonized FPIC guide, which has been facilitated by CN-REDD.
- A process of land tenure reform is also underway, and this process has been significantly influenced by the perceived need to clarify tenure in order to attract REDD+ finance at scale.

A National Committee on Land Reform (CONAREF) has been put in place and includes many Ministries relevant to land tenure and its impact on the management of natural resources. The Ministry of Planning has developed its 5-year plan (DSCR 2), which includes a pillar on environment and climate change. There is high potential for inclusion

of the sustainable development goals in the National REDD+ Strategy, thus integrating the goals of the environment and planning ministries.

Finally, several Parliament members have become more involved in the REDD+ process through the GLOBE Forest Legislation Initiative¹, which has provided them with education, training and international participation in the REDD+ process. As they now have a better understanding of the potential impact of REDD+ in the country, and the legal framework required, they are better prepared to not only develop and assess legislation in the future, but also to update and align existing laws to the REDD+ context.

STAKEHOLDER PERCEPTION AND PARTICIPATION

The process of developing a legitimate and representative platform for civil society in the DRC has been challenging for the many groups involved. GTCR (Groupe de Travail Climat REDD+), the widely recognized platform for civil society representation in issues related to climate change, has been at the center of these tensions. It represents hundreds of local civil society groups and, as any network of its size, struggles with the difficult task of coordinating them into a unified voice on current and future REDD+ finance. At one point, the platform separated into two distinct bodies, due to tensions between some of its members. It has since overcome these issues and reformed as a single platform, but new groupings of organizations have also risen in competition with the platform, making it challenging for the REDD+ process and partners to clearly identify legitimate representatives of broader civil society interests. Most respondents cite lack of resources and struggles to influence future REDD+ finance as key levers in this tension.

Externally, international NGO's covering a range of missions and political positions on REDD+, themselves often financed by donor countries under REDD+ initiatives, provide financial and resource support to select local civil society groups, creating significant tension among the local groups. International NGO's come to the process with distinct organizational agendas and strategies, which exert some influence over their local partners. This creates tension and sometimes divisions among those local groups, as they must balance not only their own internal issues, but also the differing and sometimes opposing views of their international NGO backers. In addition, those civil society groups that are not financed by international partners find themselves at a significant disadvantage in the process due to lack of resources. Issues such as divergence in priorities between local and international groups, and a sense that international groups might be pressuring local groups, leading to divisions among them, were noted as significant problems for civil society representation.

Initially, REDD+ finance also created some tensions between the government and local civil society groups, who lobbied strongly and effectively for a more prominent role in the REDD+ process. These groups have successfully established themselves as key stakeholders, and the REDD+ process has become increasingly transparent and inclusive as a result of their efforts.

NGO, private sector, and multilateral partners have all provided support to local civil society groups, and GTCR is engaged in a restructuring process to more effectively conduct its coordination and advocacy efforts, financed by REDD+ readiness funds. While these tensions have been a challenge for the REDD+ process, it is widely viewed that they are an unavoidable and expected part of the process, and will result in stronger and more effective civil society representation in the future.

Even with these challenges, civil society organizations have been central to the REDD+ readiness and subnational program design process. Through the GTCR platform, local groups have organized their representation and made efforts to speak with one voice in the DRC and internationally. This engagement has also led to an increase in new civil society organizations. School and university programs have also been implemented, including REDD+ University. This program, initiated in 2011, consists of an annual week-long "crash course" in REDD+, organized by CN-REDD and

¹ Information on this program can be found at: <http://globelegislators.org/initiative-countries/drc-programme>

hosted by the University of Kinshasa and other regional universities, in which civil society and other stakeholder groups participate as presenters and attendees. One local private sector actor, Novacel, which is engaged in agroforestry and REDD+, holds an annual “Porte Verte” festival, focused on environmental and sustainable agriculture issues. This week-long event brings thousands of participants from communities and Kinshasa for roundtable discussions on environmental issues, presentations, and agriculture demonstrations.

The role of civil society in the REDD+ process has been to defend the rights of local communities in the management of forest resources. They have participated in the drafting of all main documents both for the national and subnational programs. They have also been a strong voice in the development of safeguards for communities and the FPIC process. They are often seen as the link between the government and local communities, and between private sector and local communities.

Local civil society has also worked to define and defend its leadership in civil society roles that it shares with international civil society groups. At times this has created tensions as described above, but in general local and international groups work side by side, and progress has been made over differences in priorities and approaches.

International NGO’s have also played key roles in building technical expertise within the DRC, as well as providing fiduciary standards and structures that support donor programs. They also provide a connection between the DRC’s REDD+ process and international standards such as the REDD+ Social and Environmental Standard and the UNFCCC guidance on REDD+. Together, local and international civil society are seen to play a large role in the REDD+ process and have been vitally instrumental in the advances made throughout the readiness process.

The government’s role has been one of process coordination and leadership. CN-REDD is charged with coordinating the DRC’s REDD+ agenda, and has been the organizer of the national and subnational design processes. The government has played a key role in insuring that all stakeholders are informed and invited to participate, and in keeping the REDD+ design process open and transparent. They are also charged with ensuring that projects and subnational programs are aligned with and in support of the national design process.

Multilateral institutions such as the FCPF and UN-REDD Programme have played significant roles in the REDD+ process. They have initiated cross-sector communication, and assisted GTCR in taking its representative role in the process. They have provided a majority of the readiness and other REDD+ finance thus far, and have therefore been the driver for fiduciary and social and environmental standards development. They have provided technical experts, some of whom are embedded within the government in offices of CN-REDD and DIAF, the forestry administration. They have organized workshops on technical issues, supported the design of the National Fund, and seek to play a coordinating role among donors.

The scientific community in the DRC has also been engaged in the process, though with limited breadth. OSFAC², a leading remote sensing institution and long-term NASA³ partner, has participated actively in the design of the measuring, reporting and verification (MRV) system for the national and subnational programs, and will likely have an ongoing role in MRV implementation, and be included in future REDD+ finance for the subnational and national REDD+ processes. Congolese universities have been involved in stakeholder validation workshops and in providing data and analysis for the program’s design process, receiving some limited REDD+-linked funding for this participation.

Media coverage of climate change and forest protection has increased in the DRC since the REDD+ process began. In the Mai Ndombe province, local radio stations cover and debate REDD+ issues. National radio shows, newspapers and television shows have all covered various related topics. Local journalists participate in most stakeholder validation meetings, and there is a cadre of young journalists who have become more knowledgeable on

² Observatoire Satellital des Forêts d’Afrique, or the Satellite Observatory of Central African Forests.

³ University of Maryland/National Aeronautics and Space Administration (an agency of the United States Government).

environmental issues as a result. Most of the institutions involved significantly in the design process have been interviewed for television, newspaper, or radio coverage. However, this coverage is often lacking in substantive content, and there is widespread agreement among respondents that local journalists need training in order to provide quality information to enable additional civil society engagement and debate.

A communication plan was developed by the national REDD+ process in 2012, which includes specific outreach and education for journalists. However, it has not yet been fully implemented, and the imperative for increased focus on communication was raised by several respondents. Others noted that it may be too early for additional media focus, as REDD+ has not yet been translated into actions on the ground, and more intensive coverage might raise expectations unrealistically.

The government, as well as its NGO and private sector partners, receives inquiries regularly from private landowners interested in REDD+ as an alternative to logging. The engagement of local civil society groups in the stakeholder process has led to a sense that ordinary citizens could participate in a mechanism that provides financial incentives from sustainable management of the forest.

The government has also received expressions of interest from logging companies exploring the possibility of converting part or all of certain concessions into conservation concessions in expectation of RBF. One company, Jadora, which is linked to a business conglomerate that holds logging concessions, has already begun this process and is now initiating a REDD+ project. Representatives of the logging industry in the DRC have participated to some extent in the REDD+ readiness process thus far, but some have raised concerns that they perceive the REDD+ process as singling them out and a potential threat to their operations, when the majority of logging emissions actually come from *illegal* logging and incursions of slash-and-burn agriculture.

Most respondents noted that it is too early in the process to see broad changes in peoples' views of the value of forests and ecosystem services. While communities living in areas of high forest destruction have noted negative consequences of forest loss, most have not yet been exposed to an alternative. For activities linked to subsistence, only tangible financial alternatives can change the current mindset and approach.

However, there have been significant efforts to present and demonstrate alternatives to deforestation and forest degradation through the pilot projects, as well as through stakeholder engagement in the national readiness process, the subnational program and FIP process, all initiated through REDD+ finance. The level of awareness and knowledge has increased as communication tools have been developed for local dialects and the subnational program prepares for implementation.

In the Mai Ndombe province, targeted for the first subnational REDD+ program and the existing Mai Ndombe REDD+ project, thus the target of much of the early REDD+ readiness finance, there is significant discussion and awareness at the level of villages. Communities have identified climate change impacts and have noted that they must travel further and further to find the appropriate fields for cultivation. They also note the increasing pace of forest loss and its accompanying loss of forest resources for food, fuel and fiber. In this region, communities engage in discussion and debate about climate change, forest management, and carbon revenues.

IMPACTS ON CAPACITIES

The DRC is emerging from an intensive readiness phase and preparing to move into implementation, with FIP activities having launched in early 2015, and the country preparing to present an ER Program Document to the Carbon Fund Participants Committee later in 2015. While this is considered still an early phase of REDD+, the DRC is widely seen as a leader, and as having made significant progress during the first six years of its readiness process. Several respondents described the DRC as advanced beyond many of its peer REDD+ countries in the design process,

including in safeguards, MRV, FPIC, the submissions of its R-Package to the Carbon Fund, pilot activities, and multi-stakeholder engagement.

Readiness funding has facilitated a range of activities leading to increased capacity to demonstrate environmental impacts at scale. These include improved institutional arrangements in government and key civil society groups, a transparent and inclusive design process with extensive commitments by many stakeholder groups to actively participate, as well as the incorporation of lessons learned from the pilot projects undertaken either through the Congo Basin Forest Fund, or through other NGO or private sector initiatives.

Many workshops, working groups, and design meetings have been held as a result of readiness finance, and civil society representatives have been active participants in all of them. In addition, GTCR and other civil society groups have hosted their own trainings, workshops, and working groups, to focus capacity building on their own constituents, and to begin taking REDD+ information into the areas where it will eventually be implemented.

REDD+ finance, benefit-sharing, drivers of deforestation/forest degradation, and FPIC have been areas of focus for civil society, but through thematic working groups, some have also developed expertise in MRV, land tenure, international climate negotiations, social and environmental safeguards, participatory mapping and international standards. However, exposure and increased capacity at this level have been limited to a relatively small number of representatives who faithfully attend meetings and workshops, and have built up sufficient understanding to participate effectively in debates and the design process. Beyond these experts, a more basic understanding of the broader issues is the norm. Beyond Kinshasa, where most trainings and meetings have occurred, only areas of focus, such as pilot projects or areas within the future subnational REDD+ program, have a basic level of awareness of the issues of climate change, forest loss, and the potential for alternative income based on forest protection.

REDD+ finance in the DRC has had a considerable impact on the understanding of the drivers of forest degradation and deforestation. In the early stages of the REDD+ readiness process there was significant debate and disagreement on the drivers, even within the scientific community. Traditionally, logging, both legal and illegal, had been identified by civil society and other groups as the main driver, while other stakeholders placed the responsibility on subsistence shifting cultivation. In 2011-2012, the United Nations Food and Agriculture Organization, United Nations Environment Program, Catholic University of Louvain, and GTCR, financed by the UN-REDD Programme, collaborated in five linked studies to identify drivers, using both literature review and field research. In a final summary report published in 2013 (Summary Report, 2013, UN-REDD Programme), the authors indicated that while logging plays a role in creating access for other actors, logging itself, particularly legal logging, is not the main driver. Slash and burn agriculture and charcoal production, both around logging concessions and other areas at or near forest edges, are the main drivers of forest degradation and deforestation in the country. It is questionable whether this result would have been widely accepted without the involvement of local civil society in the research and drafting of the report. Because there is now wide consensus on the drivers, stakeholder groups have been able to focus the design of solutions around this information, bringing the issue of poverty alleviation and sustainable agriculture to the forefront of the design process.

Readiness funding has also helped the DRC to make significant progress in the design of a national forest monitoring system and national inventory process. In addition to the building up of capacity within the government, several partner organizations, both in civil society and private sector, have built up their capacity to engage in the design process, through targeted topical training, strengthening communication within civil society, and reorganizing institutional structures to better support and engage with the REDD+ process.

The question of capacity on the ground to implement REDD+ at scale and achieve results-based payments was one of the only questions in which respondents were nearly evenly split in their responses. Most noted that capacity has increased in MRV, and the reinforcement of capacity at DIAF was highlighted as an example of this. Many respondents noted how REDD+ finance has improved capacity in safeguards application. However, about half of the

respondents noted that actual capacity on the ground to implement REDD+ and achieve RBF is either absent, or in early stages and not yet sufficient for implementation on the ground, and will therefore require additional international support. Noted gaps included insufficient training and preparation of actors on the ground and local civil society groups. Most respondents noted that the capacity that has been improved has been largely at the national level, and with the exception of the Mai Ndombe province, with little focus on provincial or local levels, where implementation would actually occur. They also noted that communication from the national to provincial and local levels is weak and needs significant improvement before these local actors will be ready for implementation. The provincial governments are limited by lack of training and resources, such as staff and equipment for enforcement. Many provincial government employees are not regularly paid, which adds pressure to seek alternative income sources. Additionally, as the country is undergoing a decentralization process, some respondents noted that new tensions between national and provincial levels over control of the subnational program would likely hinder implementation on the ground. Also noted was a lack of participation by farmer groups and the agriculture sector in general. While MRV capacity was widely noted as greatly improved, many of these respondents questioned its readiness to actually track forest degradation and deforestation at the level necessary for RBF.

The other half of respondents, while recognizing challenges, claimed that the DRC is ready to implement REDD+ at the subnational level with sufficient capacity to achieve RBF. Many noted the same issue of national vs. local capacity, but also noted that this is changing and the process has already turned to building capacity at subnational levels. The many pilot activities have built up knowledge and tested approaches, and these respondents concurred that it is now time to implement and test these approaches at a larger scale, and that the DRC can continue in a “learning by doing” manner, while still earning RBF. Private sector actors with projects on the ground noted that the real prospect of RBF would galvanize the capacity that has been building and integrate it into a functioning subnational program, with sufficient capacity to monitor and demonstrate results.

IMPACTS ON DRC'S FOREST SECTOR PATHWAY

The REDD+ process has been brought to the DRC at a time of transition. Years of civil conflict, which precluded the development and investment so vital to addressing the stark poverty of its growing population, began to recede in 2001, allowing a sense of normalcy to gradually return to much of the country, and enabling increased development aid and early investment to resume.

As a result of the conflict and the business challenges for investment in a country with a history of corruption, industrial-level development of its forest resources has been limited. However, subsistence agriculture, small-scale illegal logging, population growth, and an improving business climate have all contributed to a trajectory of rising levels of forest degradation and deforestation. As the barriers to intensified forest exploitation and destruction have receded, the past has become a poor predictor of future threat to the world's second largest rainforest. The economy is expected to grow steadily in the medium term at over 8%, owing to increased investment and growth in the extractive industries and the contribution of public works and the tertiary sector (World Bank, 2015).

At a time when development in the DRC has begun to show signs of stability vital to its population of more than 70 million (Guengant, 2014), the REDD+ process has initiated a national conversation about the conservation of forests, which hold high-value timber and fertile soil, and under which many of the world's most valuable minerals lie. But these same forests also modulate the region's climate, protect an incredible store of biodiversity, including mankind's closest primate relative, the bonobo ape, and are home to millions of the country's poorest citizens.

This context makes it clear from the outset that REDD+ in the DRC must be focused on development. Climate mitigation, biodiversity conservation, and forest protection are challenging to prioritize in a country that must find a way to lift millions out of deepest poverty. But, like people around the world, the Congolese people are increasingly aware of the consequences of negligent development, one that trades a sustainable future for a more profitable present. President Kabila has publicly committed the DRC to a green development pathway, and has made firm commitments to international partners to increase transparency, reduce corruption, and integrate environmental protection into the requirements for extractive industries.

It is clear that the pressure on DRC forests is rising, and is likely to continue rising at higher levels as peace persists, infrastructure and investments grow, and the population's growth continues at a rate of 3% per year, which equals an annual increase of more than two million people, while over 90% of its 70 million people have no access to electricity, and depend upon forest products for energy and raw materials (International Rivers, 2013).

REDD+ readiness finance has created the space for consideration of forest protection within this development context. Implementation and RBF, though limited in scale, have created real-life examples of what might be possible in a future DRC with broad REDD+ implementation and a robust income from RBF.

Most respondents identified either implementation or RBF as the most important type of finance for the DRC, primarily because they are seen to be the types of finance that have the potential to reach the ground and change the circumstances of forest and farmer communities that are driving forest loss. These types of finance are seen to move the process from management by large institutions, to more control and engagement of local civil society and communities. Implementation finance offers the opportunity to test approaches on the ground at scale, and apply the lessons and preparation of the readiness finance. Results-based payments are necessary to maintain the changes made during implementation and to prove the hypothesis that poverty alleviation is possible through sustainable management of forest and land resources.

The next two years, as the readiness process ends its first stage, as the FIP begins implementation and the subnational program design process concludes, will be key in determining the future of REDD+ in the DRC.

FACTORS THAT AFFECT THE IMPACTS OF REDD+ FINANCE

The DRC, as an LDC, has entered the REDD+ readiness process with limited capacity, inadequate policy structures for forest protection and REDD+ implementation, and lacking in human and technical resources for program implementation and monitoring. Its history of forest management has been heavily influenced by these factors.

The forestry sector is governed by a complex and unclear set of rules, regulations, and procedures. The physical boundaries of individual logging concessions are contended in many concessions, with competing maps and claims among concessionaires, local communities, and MEDD, which grants logging concessions. This complexity and lack of clarity enables corruption as the most direct and sure means of securing the necessary permits to conduct business. These complex rules and regulations also make it difficult for any company to demonstrate legality in their practices. While the National REDD+ Strategy is cross-sectoral in nature, and if fully implemented could address many of these issues, many respondents noted that the sector currently lacks a coordinating vision and policies, as well as underpinning regulations that would enable it to be effectively governed. Other respondents disagreed with this view, noting that the issue is more of weak governance than a lack of coordinated vision.

A wide range of actors identified the need for a significant role for logging in the future of the DRC, but because of the legal and enforcement situation, the sector is seen as not living up to its potential to provide poverty alleviation and sustainable supply of wood products and energy. The forest sector is plagued with high levels of illegal logging, which detracts from its potential contribution to the national economy, and contributes to unmanaged forest emissions. It also leads to clashes and tension between legal and illegal loggers, and the more that illegal logging infringes on legal concessions, the less able and willing legal concessionaires are to maintain their concessions and meet their obligations to local communities.

In addition, logging concessions are concentrated in areas around rivers and lakes where transport is more feasible, and cheaper. This means they are in competition with farmers as these areas are also more productive for agriculture. Farmers make incursions into concessions as part of their cultivation cycles, creating conflict. In savannah areas, these tensions also exist between farmers and ranchers, leading to retaliatory actions such as poisoning of cattle. Local chiefs claim that the ranchers are not equitably sharing the benefits of ranching on their traditional lands, and that they are using too much land, detracting from available lands for their subsistence agriculture.

Fortunately for the DRC, REDD+ finance faces much less potential resistance from entrenched industry dependent upon large-scale deforestation, as in Brazil and Indonesia. While the participation of the logging, extractive and agro-industrial sectors will be key for sustainability of REDD+ programs, poverty and subsistence agriculture are the main drivers of emissions. The communities that engage in forest destruction for slash-and-burn agriculture do so because they have no alternative. If REDD+ finance can provide this alternative in a sustainable and culturally acceptable manner, as planned in programs such as the FIP and Mai Ndombe ERP, it is likely to face little resistance from these communities. If however, it is perceived as a land grab by the government or international actors, it will fail.

The readiness process has begun to address these capacity and policy issues, and significant progress has been made during these years. Because of its starting point, the DRC could not have made an early jump to implementation and RBF. Instead, readiness finance has effectively targeted many of the most significant capacity gaps, and while capacity gaps in many areas will certainly persist as the country moves into subnational implementation on its path to national implementation, readiness finance has created a foundation on which early implementation efforts can effectively build.

Readiness finance has clearly played a strong and impactful role in the DRC. Nearly all respondents identified several readiness outcomes relevant to the path towards implementation of REDD+. There is now a sense of restlessness among many domestic actors to move into implementation and leverage the readiness process for the achievement

of RBF. However, the DRC is facing a significant implementation finance gap. While some more prosperous developing countries may be able to move from readiness finance to results-based payments without significant interim support, the DRC will need to meet its implementation finance gap before REDD+ can be implemented beyond project scale and achieve results-based payments at the subnational or national level. Some implementation finance is being provided through the FIP, but this finance alone is insufficient to fully implement the Mai Ndombe subnational REDD+ program. This program has been included in the pipeline of the Carbon Fund, thus holding the potential for results-based payments, but it faces a looming finance gap between readiness finance and RBF.

The DRC's readiness process has been intensively supported through donor funds and external expertise. While the level of expertise among local participants is growing, there is still a risk that the process will falter if this level of external international support lags. Some question the sustainability of a program that has relied heavily on funds and expertise from outside the country. There is significant concern that more effort is needed to support decision-making and ownership within the country, and that the implementation phase should prioritize this shift in responsibility. However, due to the governance issues of the country, it is clear that for the time being a fine balance must be struck between country ownership and maintaining the international presence and support necessary to give confidence to future investors in the program.

One area that has seen improvement due to REDD+ finance is the tension that exists between local communities and the government over ownership of the forests and benefits coming from them. This tension stems from a lack of clarity in land tenure, which is caused by the duality represented in civil and customary law. The Forest Code and other relevant government regulations identify a dual tenure situation—that of government control over the land, and that of traditional rights to use the land and its resources. This situation makes it difficult to avoid disputes between those granted legal concessions, and the communities who live in and around the concession areas. Since REDD+ finance has enabled new attention and scrutiny of this issue, increasing pressure from international and local civil society has contributed to government movement in the development of a clarified legal framework of land tenure that provides more clear recognition of traditional rights to land. A specific decree (14-018) has been passed, focused on community use of forests, which provides the country with a legal framework for traditional rights to land.

While clarity on the tenure rights of forest communities certainly begins to address issues of policy and program alignment, another significant challenge for the forest sector is the lack of clear zoning across industries with interests in forested land. Concessions for mineral extraction, oil exploration, and logging are granted with overlapping barriers, or in areas that have been identified as protected areas, or areas where communities conduct subsistence agriculture, and overlaps such as these cause tension and conflict among actors.

The need for national-level consideration of options for land use, opportunity cost analysis for competing land use options, and zoning based on priorities has led many to suggest that the REDD+ process and finance should be managed in collaboration with additional ministries with more power and mandates to manage the wider range of private interests in the forest, or at a higher level than ministries at the office of the Prime Minister.

The current limited breadth of engagement of the government is highlighted as a weakness of the REDD+ process thus far, especially since it is widely held that agriculture and extractive industries will be important determinants of success or failure of REDD+. The engagement of the Finance Ministry through the creation of the National Fund is seen as a success, and one that could be duplicated with other key ministries if sufficient support is provided.

While the readiness process has focused efforts on engaging national government and local institutions, such as GTCR, a significant portion of the readiness finance has also been used to support the participation of international experts on the wide range of issues and topics included in the national REDD+ program design process. Local groups and some in the government criticize the level of funding that has been used for this purpose, citing a lost

opportunity to build local capacity, local ownership, and long-term sustainability into the program from its early stages.

One example that was noted is the CBFF selection of a majority of international NGO's as implementers and therefore as recipients of funds. This program design element has caused some tension with the government, which highlights the need for strengthening its own capacity and building ownership locally of REDD+ activities. The same criticism has been raised of the subnational REDD+ program design process.

The donor landscape on REDD+ and related issues is complex, with many different donors acting through a variety of mechanisms to provide finance on several levels to a range of government and non-government actors. Given this landscape, the prospect of donor coordination appears daunting. The majority of respondents identified the lack of donor coordination as a significant problem in REDD+ finance, citing delays, duplication of funding, lack of ownership by the government, and the entrenchment of perverse incentives to avoid coordination as results. Another respondent noted that donors created additional coordination challenges by providing funding directly to international NGO's to implement projects without involving the government, and without a direct link to the national REDD+ strategy or budget. A few exceptions in donor coordination were noted, such as the coordination between the FCPF and its counterparts in the UN-REDD Programme and the CBFF, and one respondent noted that donor coordination has improved significantly as finance flows for REDD+ have increased. However, issues of coordination between sectors inside the World Bank and AfDB were also raised, particularly in environment coordination with infrastructure and agriculture. Individual donor governments were seen to be the most challenged in efforts at coordination, leading to instances of duplicative and donor objective-focused funding. Some respondents proposed that donors would need to change their approach in order to incentivize coordination, because currently programs are not rewarded for collaboration. They also noted a sense of competition over "low-hanging fruit" in REDD+, leaving some donors with more difficult issues to tackle and more difficulties in demonstrating effectiveness.

A few donor governments were noted to be focused on encouraging an aligned national approach linking sectors and ministries, but this focus is not seen to be common across donors, many of which focus on specific sectors or ministries without linking to other relevant programs. Several respondents raised concerns that without increased donor coordination, there is a risk that funding will not produce overall measurable results. Some improvements were noted in the context of the implementation of the Mai Ndombe ERP, a step that has required some coordination between complementary programs such as the FIP and the CF. A clear message emerges, however, that donor coordination is largely lacking, and while the REDD+ process has had significant success, this lack of coordination is having a negative impact on its effectiveness.

Many respondents believe that it is not possible for MEDD to mandate more coordination from the donors. Ministries whose budgets are largely drawn from project activities are limited in their abilities to manage donors they are dependent upon. Also, they are often faced with perverse incentives to avoid donor coordination, because successful coordination, and the efficiencies it could bring, might reduce overall funding levels. Some respondents suggested that if management of the REDD+ process were held at a stronger ministry or at the office of the Prime Minister, then donor coordination would be more likely.

Other respondents believe that the government is strong enough to mandate increased coordination but that CN-REDD is overwhelmed with donor requests and reporting, and does not have the capacity to focus on this issue. Some also noted that as the DRC's vision of REDD+ becomes clarified, the government will increasingly lead coordination in implementation. The National REDD+ Strategy is widely seen as a tool with great potential to support donor coordination around its vision and priorities. The need for coordination and financing to expand to other ministries, such as agriculture and land planning was also highlighted as a coordination challenge.

The private sector has had a quite limited role in the REDD+ process thus far. Wildlife Works Carbon and local private sector project developer Novacel have participated in the design process for the subnational REDD+ program. Both

WWC's Mai Ndombe project and Novacel's agroforestry project struggle to maintain their progress in project activities in the absence of commitments from donor countries to support existing projects within emerging REDD+ programs.

More recently, the government has solicited the participation of the representative network for logging companies, FIB (Fédération des Industriels du Bois), and their representatives have participated in design discussions and have shared their concerns and ideas for partnership in the subnational program. Beyond these organizations, however, no significant private sector actors have engaged, leaving a gap in areas of agriculture and extractives, which are two key drivers of degradation and deforestation in the country.

As the subnational program is developing its investment plan in preparation for submission to the FCPF Carbon Fund, new efforts are underway to engage private sector actors in investment in sustainable agriculture, forest conservation, and energy production, but these discussions are in a preliminary stage.

CONCLUSIONS AND OUTLOOK

The DRC has made great strides, through readiness finance, in creating a national framework focused on the key issues driving forest emissions. In order to fully fit this framework for the multi-sector context in which it must operate, significant efforts must be made to bring ownership and benefits of REDD+ to ministries tasked with oversight of agriculture, land tenure, social services, planning, and extractive industries, as well as their NGO and multilateral partners. If REDD+ finance can accomplish this, it will have overcome one of the greatest challenges to its success.

The DRC, like most high-forest cover developing countries, faces several challenges in the management of its forest sector. Some of these challenges may be reduced by the potential for REDD+ finance, while others, such as migration, tenure disputes, corruption and intensified power imbalances as described earlier, may be exacerbated by REDD+ finance if not carefully planned and executed, or managed transparently and equitably distributed.

Governance issues are another challenge that the DRC must address in REDD+ implementation. Many of its poorest and most vulnerable citizens are dependent upon forests for food, fuel and fiber, and they do not have alternatives. For these communities, access to the forest is a matter of survival. The government's record of dealing with these communities is fraught with abuses and neglect of human and legal rights, although there are signs that this may improve if the decree on community forests is implemented. REDD+ readiness finance has enabled the national REDD+ process to address the governance issue as a priority, and one of the first tasks taken up by CN-REDD and its non-government partners was to develop national safeguards to be applied at all levels of REDD+ implementation. The application of these safeguards will be key in maintaining civil society participation and uninterrupted financial flows.

For significant environmental impacts to occur, financing must be significantly increased, and must take the form of implementation finance, so that those who are causing the emissions have the opportunity to participate, and to consider more sustainable land management practices, and receive tangible benefits that will address their main concern—poverty alleviation.

A final major challenge that faces the DRC is one that must be addressed by its donor partners. Readiness finance to date is widely seen as successfully laying the groundwork for implementation. But implementation finance at the scale needed to leverage this readiness process has not materialized. It is simply not realistic for the DRC to make the jump from readiness finance to RBF without implementation support.

Several of the DRC's donor partners have made much larger contributions to other REDD+ countries, but have not yet committed the implementation finance that is vital for the DRC to successfully achieve RBF at scale. If this implementation gap is not filled, progress in readiness, in cross-sector integration, and in governance will all be jeopardized.

There is broad concurrence that carbon finance, in the form of RBF, has the potential to be the ideal tool to bring development to the country, after many efforts and models have failed. Given the development imperative of the DRC as an LDC, the concept of linking development and finance to conservation under a results-based framework makes sense, and appeals to a broad range of stakeholders.

Overall, despite the many challenges the DRC faces ahead, the overwhelming sentiment expressed across stakeholder groups is one of confident optimism. DRC actors believe that they have, or will have, the capacity to succeed at REDD+ and to demonstrate results deserving of RBF. They also believe that because of the DRC's circumstance as the second-largest tropical forest in the world, and the largest in Africa, the international community has too much to lose to fail to match its support to the need and potential for climate, environmental and social

benefits. In addition, as an LDC, the DRC places an additional and urgent obligation on its industrialized partners to step up their support, take on the risks, and create a lasting partnership to protect one of the world's most important forests for climate, biodiversity, and sustainable development.

REFERENCES

CN-REDD. 2015. Participatory Self-Assessment of the REDD+ Readiness Package in the Democratic Republic of the Congo (DRC R-Package). Submitted to the FCPF on March 2015.

CN-REDD. 2014. Questionnaire to Donors. Unpublished.

Guengant, J.P., M. Mangalu, J. Agbaba, N. Mavula Banda. 2014. Bénéficiaire du dividende démographique? Replacer la population au centre des trajectoires de développement de la République Démocratique du Congo. Kinshasa: Agence Française de Développement.

International Rivers. 2013. Congo's Energy Divide Factsheet. Available at:
<http://www.internationalrivers.org/resources/congo%E2%80%99s-energy-divide-factsheet-3413>

UN-REDD. 2012. Synthèse des études sur les causes de la déforestation et de la dégradation des forêts en République Démocratique du Congo (Summary report presenting and comparing results from the various studies undertaken on the causes of deforestation and forest degradation in the DRC).

World Bank. 2015. Country Profile for DRC. Available at: <http://www.worldbank.org/en/country/drc>